

APPENDIX III

INSURANCE ENTITIES

1st

FINANCIAL INFORMATION CORRESPONDING TO THE YEAR

2021

PERIOD END DATE

06/30/2021

I. COMPANY INFORMATION

Company name: MAPFRE, S.A.

Registered address:

Carretera de Pozuelo, 52. 28222 Majadahonda (Madrid)

C.I.F.

A08055741

II. ADDITIONAL INFORMATION TO THE INFORMATION PUBLISHED FOR THE PREVIOUS HALF-YEAR

Explanation of the key changes with respect to the information published for the previous period:

(only to be completed in the circumstances established in section B) of the instructions)

III. DECLARATION(S) FROM THE RELEVANT SUPERVISORS

As far as we are aware, the Consolidated Financial Statements presented herein have been prepared in accordance with the applicable accounting principles and give a true and fair view of the issuer's equity, financial situation and results, or of the companies included in the consolidation taken as a whole, and the interim management report includes a true and fair analysis of the information required.

Comments on the previous statement(s):

People who are responsible for this information

In line with the power delegated by the Board of Directors, the Secretary of the Board hereby certifies that the six month financial report has been signed by the following directors:

Name / Company name	Position
ANTONIO HUERTAS MEJÍAS	CHAIRMAN AND CEO
IGNACIO BAEZA GÓMEZ	FIRST VICEPRESIDENT
CATALINA MIÑARRO BRUGAROLAS	SECOND VICEPRESIDENT
JÓSE MANUEL INCHAUSTI PÉREZ	THIRD VICEPRESIDENT
JOSÉ ANTONIO COLOMER GUIU	DIRECTOR
ANA ISABEL FERNÁNDEZ ÁLVAREZ	DIRECTOR
MARIA LETÍCIA DE FREITAS COSTA	DIRECTOR
ROSA MARÍA GARCÍA GARCÍA	DIRECTOR
ANTONIO GÓMEZ CIRIA	DIRECTOR
LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	DIRECTOR
FRANCISCO JOSÉ MARCO ORENES	DIRECTOR
FERNANDO MATA VERDEJO	DIRECTOR
ANTONIO MIGUEL-ROMERO DE OLANO	DIRECTOR
PILAR PERALES VISCASILLAS	DIRECTOR
ALFONSO REBUELTA BADÍAS	DIRECTOR

Signing date of this six month financial report by the corresponding board of directors: 07/26/2021

IV. SELECTED FINANCIAL INFORMATION			
1. INDIVIDUAL BALANCE SHEET (1/2)			
(PREPARED IN ACCORDANCE WITH THE CURRENT NATIONAL ACCOUNTING CRITERIA)			
Units: Thousand euros			
ASSETS		CURRENT PERIOD 06/30/2021	PREVIOUS PERIOD 12/31/2020
1. Cash and other equivalent liquid assets	0005	5.682	18.237
2. Financial assets held for trading	0010		
3. Other financial assets at fair value, with changes in profit and loss account	0015		
4. Financial assets available for sale	0020	1.044	23.584
5. Loans and receivables	0025	340.161	401.509
6. Investments held to maturity	0030		
7. Hedging derivatives	0035		
8. Participation of reinsurance in technical provisions	0041		
9. Property, plant and equipment, and real estate investments:	0045	14.377	14.973
a) Property, plant and equipment	0046	14.377	14.973
b) Real estate investments	0047		
10. Intangible assets	0050	1.431	1.278
a) Goodwill	0051		
b) Acquisition costs of portfolios	0053		
c) Other intangible assets	0052	1.431	1.278
11. Equity investments in Group and associated companies	0055	9.529.549	9.507.328
a) Associated companies	0056		
b) Multigroup companies	0057		
c) Group companies	0058	9.529.549	9.507.328
12. Tax assets	0060	84.996	111.978
a) Current tax assets	0061	52.383	80.691
b) Deferred tax assets	0062	32.613	31.287
13. Other assets	0075	77.897	63.777
14. Assets held for sale	0080		7.692
TOTAL ASSETS	0100	10.055.137	10.150.356

IV. SELECTED FINANCIAL INFORMATION

1. INDIVIDUAL BALANCE SHEET (2/2)

(PREPARED IN ACCORDANCE WITH THE CURRENT NATIONAL ACCOUNTING CRITERIA)

Units: Thousand euros

LIABILITIES AND EQUITY

CURRENT PERIOD 06/30/2021	PREVIOUS PERIOD 12/31/2020
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TOTAL LIABILITIES	0170	2.906.439	2.863.564
1. Financial liabilities held for trading	0110		
2. Other financial liabilities at fair value, with changes in profit and loss account	0115	175	175
3. Debts:	0120	2.895.212	2.852.230
a) Subordinated liabilities	0121	1.118.901	1.121.624
b) Bonds and other negotiable securities	0122	997.807	1.005.605
c) Debts with credit institutions	0123	664.016	600.012
d) Other debts	0124	114.488	124.989
4. Hedging derivatives	0130		
5. Technical provisions	0131		
a) For unearned premiums	0132		
b) For risks in progress	0133		
c) For life assurance	0134		
d) For outstanding claims	0135		
e) For profit sharing and returned premiums	0136		
f) Other technical provisions	0137		
6. Non-technical provisions	0140	11.052	11.051
7. Tax liabilities:	0145		108
a) Current tax liabilities	0146		
b) Deferred tax liabilities	0147		108
8. Other liabilities	0150		
9. Liabilities linked to assets held for sale	0165		
TOTAL NET EQUITY	0195	7.148.698	7.286.792
SHAREHOLDERS' EQUITY	0180	7.148.698	7.286.792
1. Share capital or mutual fund:	0171	307.955	307.955
a) Declared capital or mutual fund	0161	307.955	307.955
b) Less: Uncalled capital	0162		
2. Share premium	0172	3.338.720	3.338.720
3. Reserves	0173	3.231.648	3.231.731
4. Less: Treasury stock and own shares	0174	(62.953)	(63.409)
5. Previous years' results	0178	240.950	380.177
6. Other contributions from partners	0179		
7. Results for the year	0175	92.378	245.606
8 Less: Interim dividend	0176		(153.988)
9. Other equity instruments	0177		
VALUATION ADJUSTMENTS	0188		
1. Financial assets available for sale	0181		
2. Hedging operations	0182		
3. Foreign exchange differences	0184		
4. Correction for accounting asymmetries	0185		
5. Other adjustments	0187		
SUBSIDIES, DONATIONS AND LEGACIES RECEIVED	0193		
TOTAL LIABILITIES AND EQUITY	0200	10.055.137	10.150.356

IV. SELECTED FINANCIAL INFORMATION
2. INDIVIDUAL PROFIT AND LOSS ACCOUNT
(PREPARED IN ACCORDANCE WITH CURRENT NATIONAL ACCOUNTING CRITERIA)

Units: Thousand euros

		CURRENT PERIOD (2nd HALF)	PREVIOUS PERIOD (2nd HALF)	ACCUMULATED CURRENT YEAR 06/30/2021	ACCUMULATED PREVIOUS YEAR 06/30/2020
(+) 1. Premiums allocated to the period, net	0201				
(+) 2. Revenue from property and other investments	0202				
(+) 3. Other technical revenue	0203				
(-) 4. Net claims incurred	0204				
(+/-) 5. Net variation of other technical provisions	0205				
(+/-) 6. Profit sharing and returned premiums	0206				
(-) 7. Net operating expenses	0207				
(+/-) 8. Other technical expenses	0209				
(-) 9. Expenses from property and other investments	0210				
A) TECHNICAL RESULT FROM NON-LIFE OPERATIONS (1 + 2 + 3 + 4 + 5 + 6 + 7 + 8 + 9)	0220				
(+) 10. Premiums allocated to the period, net	0221				
(+) 11. Revenue from property and other investments	0222				
(+) 12. Revenue from investments on account of the life policyholders bearing the investment risk	0223				
(+) 13. Other technical revenue	0224				
(-) 14. Net claims incurred	0225				
(+/-) 15. Net variation of other technical provisions	0226				
(+/-) 16. Profit sharing and returned premiums	0227				
(-) 17. Net operating expenses	0228				
(+/-) 18. Other technical expenses	0229				
(-) 19. Expenses from property and other investments	0230				
(-) 20. Expenses from investments on account of the life policyholders bearing the investment risk	0231				
B) TECHNICAL RESULT FROM LIFE OPERATIONS (10 + 11 + 12 + 13 + 14 + 15 + 16 + 17 + 18 + 19 + 20)	0240				
C) TECHNICAL RESULT (A + B)	0245				
(+) 21. Revenue from property and other investments	0246			153.986	193.540
(-) 22. Expenses from property and other investments	0247			(33.588)	(33.586)
(+) 23. Other revenue	0248			25.050	24.030
(-) 24. Other expenses	0249			(69.271)	(70.303)
E) RESULT BEFORE TAX (C + 21 + 22 + 23 + 24)	0265			76.177	113.681
(+/-) 25. Corporate Income Tax	0270			16.201	18.247
F) RESULT FOR THE PERIOD FROM ONGOING OPERATIONS (E + 26)	0280			92.378	131.928
(+/-) 26. Result after tax from discontinued operations	0285				
G) RESULT FOR THE PERIOD (F + 27)	0300			92.378	131.928
EARNINGS PER SHARE		Amount (X.XX euros)	Amount (X.XX euros)	Amount (X.XX euros)	Amount (X.XX euros)
Basic	0290			0,03	0,04
Diluted	0295			0,03	0,04

In the six month financial report corresponding to the first half of the year, the data relating to the current period coincides with the accumulated data, and therefore does not need to be filled in.

IV. SELECTED FINANCIAL INFORMATION

3. STATEMENT OF RECOGNISED INDIVIDUAL INCOME AND EXPENSES
(PREPARED IN ACCORDANCE WITH THE CURRENT NATIONAL ACCOUNTING CRITERIA)

Units: Thousand euros

CURRENT PERIOD 06/30/2021	PREVIOUS PERIOD 06/30/2020
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A) RESULT FOR THE PERIOD	0305	92.378	131.928
B) OTHER RECOGNISED REVENUE / (EXPENSES)	0310		
1. Financial assets available for sale:	0315		
a) Gains/(Losses) due to valuation	0316		
b) Amounts transferred to the income statement	0317		
c) Other reclassifications	0318		
2. Cash flow hedging:	0320		
a) Gains/(Losses) due to valuation	0321		
b) Amounts transferred to the income statement	0322		
c) Amounts recognised at initial value of hedged items	0323		
d) Other reclassifications	0324		
3. Hedging of net investments in businesses abroad:	0325		
a) Gains/(Losses) due to valuation	0326		
b) Amounts transferred to the income statement	0327		
c) Other reclassifications	0328		
4. Foreign exchange differences:	0330		
a) Gains/(Losses) due to valuation	0331		
b) Amounts transferred to the income statement	0332		
c) Other reclassifications	0333		
5. Correction of accounting asymmetries:	0335		
a) Gains/(Losses) due to valuation	0336		
b) Amounts transferred to the income statement	0337		
c) Other reclassifications	0338		
6. Assets held for sale:	0340		
a) Gains/(Losses) due to valuation	0341		
b) Amounts transferred to the income statement	0342		
c) Other reclassifications	0343		
7. Actuarial gains/(losses) for long-term remuneration for employees	0345		
8. Other recognised revenue and expenses	0355		
9. Corporate Income Tax	0360		
TOTAL RECOGNISED REVENUE/(EXPENSES) (A+B)	0400	92.378	131.928

IV. SELECTED FINANCIAL INFORMATION
4. STATEMENT OF CHANGES IN INDIVIDUAL EQUITY (1/2)
(PREPARED IN ACCORDANCE WITH THE CURRENT NATIONAL ACCOUNTING CRITERIA)

Units: Thousand euros

CURRENT PERIOD		EQUITY					Adjustments for changes in value	Subsidies, donations and legacies received	Total equity
		Capital or mutual fund	Share premium and other reserves (1)	Treasury stock and own shares	Result for the period	Other equity instruments			
Opening balance at 01/01/2021	3010	307.955	6.796.640	(63.409)	245.606				7.286.792
Adjustments for changes in accounting criteria	3011								
Adjustments for errors	3012								
Adjusted opening balance	3015	307.955	6.796.640	(63.409)	245.606				7.286.792
I. Total recognised revenue / (expenses)	3020				92.378				92.378
II. Operations with shareholders or owners	3025		(230.928)	456					(230.472)
1. Capital increases (decreases)	3026								
2. Conversion of financial liabilities to equity	3027								
3. Distribution of dividends	3028		(230.846)						(230.846)
4. Operations involving treasury stock or own shares	3029		(82)	456					374
5. Increases / (Decreases) due to changes in business combinations	3030								
6. Other operations with shareholders or owners	3032								
III. Other variations in equity	3035		245.606		(245.606)				
1. Payments using equity instruments	3036								
2. Transfers between equity items	3037		245.606		(245.606)				0
3. Other variations	3038								
Closing balance as at 06/30/2021	3040	307.955	6.811.318	(62.953)	92.378				7.148.698

(1) The column "Share premium and other reserves", for the purpose of this statement, includes the following items of the Balance Sheet: 2) Share premium reserve; 3) Reserves; 5) Prior year result; 6) Other contributions from partners and 8) Less: interim dividend

IV. SELECTED FINANCIAL INFORMATION
4. ESTATEMENT OF CHANGES IN INDIVIDUAL EQUITY (2/2)
(PREPARED IN ACCORDANCE WITH THE CURRENT NATIONAL ACCOUNTING CRITERIA)

Units: Thousand euros

PREVIOUS PERIOD		EQUITY					Adjustments for changes in value	Subsidies, donations and legacies received	Total equity
		Capital or mutual fund	Share premium and other reserves (1)	Treasury stock and own shares	Result for the period	Other equity instruments			
Opening balance at 01/01/2020 (period of comparison)	3050	307.955	6.769.326	(63.836)	443.093				7.456.538
Adjustments for changes in accounting criteria	3051								
Adjustments for errors	3052								
Adjusted opening balance	3055	307.955	6.769.326	(63.836)	443.093				7.456.538
I. Total recognised revenue / (expenses)	3060				131.928				131.928
II. Operations with shareholders or owners	3065		(261.768)	427					(261.341)
1. Capital increases (decreases)	3066								
2. Conversion of financial liabilities to equity	3067								
3. Distribution of dividends	3068		(261.627)						(261.627)
4. Operations involving treasury stock or own shares	3069		(141)	427					286
5. Increases / (Decreases) due to changes in business combinations	3070								
6. Other operations with shareholders or owners	3072								
III. Other variations in equity	3075		443.119		(443.093)				26
1. Payments using equity instruments	3076								
2. Transfers between equity items	3077		443.093		(443.093)				
3. Other variations	3078		26						26
Closing balance as at 06/30/2020 (period of comparison)	3080	307.955	6.950.677	(63.409)	131.928				7.327.151

(1) The column "Share premium and other reserves", for the purpose of this statement, includes the following items of the Balance Sheet: 2) Share premium reserve; 3) Reserves; 5) Prior year result; 6) Other contributions from partners and 8) Less: interim dividend

SELECTED FINANCIAL INFORMATION

MAPFRE, S.A.

1st HALF 2021

IV. SELECTED FINANCIAL INFORMATION

5.A. INDIVIDUAL CASH FLOW STATEMENT (DIRECT METHOD)

(Prepared in accordance with current national accounting criteria)

		CURRENT PERIOD 06/30/2021	PREVIOUS PERIOD 06/30/2020
A) NET CASH FLOW FROM OPERATING ACTIVITIES (1 + 2 + 3)	7435	(44.809)	(32.454)
1. Insurance activities:	7405		
(+) Inflows from insurance activities	7406		
(-) Outflows from insurance activities	7407		
2. Other operating activities:	7410	(70.020)	(59.029)
(+) Other operating activities cash inflows	7415	22.517	31.083
(-) Other operating activities cash outflows	7416	(92.537)	(90.112)
3. Inflows/(outflows) due to corporate income tax	7425	25.211	26.575
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (1 + 2)	7460	162.009	248.831
1. Inflows from investment activities:	7450	162.015	265.466
(+) Tangible assets	7451		
(+) Investments in property, plant and equipment	7452		
(+) Intangible assets	7453		
(+) Financial instruments	7454		
(+) Participations	7455	9.654	3.007
(+) Other business units	7457		69.100
(+) Interests collected	7456	5.924	6.690
(+) Dividends collected	7459	146.437	186.669
(+) Other income related to investment activities	7458		
2. Payments related to investment activities:	7440	(6)	(16.635)
(-) Tangible assets	7441		
(-) Investments in property, plant and equipment	7442		
(-) Intangible assets	7443		
(-) Financial instruments	7444		
(-) Participations	7445	(6)	(2.535)
(-) Other business units	7447		(14.100)
(-) Other payments related to investment activities	7448		
C) NET CASH FLOW FROM FINANCING ACTIVITIES (1 + 2)	7490	(129.755)	(220.727)
1. Inflows from financing activities:	7480	243.364	150.142
(+) Subordinated liabilities	7481		
(+) Inflows from the issue of equity instruments and capital increases	7482		
(+) Capital contributions from owners or mutual members	7483		
(+) Sales of treasury stock	7485	243	142
(+) Other income related to financing activities	7486	243.121	150.000
2. Payments related to financing activities:	7470	(373.119)	(370.869)
(-) Dividends to shareholders	7471	(239.462)	(257.411)
(-) Interest payments	7475	(43.357)	(43.458)
(-) Subordinated liabilities	7472		
(-) Capital contributions returned to shareholders	7473		
(-) Capital contributions returned to owners or mutual members	7474		
(-) Acquisition of treasury stock	7477		
(-) Other payments related to financial activities	7478	(90.300)	(70.000)
D) FOREIGN EXCHANGE DIFFERENCES	7492		
E) NET INCREASE / (DECREASE) IN CASH AND EQUIVALENTS (A + B + C + D)	7495	(12.555)	(4.350)
F) OPENING CASH BALANCE AND EQUIVALENTS	7499	18.237	15.167
G) CLOSING CASH BALANCES AND EQUIVALENTS (E + F)	7500	5.682	10.817

COMPONENTS OF CASH AND EQUIVALENTS AT PERIOD END

		CURRENT PERIOD 06/30/2021	PREVIOUS PERIOD 06/30/2020
(+) Cash and banks	7550	5.682	10.817
(+) Other financial assets	7552		
(-) Less: Bank overdrafts payable on demand	7553		
TOTAL CLOSING CASH AND EQUIVALENTS	7600	5.682	10.817

SELECTED FINANCIAL INFORMATION

MAPFRE, S.A.
1st HALF 2021IV. SELECTED FINANCIAL INFORMATION
6. CONSOLIDATED BALANCE SHEET (IFRS) (1/2)

Units: Thousand euros

ASSETS

CURRENT PERIOD 06/30/2021	PREVIOUS PERIOD 12/31/2020
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1. Cash and other equivalent liquid assets	1005	2,364.688	2,418.911
2. Financial assets held for trade	1010	2,843.349	2,524.500
3. Other financial assets at fair value, with changes in profit and loss account	1015	5,049.918	4,803.939
4. Financial assets available for sale	1020	29,093.638	30,100.727
5. Loans and receivables	1025	7,538.445	6,061.858
6. Investments held to maturity	1030	1,574.164	1,584.379
7. Hedging derivatives	1035		
8. Participation of reinsurance in technical provisions	1041	6,013.619	5,378.579
9. Property, plant and equipment, and real estate investments	1045	2,550.269	2,478.850
a) Property, plant and equipment	1046	1,265.301	1,279.336
b) Real estate investments	1047	1,284.968	1,199.514
10. Intangible assets:	1050	2,839.521	2,780.065
a) Goodwill	1051	1,422.958	1,409.784
b) Acquisition costs of portfolios	1053	575.719	569.703
c) Other intangible assets	1052	840.844	800.578
11. Participation in equity-accounted entities	1055	514.437	336.417
a) Associated companies	1056	514.437	336.417
b) Multigroup companies	1057		
12. Tax assets	1060	444.041	403.305
a) Current tax assets	1061	161.039	181.624
b) Deferred tax assets	1062	283.002	221.681
13. Other assets	1075	2,240.406	2,121.592
14. Assets held for sale	1080	7,804.663	8,159.509
TOTAL ASSETS	1100	70,871.158	69,152.631

IV. SELECTED FINANCIAL INFORMATION
6. CONSOLIDATED BALANCE SHEET (IFRS) (2/2)

Units: Thousand euros

LIABILITIES AND EQUITY

CURRENT PERIOD 06/30/2021	PREVIOUS PERIOD 12/31/2020
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TOTAL LIABILITIES	1170	60.978.203	59.314.790
1. Financial liabilities held for trade	1110	7.663	5.517
3. Other financial liabilities at fair value, with changes in profit and loss account	1115	550.566	529.401
3. Debts:	1120	7.818.413	7.131.371
a) Subordinated liabilities	1121	1.118.901	1.121.624
b) Bonds and other negotiable securities	1122	997.806	1.005.605
c) Debts with credit institutions	1123	956.074	866.381
d) Other debts	1124	4.745.632	4.137.761
4. Hedging derivatives	1130		
5. Technical provisions	1131	42.810.203	41.692.555
a) For unearned premiums	1132	8.354.141	7.169.450
b) For risks in progress	1133	24.456	25.850
c) For life assurance	1134	21.784.717	22.091.287
d) For outstanding claims	1135	11.413.129	11.210.481
e) For profit sharing and returned premiums	1136	66.734	65.131
f) Other technical provisions	1137	1.167.026	1.130.356
6. Non-technical provisions	1140	603.126	582.591
7. Tax liabilities:	1145	653.169	729.072
a) Current tax liabilities	1146	51.708	58.490
b) Deferred tax liabilities	1147	601.461	670.582
8. Other liabilities	1150	1.665.260	1.380.394
9. Liabilities linked to assets held for sale	1165	6.869.803	7.263.889
TOTAL NET EQUITY	1195	9.892.955	9.837.841
SHAREHOLDERS' EQUITY	1180	9.306.134	9.181.020
1. Share capital or mutual fund:	1171	307.955	307.955
a) Declared capital or mutual fund	1161	307.955	307.955
b) Less: Uncalled capital	1162		
2. Share premium	1172	1.506.729	1.506.729
3. Reserves	1173	6.495.116	6.224.272
4. Less: Treasury stock and own shares	1174	(62.953)	(63.409)
5. Previous years' results	1178	695.290	832.928
6. Other contributions from partners	1179		
7. Results for the year	1175	363.997	526.533
8 Less: Interim dividend	1176		(153.988)
9. Other equity instruments	1177		
OTHER ACCUMULATED COMPREHENSIVE INCOME	1188	(800.419)	(645.013)
1. Items not reclassified to the result of the period	1190		
2. Items that can be subsequently reclassified to the result of the period	1183	(800.419)	(645.013)
a) Financial assets available for sale	1181	3.379.778	4.068.635
b) Hedging operations	1182		
c) Foreign exchange differences	1184	(1.795.969)	(1.915.733)
d) Correction for accounting asymmetries	1185	(2.379.433)	(2.786.993)
e) Equity-accounted entities	1186	475	1.237
f) Other adjustments	1187	(5.270)	(12.159)
NET EQUITY ATTRIBUTABLE TO THE CONTROLLING COMPANY	1189	8.505.715	8.536.007
NON-CONTROLLING INTERESTS	1193	1.387.240	1.301.834
TOTAL LIABILITIES AND NET EQUITY	1200	70.871.158	69.152.631

SELECTED FINANCIAL INFORMATION

MAPFRE, S.A.
1st HALF 2021

IV. SELECTED FINANCIAL INFORMATION
7. CONSOLIDATED PROFIT AND LOSS ACCOUNT (IFRS)

Units: Thousand euros

		STANDALONE CURRENT PERIOD (2nd HALF)	STANDALONE PREVIOUS PERIOD (2nd HALF)	ACCUMULATED CURRENT YEAR 06/30/2021	ACCUMULATED PREVIOUS YEAR 06/30/2020
(+) 1. Premiums allocated to the period, net	1201			6.312.779	6.415.632
(+) 2. Revenue from property and other investments	1202			1.003.120	1.162.168
(+) 3. Other technical revenue	1203			43.306	35.803
(-) 4. Net claims incurred	1204			(4.111.144)	(4.255.115)
(+/-) 5. Net variation of other technical provisions	1205			(44.184)	(70.423)
(+/-) 6. Profit sharing and returned premiums	1206			(10.176)	(9.597)
(-) 7. Net operating expenses	1207			(1.748.687)	(1.827.953)
(+/-) 8. Other technical expenses	1209			(133.368)	(77.108)
(-) 9. Expenses from property and other investments	1210			(777.505)	(916.095)
A) TECHNICAL RESULT FROM NON-LIFE OPERATIONS (1 + 2 + 3 + 4 + 5 + 6 + 7 + 8 + 9)	1220			534.141	457.312
(+) 10. Premiums allocated to the period, net	1221			2.125.246	1.983.979
(+) 11. Revenue from property and other investments	1222			927.302	827.479
(+) 12. Revenue from investments on account of the life policyholders bearing the investment risk	1223			167.153	59.365
(+) 13. Other technical revenue	1224			832	452
(-) 14. Net claims incurred	1225			(2.312.608)	(1.790.755)
(+/-) 15. Net variation of other technical provisions	1226			221.913	413.087
(+/-) 16. Profit sharing and returned premiums	1227			(19.125)	(18.681)
(-) 17. Net operating expenses	1228			(499.566)	(549.185)
(+/-) 18. Other technical expenses	1229			(23.754)	(17.200)
(-) 19. Expenses from property and other investments	1230			(435.575)	(413.380)
(-) 20. Expenses from investments on account of the life policyholders bearing the investment risk	1231			(21.253)	(259.326)
B) TECHNICAL RESULT FROM LIFE OPERATIONS (10 + 11 + 12 + 13 + 14 + 15 + 16 + 17 + 18 + 19 + 20)	1240			130.565	235.835
C) TECHNICAL RESULT (A + B)	1245			664.706	693.147
(+) 21. Revenue from property and other investments	1246			64.294	29.725
(-) 22. Expenses from property and other investments	1247			(48.285)	(49.920)
(+) 23. Other revenue	1248			214.418	179.259
(-) 24. Other expenses	1249			(260.729)	(315.726)
E) RESULT BEFORE TAX (C + 21 + 22 + 23 + 24)	1265			634.404	536.485
(+/-) 26. Corporate Income Tax	1270			(144.289)	(130.424)
F) RESULT FOR THE PERIOD FROM ONGOING OPERATIONS (E + 26)	1280			490.115	406.061
(+/-) 26. Result after tax from discontinued operations	1285				
G) RESULT FOR THE PERIOD (F + 27)	1288			490.115	406.061
a) Result attributable to the controlling company	1300			363.997	270.653
b) Result attributable to non-controlling interests	1289			126.118	135.408
EARNINGS PER SHARE		Amount (X,XX euros)	Amount (X,XX euros)	Amount (X,XX euros)	Amount (X,XX euros)
Reported	1290			0,12	0,09
Diluted	1295			0,12	0,09

In the six month financial report corresponding to the first half of the year, the data relating to the current period coincides with the accumulated data, and therefore does not need to be filled in.

IV. SELECTED FINANCIAL INFORMATION
8. OTHER COMPREHENSIVE INCOME (IFRS ADOPTED)

Units: Thousand euros

		STANDALONE CURRENT PERIOD (2nd HALF)	STANDALONE PREVIOUS PERIOD (2nd HALF)	CURRENT PERIOD 06/30/2021	PREVIOUS PERIOD 06/30/2020
A) CONSOLIDATED PROFIT AND LOSS OF THE YEAR	1305			490.115	406.061
B) OTHER GLOBAL RESULTS - ITEMS NOT RECLASSIFIED TO THE RESULT FOR THE PERIOD	1310				
1. Actuarial gains/(losses) for long-term remuneration for employees:	1370				
2. Participation in other recognized global results from investments in joint and associated businesses:	1371				
3. Other income and expenses not reclassified to the result for the period:	1372				
4. Tax effect:	1373				
C) OTHER GLOBAL RESULTS - ITEMS THAT CAN BE SUBSEQUENTLY RECLASSIFIED TO THE RESULT FOR THE PERIOD	1345			(152.061)	(676.162)
1. Financial assets available for sale:	1315			(1.079.719)	(330.921)
a) Gains/(Losses) due to valuation	1316			(1.018.303)	(268.184)
b) Amounts transferred to the income statement	1317			(57.992)	(62.741)
c) Other reclassifications	1318			(3.424)	4
2. Cash flow hedging:	1320				
a) Gains/(Losses) due to valuation	1321				
b) Amounts transferred to the income statement	1322				
c) Amounts recognised at initial value of hedged items	1323				
d) Other reclassifications	1324				
3. Hedging of net investments in businesses abroad:	1325				
a) Gains/(Losses) due to valuation	1326				
b) Amounts transferred to the income statement	1327				
c) Other reclassifications	1328				
4. Foreign exchange differences:	1330			155.352	(562.845)
a) Gains/(Losses) due to valuation	1331			155.243	(563.068)
b) Amounts transferred to the income statement	1332			83	(126)
c) Other reclassifications	1333			26	349
5. Correction of accounting asymmetries:	1335			664.500	186.813
a) Gains/(Losses) due to valuation	1336			643.684	175.337
b) Amounts transferred to the income statement	1337			20.816	11.476
c) Other reclassifications	1338				
6. Assets held for sale:	1340				
a) Gains/(Losses) due to valuation	1341				
b) Amounts transferred to the income statement	1342				
c) Other reclassifications	1343				
7. Participation in other recognized global results from investments in joint and associated businesses:	1350			(1.001)	(1.006)
a) Gains/(Losses) due to valuation	1351			(1.046)	(1.053)
b) Amounts transferred to the income statement	1352			45	47
c) Other reclassifications	1353				
8. Other income and expenses that can be subsequently reclassified to the result for the period	1355			6.898	(6.728)
9. Tax effect	1360			101.909	38.525
TOTAL GLOBAL RESULT FOR THE PERIOD (A+B+C)	1400			338.054	(270.101)
a) Attributable to the controlling company	1398			208.591	(246.672)
b) Attributable to minority interests	1399			129.463	(23.429)

IV. SELECTED FINANCIAL INFORMATION
9. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS) (1/2)

Units: Thousand euros

CURRENT PERIOD		Equity of the controlling company					Adjustments for changes in value	Non-controlling interests	Total equity
		SHAREHOLDERS' EQUITY							
		Capital or mutual fund	Share premium and other reserves(1)	Treasury stock and own shares	Result for the period attributable to the controlling company	Other equity instruments			
Opening balance as at 01/01/2021	3110	307.955	8.409.941	(63.409)	526.533		(645.013)	1.301.834	9.837.841
Adjustments for changes in accounting criteria	3111								
Adjustments for errors	3112								
Adjusted opening balance	3115	307.955	8.409.941	(63.409)	526.533		(645.013)	1.301.834	9.837.841
I. Total revenue/ (expenses) recognized	3120				363.997		(155.406)	129.463	338.054
II. Operations with shareholders or owners	3125		(232.293)	456				(42.425)	(274.262)
1. Capital increases (decreases)	3126							66.056	66.056
2. Conversion of financial liabilities to equity	3127								
3. Distribution of dividends	3128		(230.846)					(126.338)	(357.184)
4. Operations involving treasury stock or own shares	3129		(82)	456					374
5. Increases / (Decreases) due to changes in business combinations	3130		(843)					9.713	8.870
6. Other operations with shareholders or owners	3132		(522)					8.144	7.622
III. Other variations in equity	3135		519.487		(526.533)			(1.632)	(8.678)
1. Payments using equity instruments	3136								
2. Transfers between equity items	3137		526.533		(526.533)				
3. Other variations	3138		(7.046)					(1.632)	(8.678)
Closing balance as at 06/30/2021	3140	307.955	8.697.135	(62.953)	363.997		(800.419)	1.387.240	9.892.955

(1) The column "Share premium and other reserves", for the purpose of this statement, includes the following items of the Balance Sheet: 2) Share premium reserve; 3) Reserves; 5) Prior year result; 6) Other contributions from partners and 8) Less: interim dividend

IV. SELECTED FINANCIAL INFORMATION
9. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS) (2/2)

Units: Thousand euros

PREVIOUS PERIOD		Equity of the controlling company					Adjustments for changes in value	Non-controlling interests	Total equity
		SHAREHOLDERS' EQUITY							
		Capital or mutual fund	Share premium and other reserves(1)	Treasury stock and own shares	Result for the period attributable to the controlling company	Other equity instruments			
Opening balance as at 01/01/2020	3150	307.955	8.237.525	(63.836)	609.238		(236.520)	1.251.660	10.106.022
Adjustments for changes in accounting criteria	3151								
Adjustments for errors	3152								
Adjusted opening balance	3155	307.955	8.237.525	(63.836)	609.238		(236.520)	1.251.660	10.106.022
I. Total revenue/ (expenses) recognized	3160				270.653		(517.325)	(23.429)	(270.101)
II. Operations with shareholders or owners	3165		(261.768)	427				(27.592)	(288.933)
1. Capital increases (decreases)	3166							3.999	3.999
2. Conversion of financial liabilities to equity	3167								
3. Distribution of dividends	3168		(261.627)					(154.894)	(416.521)
4. Operations involving treasury stock or own shares	3169		(141)	427					286
5. Increases / (Decreases) due to changes in business combinations	3170							88.824	88.824
6. Other operations with shareholders or owners	3172							34.479	34.479
III. Other variations in equity	3175		604.523		(609.238)			(57)	(4.772)
1. Payments using equity instruments	3176								
2. Transfers between equity items	3177		609.238		(609.238)				
3. Other variations	3178		(4.715)					(57)	(4.772)
Closing balance as at 06/30/2020	3180	307.955	8.580.280	(63.409)	270.653		(753.845)	1.200.582	9.542.216

(1) The column "Share premium and other reserves", for the purpose of this statement, includes the following items of the Balance Sheet: 2) Share premium reserve; 3) Reserves; 5) Prior year result; 6) Other contributions from partners and 8) Less: interim dividend

SELECTED FINANCIAL INFORMATION

MAPFRE, S.A.
1st HALF 2021

IV. SELECTED FINANCIAL INFORMATION

10. A. CONSOLIDATED CASH FLOW STATEMENT (DIRECT METHOD) (IFRS)

Units: Thousand euros

		CURRENT PERIOD 06/30/2021	PREVIOUS PERIOD 06/30/2020
A) NET CASH FLOW FROM OPERATING ACTIVITIES (1 + 2 + 3)	8435	(622.415)	(267.832)
1. Insurance activities:	8405	(297.250)	35.695
(+) Inflows from insurance activities	8406	10.616.244	11.230.147
(-) Outflows from insurance activities	8407	(10.913.494)	(11.194.452)
2. Other operating activities:	8410	(210.804)	(210.927)
(+) Cash inflows from other operating activities	8415	345.814	272.621
(-) Cash outflows from other operating activities	8416	(556.618)	(483.548)
3. Inflows/(outflows) due to corporate income tax	8425	(114.361)	(92.600)
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (1 + 2)	8460	726.701	775.625
1. Inflows from investment activities:	8450	12.919.218	11.817.959
(+) Property, plant and equipment	8451	3.665	3.025
(+) Real estate investment	8452	11.366	71.947
(+) Intangible fixed assets	8453	828	1.038
(+) Financial instruments	8454	11.424.385	10.462.195
(+) Investments in associates	8455	898.247	753.631
(+) Controlled companies and other business units	8457	55.011	
(+) Interests collected	8456	461.992	417.982
(+) Dividends collected	8459	46.982	33.311
(+) Other income related to investment activities	8458	16.742	74.830
2. Payments related to investment activities:	8440	(12.192.517)	(11.042.334)
(-) Property, plant and equipment	8441	(20.894)	(19.322)
(-) Real estate investment	8442	(93.651)	(20.746)
(-) Intangible fixed assets	8443	(49.383)	(50.943)
(-) Financial instruments	8444	(10.560.388)	(10.049.442)
(-) Investments in associates	8445	(1.403.382)	(871.105)
(-) Controlled companies and other business units	8447	(46.943)	(11.245)
(-) Other payments related to investment activities	8448	(17.876)	(19.531)
C) NET CASH FLOW FROM FINANCING ACTIVITIES (1 + 2)	8490	(126.588)	(341.415)
1. Inflows from financing activities:	8480	536.291	325.021
(+) Subordinated liabilities	8481		
(+) Inflows from the issue of equity instruments and capital increases	8482	24.144	4.000
(+) Capital contributions from owners or partners	8483		
(+) Sales of treasury stock	8485	249	290
(+) Other income related to financing activities	8486	511.898	320.731
(+) Sale of shareholdings to third parties	8487		
2. Payments related to financing activities:	8470	(662.879)	(666.436)
(-) Dividends to shareholders	8471	(365.181)	(412.036)
(-) Interest paid	8475	(43.961)	(47.550)
(-) Subordinated liabilities	8472		
(-) Capital contributions returned to shareholders	8473		
(-) Capital contributions returned to owners or partners	8474		
(-) Acquisition of treasury stock	8477		
(-) Other payments related to financing activities	8478	(253.737)	(206.850)
(-) Acquisition of shareholdings to third parties	8479		
D) FOREIGN EXCHANGE DIFFERENCES	8492	(31.921)	(48.536)
E) NET INCREASE / (DECREASE) IN CASH AND EQUIVALENTS (A + B + C + D)	8495	(54.223)	117.842
F) OPENING CASH BALANCE AND EQUIVALENTS	8499	2.418.911	2.537.490
G) CLOSING CASH BALANCES AND EQUIVALENTS (E + F)	8500	2.364.688	2.655.332

COMPONENTS OF CASH AND EQUIVALENTS AT PERIOD END

		CURRENT PERIOD 06/30/2021	PREVIOUS PERIOD 06/30/2020
(+) Cash and banks	8550	2.267.751	2.493.371
(+) Other financial assets	8552	96.937	161.961
(-) Less: Bank overdrafts payable on demand	8553		
TOTAL CLOSING CASH AND EQUIVALENTS	8600	2.364.688	2.655.332

IV. SELECTED FINANCIAL INFORMATION
11. DIVIDENDS PAID

		CURRENT PERIOD			PREVIOUS PERIOD		
		Euros per share (X,XX)	Amount (thousand Euros)	Total outstanding share	Euros per share (X,XX)	Amount (thousand Euros)	Total outstanding share
Ordinary shares	2158	0,08	230.846		0,09	261.627	
Other shares (non-voting, redeemable, etc)	2159						
Total dividends paid	2160	0,08	230.846		0,09	261.627	
a) Dividends paid out against results	2155	0,08	230.846		0,09	261.627	
b) Dividends paid out against reserves or share premium	2156						
c) Dividends in kind	2157						
d) Flexible payment	2154						

Units: Thousand euros

IV. SELECTED FINANCIAL INFORMATION

12. BREAKDOWN OF FINANCIAL INSTRUMENTS BY NATURE AND CATEGORY(1/4)

Units: Thousands of euros

FINANCIAL ASSETS: NATURE/ CATEGORY		CURRENT PERIOD				
		Financial assets held for trading	Other financial assets at FV with changes in P&L	Financial assets available for sale	Loans and receivables	Investments held to maturity
Derivatives	2062					
Equity instruments	2063			1.044		
Debt securities	2064					
Hybrid instruments	2065					
Loans	2066				9.994	
Deposits established for accepted reinsurance and other deposits	2067					
Receivables on direct insurance, reinsurance, and coinsurance	2068					
Investments on behalf of life insurance policy holders bearing investment risk	2069					
Other financial assets	2070				330.167	
TOTAL (INDIVIDUAL)	2075			1.044	340.161	
Derivatives	2162	493.537				
Equity instruments	2163	968.074	1.081.265	2.525.264		
Debt securities	2164	1.381.738	1.074.287	26.408.298		1.546.896
Hybrid instruments	2165		144.086	3.924		
Loans	2166			3.979	46.652	24.195
Deposits established for accepted reinsurance and other deposits	2167				629.043	
Receivables on direct insurance, reinsurance, and coinsurance	2168				5.920.258	
Investments on behalf of life insurance policy holders bearing investment risk	2169		2.742.231			
Other financial assets	2170		8.049	152.173	942.492	3.073
TOTAL (CONSOLIDATED)	2175	2.843.349	5.049.918	29.093.638	7.538.445	1.574.164

IV. SELECTED FINANCIAL INFORMATION

12. BREAKDOWN OF FINANCIAL INSTRUMENTS BY NATURE AND CATEGORY (2/2)

Units: Thousands of euros

		CURRENT PERIOD		
		Financial liabilities held for trading	Other financial liabilities at FV with changes in P&L	Debts and payables
Derivatives	2076			
Subordinated liabilities	2077			1.118.901
Deposits received on ceded reinsurance	2079			
Due on direct insurance, reinsurance and coinsurance operations	2080			
Debentures and other negotiable securities	2081			997.807
Due to credit institutions	2082			664.016
Due on preparatory operations for insurance contracts	2083			
Other financial liabilities	2084		175	114.488
TOTAL (INDIVIDUAL)	2090		175	2.895.212
Derivatives	2176	7.357	2.099	
Subordinated liabilities	2177			1.118.901
Deposits received on ceded reinsurance	2179			111.586
Due on direct insurance, reinsurance and coinsurance operations	2180			2.718.155
Debentures and other negotiable securities	2181			997.807
Due to credit institutions	2182			956.074
Due on preparatory operations for insurance contracts	2183			17.858
Other financial liabilities	2184	306	548.467	1.898.032
TOTAL (CONSOLIDATED)	2190	7.663	550.566	7.818.413

(Abbreviations- FV: Fair Value / P&L: profit and loss account)

IV. SELECTED FINANCIAL INFORMATION

12. BREAKDOWN OF FINANCIAL INSTRUMENTS BY NATURE AND CATEGORY (3/4)

Units: Thousands of euros

FINANCIAL ASSETS: NATURE/ CATEGORY		PREVIOUS PERIOD				
		Financial assets held for trading	Other financial assets at FV with changes in P&L	Financial assets available for sale	Loans and receivables	Investments held to maturity
Derivatives	5062					
Equity instruments	5063			23.584		
Debt securities	5064					
Hybrid instruments	5065					
Loans	5066				401.509	
Deposits established for accepted reinsurance and other deposits	5067					
Receivables on direct insurance, reinsurance, and coinsurance	5068					
Investments on behalf of life insurance policy holders bearing investment risk	5069					
Other financial assets	5070					
TOTAL (INDIVIDUAL)	5075			23.584	401.509	
Derivatives	5162	502.462				
Equity instruments	5163	865.385	922.061	2.320.326		
Debt securities	5164	1.153.008	1.062.642	27.759.085		1.556.937
Hybrid instruments	5165		315.505	5.762		
Loans	5166			3.745	49.416	24.344
Deposits established for accepted reinsurance and other deposits	5167				652.158	
Receivables on direct insurance, reinsurance, and coinsurance	5168				4.489.536	
Investments on behalf of life insurance policy holders bearing investment risk	5169		2.502.418			
Other financial assets	5170	3.645	1.313	11.809	870.748	3.098
TOTAL (CONSOLIDATED)	5175	2.524.500	4.803.939	30.100.727	6.061.858	1.584.379

IV. SELECTED FINANCIAL INFORMATION

12. BREAKDOWN OF FINANCIAL INSTRUMENTS BY NATURE AND CATEGORY(4/4)

Units: Thousands of euros

		PREVIOUS PERIOD		
		Financial liabilities held for trading	Other financial liabilities at FV with changes in P&L	Debts and payables
Derivatives	5076			
Subordinated liabilities	5077			1.121.624
Deposits received on ceded reinsurance	5079			
Due on direct insurance, reinsurance and coinsurance operations	5080			
Debentures and other negotiable securities	5081			1.005.605
Due to credit institutions	5082			600.012
Due on preparatory operations for insurance contracts	5083			
Other financial liabilities	5084		175	124.989
TOTAL (INDIVIDUAL)	5090		175	2.852.230
Derivatives	5176	5.517	168	
Subordinated liabilities	5177			1.121.624
Deposits received on ceded reinsurance	5179			71.614
Due on direct insurance, reinsurance and coinsurance operations	5180			2.238.525
Debentures and other negotiable securities	5181			1.005.605
Due to credit institutions	5182			866.381
Due on preparatory operations for insurance contracts	5183			18.382
Other financial liabilities	5184		529.233	1.809.240
TOTAL (CONSOLIDATED)	5190	5.517	529.401	7.131.371

SELECTED FINANCIAL INFORMATION

MAPFRE, S.A.

1st HALF 2021

IV. SELECTED FINANCIAL INFORMATION
13. INFORMATION BY SEGMENTS

Units: Thousands of euros

Table 1:

GEOGRAPHICAL AREA		Distribution of net premiums attributed to business by geographical area			
		INDIVIDUAL		CONSOLIDATED	
		CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
Domestic market	2210			3.296.433	3.056.963
Exports:	2215			5.141.592	5.342.648
a) European Union	2216			1.031.751	1.143.077
a.1) Euro area	2217			1.008.829	914.423
a.2) No Euro Area	2218			22.922	228.654
b) Others	2219			4.109.841	4.199.571
TOTAL	2220			8.438.025	8.399.611

Table 2:

LINES		CONSOLIDATED			
		Total ordinary revenues		Result	
		CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
IBERIA	2221	4.620.144	4.302.715	253.951	257.050
LATAM NORTH	2222	1.371.109	901.211	23.332	53.103
LATAM SOUTH	2223	761.152	733.257	29.416	29.633
BRAZIL	2224	1.636.390	1.645.313	96.401	146.107
EURASIA	2225	738.491	776.641	20.492	27.925
NORTH AMERICA	2226	1.038.444	1.129.305	50.790	53.238
MAPFRE RE	2227	3.241.440	2.909.972	82.774	(51.702)
MAPFRE ASISTENCIA	2228	284.214	386.123	(1.073)	(12.372)
(-) Adjustments and eliminations of ordinary revenue between segments	2229	(1.873.048)	(1.658.179)	(65.968)	(96.921)
	2230				
TOTAL	2235	11.818.336	11.126.358	490.115	406.061

SELECTED FINANCIAL INFORMATION

MAPFRE, S.A.

1st HALF 2021

IV. SELECTED FINANCIAL INFORMATION

14. AVERAGE WORK FORCE

		INDIVIDUAL		CONSOLIDATED	
		CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
AVERAGE WORK FORCE	2295	507	516	33.440	34.247
Men	2296	260	267	14.969	15.489
Women	2297	247	249	18.471	18.758

IV. SELECTED FINANCIAL INFORMATION

15. REMUNERATION

		Amount (thousands of euros)	
		CURRENT PERIOD	PREVIOUS PERIOD
Remuneration for being a member of the Board and/or Board Committees	2310	1.430	1.430
Salaries	2311	1.320	1.310
Variable remuneration in cash	2312	1.300	1.290
Share-based remuneration system	2313		
Compensation	2314		
Long-term savings system	2315	3.920	3.480
Other items	2316	160	130
TOTAL	2320	8.130	7.640

MANAGERS

		Amount (thousands of euros)	
		CURRENT PERIOD	PREVIOUS PERIOD
Total remuneration received by managers	2325	4.110	3.570

IV. SELECTED FINANCIAL INFORMATION
16. TRANSACTIONS WITH RELATED PARTIES (1/2)

Units: Thousands of euros

RELATED OPERATIONS

		CURRENT PERIOD				
		Significant shareholders	Directors and Managers	People, companies or undertakings of the Group	Other related parties	Total
REVENUE AND EXPENSES:						
1) Financial expenses	2340					
2) Leases	2343				(223)	(223)
3) Reception of services	2344					
4) Purchase of goods (completed or in progress)	2345					
5) Other expenses	2348				(28)	(28)
EXPENSES (1 + 2 + 3 + 4 + 5 + 6 + 7 + 8 + 9)	2350				(251)	(251)
6) Financial income	2351					
7) Dividends received	2354					
8) Provisions of services	2356					
9) Sale of goods (completed or in progress)	2357					
10) Other revenue	2359	158			515	673
REVENUE (10 + 11 + 12 + 13 + 14 + 15 + 16 + 17 + 18)	2360	158			515	673

		CURRENT PERIOD				
		Significant shareholders	Directors and Managers	People, companies or undertakings of the Group	Other related parties	Total
OTHER TRANSACTIONS:						
Financing agreements, credit and capital contributions (lender)	2372					
Financing agreements, credit and capital contributions (borrower)	2375					
Guarantees and sureties provided	2381					
Guarantees and sureties received	2382					
Commitments made	2383					
Dividends and other benefits distributed	2386	162.461				162.461
Other operations	2385					

		CURRENT PERIOD				
		Significant shareholders	Directors and Managers	People, companies or undertakings of the Group	Other related parties	Total
CLOSING BALANCE						
1) Clients and commercial debtors	2341					
2) Loans and credits granted	2342					
3) Other collection rights	2346					
TOTAL BALANCE RECEIVABLE (1+2+3)	2347					
4) Providers and commercial creditors	2352					
5) Loans and credits received	2353					
6) Other payments due	2355					
TOTAL BALANCE OWED (4+5+6)	2358					

IV. SELECTED FINANCIAL INFORMATION
16. TRANSACTIONS WITH RELATED PARTIES (2/2)

Units: Thousands of euros

RELATED OPERATIONS

		PREVIOUS PERIOD				
		Significant shareholders	Directors and Managers	People, companies or undertakings of the Group	Other related parties	Total
REVENUE AND EXPENSES:						
1) Financial expenses	6340					
2) Leases	6343				138	138
3) Reception of services	6344				2	2
4) Purchase of goods (completed or in progress)	6345					
5) Other expenses	6348					
EXPENSES (1 + 2 + 3 + 4 + 5 + 6 + 7 + 8 + 9)	6350				140	140
6) Financial income	6351					
7) Dividends received	6354					
8) Provisions of services	6356					
9) Sale of goods (completed or in progress)	6357					
10) Other revenue	6359		147			147
REVENUE (10 + 11 + 12 + 13 + 14 + 15 + 16 + 17 + 18)	6360	147	147			147

		PREVIOUS PERIOD				
		Significant shareholders	Directors and Managers	People, companies or undertakings of the Group	Other related parties	Total
OTHER TRANSACTIONS:						
Financing agreements, credit and capital contributions (lender)	6372					
Financing agreements, credit and capital contributions (borrower)	6375					
Guarantees and sureties provided	6381					
Guarantees and sureties received	6382					
Commitments made	6383					
Dividends and other benefits distributed	6386		180.510			180.510
Other operations	6385					

		PREVIOUS PERIOD				
		Significant shareholders	Directors and Managers	People, companies or undertakings of the Group	Other related parties	Total
CLOSING BALANCE						
1) Clientes y deudores comerciales	6341					
2) Préstamos y créditos concedidos	6342					
3) Otros derechos de cobro	6346					
TOTAL SALDO DEUDORES (1+2+3)	6347					
4) Proveedores y Acreedores comerciales	6352					
5) Préstamos y créditos sociales	6353					
6) Otras obligaciones de pago	6355					
TOTAL SALDOS ACREEDORES (4+5+6)	6358					



Limited Review Report on the MAPFRE, S.A. and subsidiaries

(Together with the Condensed Consolidated
Interim Financial Statements of Mapfre, S.A. for
the period of six months ended 30 June 2021)

(Translation from the original in Spanish. In the event
of discrepancy, the Spanish-language version prevails.)



KPMG Auditores, S.L.
Paseo de la Castellana, 259 C
28046, Madrid

Limited Review Report on the Condensed Consolidated Interim Financial Statements

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

To the Shareholders of Mapfre, S.A. as commissioned by the Board of Directors

REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Introduction

We have carried out a limited review of the accompanying condensed consolidated interim financial statements (hereinafter the "interim financial statements") of MAPFRE, S.A. (hereinafter the "Parent Company") and subsidiaries (hereinafter the "Group"), which comprise the balance sheet as at 30 June 2021, the global income statement, the statement of other comprehensive income, the statement of changes in equity, the cash flows statement and explanatory notes, all condensed and consolidated, corresponding to the six-month period then ended. Pursuant to article 12 of Royal Decree 1362/2007, the Directors of the Parent Company are responsible for the preparation of these interim financial statements in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" as adopted by the European Union, for the preparation of condensed interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Spanish Standards of Auditing, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.



Conclusion

Based on our limited review, which can under no circumstances be considered an audit, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements for the six-month period ended 30 June 2021 have not been prepared, in all material respects, in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting", as adopted by the European Union, for the preparation of condensed interim financial statements, pursuant to article 12 of Royal Decree 1362/2007.

Emphasis of matter

We draw your attention to the accompanying note 2.1, which states that these interim financial statements do not include all the information required in a complete consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The accompanying interim financial statements should therefore be read in conjunction with the Group's consolidated annual accounts for the year ended 31 December 2020. This matter does not modify our conclusion.

Report on other legal and regulatory requirements

The accompanying consolidated interim management report for the six-month period ended 30 June 2021 contains such explanations as the Directors of the Parent Company consider relevant with respect to the significant events that have taken place in this period and their effect on the interim financial statements presented, of which it is not a part, as well as the disclosures required by article 15 of Royal Decree 1362/2007. We have verified that the accounting information contained in the aforementioned management report is consistent with the interim financial statements for the six-month period ended 30 June 2021. Our work is limited to verifying the interim consolidated management report in accordance with the scope described in this paragraph and does not include a review of information other than that obtained from the accounting records of MAPFRE, S.A. and subsidiaries.

Paragraph on other matters

This report has been prepared at the request of the Board of Directors of the Parent Company in relation to the publication of the six-month period financial report required by article 119 of Royal Legislative Decree 4/2015, of October 23, established by Royal Decree 1362/2007 of 19 October 2007.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Ángel Crespo Rodrigo

July 26, 2021

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED INTERIM MANAGEMENT REPORT

LIABILITY STATEMENT

JUNE 30, 2021

MAPFRE S.A.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

JUNE 30, 2021

MAPFRE S.A.

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A) CONSOLIDATED BALANCE SHEET AS ON JUNE 30, 2021 AND DECEMBER 31, 2020

ASSETS	Notes	June 30, 2021	December 31, 2020
A) INTANGIBLE ASSETS		2,839.6	2,780.1
I. Goodwill		1,423.0	1,409.8
II. Other intangible assets		1,416.6	1,370.3
B) PROPERTY, PLANT AND EQUIPMENT		1,265.3	1,279.3
I. Real estate for own use		1,040.3	1,040.4
II. Other property, plant and equipment		225.0	238.9
C) INVESTMENTS		38,458.7	38,931.4
I. Real estate investments		1,285.0	1,199.5
II. Financial investments			
1. Held-to-maturity portfolio	5.1	1,574.2	1,584.4
2. Available-for-sale portfolio	5.1	29,093.6	30,100.7
3. Trading portfolio	5.1	5,151.0	4,826.0
III. Investments recorded by applying the equity method		514.4	336.4
IV. Deposits established for accepted reinsurance	5.1	629.0	652.2
V. Other investments		211.5	232.2
D) INVESTMENTS ON BEHALF OF LIFE INSURANCE POLICYHOLDERS BEARING THE INVESTMENT RISK	5.2	2,742.2	2,502.4
E) INVENTORIES		49.1	49.5
F) PARTICIPATION OF REINSURANCE IN TECHNICAL PROVISIONS		6,013.6	5,378.6
G) DEFERRED TAX ASSETS		283.0	221.7
H) RECEIVABLES		6,858.8	5,359.1
I. Receivables on direct insurance and co-insurance operations	5.1	4,823.0	3,477.3
II. Receivables on reinsurance operations	5.1	1,097.2	1,012.2
III. Tax receivables			
1. Tax on profits receivable		161.0	181.6
2. Other tax receivables		181.7	149.9
IV. Corporate and other receivables	5.1	595.9	538.1
V. Shareholders, called capital		—	—
I) CASH		2,364.7	2,418.9
J) ACCRUAL ADJUSTMENTS		2,015.9	1,908.7
K) OTHER ASSETS		175.6	163.4
L) NON-CURRENT ASSETS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS	5.3	7,804.7	8,159.5
TOTAL ASSETS		70,871.2	69,152.6

Figures in millions of euros

A) CONSOLIDATED BALANCE SHEET AS ON JUNE 30, 2021 AND DECEMBER 31, 2020

EQUITY AND LIABILITIES		Notes	June 30, 2021	December 31, 2020
A) EQUITY			9,892.9	9,837.8
I.	Paid-up capital	6	308.0	308.0
II.	Share premium		1,506.7	1,506.7
III.	Reserves		7,190.5	7,057.2
IV.	Interim dividend		—	(154.0)
V.	Treasury stock	6	(63.0)	(63.4)
VI.	Result for the period attributable to controlling company		364.0	526.5
VII.	Other equity instruments		—	—
VIII.	Valuation change adjustments		995.5	1,270.7
IX.	Currency conversion differences		(1,796.0)	(1,915.7)
	Equity attributable to the controlling company's shareholders		8,505.7	8,536.0
	Non-controlling interests		1,387.2	1,301.8
B) SUBORDINATED LIABILITIES		5.4	1,118.9	1,121.6
C) TECHNICAL PROVISIONS			40,068.0	39,190.2
I.	Provisions for unearned premiums and unexpired risks		8,378.6	7,195.3
II.	Provisions for life insurance		19,042.5	19,588.9
III.	Provision for outstanding claims		11,413.1	11,210.5
IV.	Other technical provisions		1,233.8	1,195.5
D) TECHNICAL PROVISIONS FOR LIFE INSURANCE WHERE POLICYHOLDERS BEAR INVESTMENT RISK			2,742.2	2,502.4
E) PROVISIONS FOR RISKS AND EXPENSES			603.1	582.6
F) DEPOSITS RECEIVED ON CEDED AND RETROCEDED REINSURANCE			111.6	71.6
G) DEFERRED TAX LIABILITIES			601.5	670.6
H) DEBT			8,497.2	7,593.4
I.	Issue of debentures and other negotiable securities		997.8	1,005.6
II.	Due to credit institutions	7	956.1	866.4
III.	Other financial liabilities	5.5	1,857.6	1,596.7
IV.	Due on direct insurance and co-insurance operations		965.8	951.0
V.	Due on reinsurance operations		1,770.2	1,305.9
VI.	Tax liabilities			
	1. Tax on profits to be paid		51.7	58.5
	2. Other tax liabilities		346.2	246.6
VII.	Other debts		1,551.8	1,562.7
I) ACCRUAL ADJUSTMENTS			366.0	318.6
J) LIABILITIES LINKED TO NON-CURRENT ASSETS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS		5.3	6,869.8	7,263.9
TOTAL EQUITY AND LIABILITIES			70,871.2	69,152.6

Figures in millions of euros

B) GLOBAL CONSOLIDATED INCOME STATEMENT FOR HALF-YEARS ENDED JUNE 30, 2021 AND 2020

B.1) CONSOLIDATED INCOME STATEMENT

ITEM	Notes	2021	2020
I. REVENUE FROM INSURANCE BUSINESS			
1 Premiums earned, net			
a) Written premiums, direct insurance	9	9,712.8	9,129.5
b) Premiums from accepted reinsurance	9	1,949.9	1,853.2
c) Premiums from ceded reinsurance		(2,466.4)	(2,065.6)
d) Variations in provisions for unearned premiums and unexpired risks			
Direct insurance		(1,148.1)	(511.8)
Accepted reinsurance		(85.3)	(66.7)
Ceded reinsurance		475.2	61.0
2 Share in profits from equity-accounted companies		2.7	3.6
3 Revenue from investments			
a) From operations		1,111.8	1,056.1
b) From equity		93.0	76.8
4 Gains on investments on behalf of life insurance policyholders bearing the investment risk		167.2	59.4
5 Other technical revenue		44.1	36.3
6 Other non-technical revenue		57.5	29.3
7 Positive foreign exchange differences		713.4	827.5
8 Reversal of the asset impairment provision		9.5	25.6
TOTAL REVENUE FROM INSURANCE BUSINESS		10,637.3	10,514.2
II. EXPENSES FROM INSURANCE BUSINESS			
1 Incurred claims for the period, net			
a) Claims paid and variation in provision for claims, net			
Direct insurance		(5,912.6)	(5,697.7)
Accepted reinsurance		(1,091.6)	(1,186.7)
Ceded reinsurance		962.5	1,232.0
b) Claims-related expenses		(382.1)	(393.5)
2 Variation in other technical provisions, net		177.7	342.7
3 Profit sharing and returned premiums		(29.3)	(28.3)
4 Net operating expenses			
a) Acquisition expenses		(2,243.6)	(2,349.5)
b) Administration expenses		(362.8)	(375.4)
c) Commissions and participation in reinsurance		358.1	347.8
5 Share in losses from equity-accounted companies		(1.8)	—
6 Investment expenses			
a) From operations		(447.2)	(470.7)
b) From equity and financial accounts		(31.1)	(13.8)
7 Losses on investments on behalf of life insurance policyholders bearing the investment risk		(21.3)	(259.3)
8 Other technical expenses		(157.1)	(94.3)
9 Other non-technical expenses		(67.9)	(60.7)
10 Negative foreign exchange differences		(702.2)	(801.5)
11 Allowance to the asset impairment provision	8	(25.4)	(35.4)
TOTAL EXPENSES FROM INSURANCE BUSINESS		(9,977.7)	(9,844.3)
RESULT FROM THE INSURANCE BUSINESS		659.6	669.9
III. OTHER ACTIVITIES			
1 Operating revenue		155.7	143.7
2 Operating expenses		(189.6)	(218.7)
3 Net financial income			
a) Financial income		62.0	26.8
b) Financial expenses		(43.1)	(49.5)
4 Result from non-controlling interests			
a) Share in profits from equity-accounted companies		2.3	2.9
b) Share in losses from equity-accounted companies		(4.7)	—
5 Reversal of asset impairment provision		1.2	6.3
6 Allowance to the asset impairment provision	8	(3.2)	(36.3)
7 Result from the disposal of non-current assets classified as held for sale, not included in discontinued operations		—	—
RESULT FROM OTHER ACTIVITIES		(19.4)	(124.8)
IV. RESULT ON RESTATEMENT OF FINANCIAL ACCOUNTS		(5.8)	(8.6)
V. RESULT BEFORE TAX FROM ONGOING OPERATIONS	9	634.4	536.5
VI. TAX ON PROFIT FROM ONGOING OPERATIONS		(144.3)	(130.4)
VII. RESULT AFTER TAX FROM ONGOING OPERATIONS		490.1	406.1
VIII. RESULT AFTER TAX FROM DISCONTINUED OPERATIONS		—	—
IX. RESULT FOR THE PERIOD		490.1	406.1
1 Attributable to non-controlling interests		126.1	135.4
2 Attributable to controlling company	9	364.0	270.7
Figures in millions of euros			
Earnings per share (euros)		0.12	0.09

B.2) CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

ITEM	NOTES	2021	2020
A) CONSOLIDATED RESULT FOR THE YEAR		490.1	406.1
B) OTHER COMPREHENSIVE INCOME – HEADINGS NOT RECLASSIFIED TO RESULTS		—	—
C) OTHER COMPREHENSIVE INCOME – HEADINGS THAT CAN BE RECLASSIFIED SUBSEQUENT TO RESULTS		(152.2)	(676.2)
1. Financial assets available for sale			
a) Valuation gains (losses)		(1,018.5)	(268.2)
b) Amounts transferred to the income statement		(58.0)	(62.7)
c) Other reclassifications		(3.4)	—
2. Currency conversion differences			
a) Valuation gains (losses)		155.2	(563.1)
b) Amounts transferred to the income statement		0.1	(0.1)
c) Other reclassifications		—	0.4
3. Shadow accounting			
a) Valuation gains (losses)		643.7	175.3
b) Amounts transferred to the income statement		20.8	11.5
c) Other reclassifications		—	—
4. Equity-accounted entities			
a) Valuation gains (losses)		(1.0)	(1.1)
b) Amounts transferred to the income statement		—	0.1
c) Other reclassifications		—	—
5. Other recognized revenue and expenses		6.9	(6.7)
6. Tax on profits		102.0	38.5
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B+C)		337.9	(270.1)
1. Attributable to the controlling company		208.5	(246.7)
2. Attributable to non-controlling interests		129.4	(23.4)

Figures in millions of euros

C) CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS ON JUNE 30, 2021 AND 2020

EQUITY ATTRIBUTABLE TO THE CONTROLLING COMPANY												
ITEM	NOTES	SHAREHOLDERS' EQUITY									NON-CONTROLLING INTERESTS	TOTAL EQUITY
		SHARE CAPITAL	SHARE PREMIUM	RESERVES	INTERIM DIVIDEND	TREASURY STOCK	RESULT FOR THE PERIOD ATTRIBUTABLE TO CONTROLLING COMPANY	OTHER EQUITY INSTRUMENTS	VALUATION CHANGE ADJUSTMENTS	CURRENCY CONVERSION DIFFERENCES		
OPENING BALANCE AS ON JANUARY 1, 2020		308.0	1,506.7	6,915.6	(184.8)	(63.8)	609.2	—	1,003.7	(1,240.2)	1,251.7	10,106.1
1	Changes in accounting policies	—	—	—	—	—	—	—	—	—	—	—
2	Correction of errors	—	—	—	—	—	—	—	—	—	—	—
ADJUSTED OPENING BALANCE		308.0	1,506.7	6,915.6	(184.8)	(63.8)	609.2	—	1,003.7	(1,240.2)	1,251.7	10,106.1
I. TOTAL COMPREHENSIVE REVENUE (EXPENSES)		—	—	—	—	—	270.7	—	(93.5)	(423.8)	(23.4)	(270.1)
II. OPERATIONS WITH THE CONTROLLING COMPANY'S SHAREHOLDERS AND NON-CONTROLLING INTERESTS		—	—	(261.8)	—	0.4	—	—	—	—	(27.6)	(288.9)
1	Capital increases (decreases)	—	—	—	—	—	—	—	—	—	4.0	4.0
2	Distribution of dividends	4	—	(261.6)	—	—	—	—	—	—	(154.9)	(416.5)
3	Increases (decreases) from business combinations	10	—	—	—	—	—	—	—	—	88.8	88.8
4	Operations with treasury stock		—	(0.2)	—	0.4	—	—	—	—	—	0.2
5	Other operations with the controlling company's shareholders and non-controlling interests		—	—	—	—	—	—	—	—	34.5	34.5
III. OTHER VARIATIONS IN EQUITY		—	—	419.8	184.8	—	(609.2)	—	—	—	(0.1)	(4.7)
1	Transfers among equity items		—	424.4	184.8	—	(609.2)	—	—	—	—	—
2	Other variations		—	(4.6)	—	—	—	—	—	—	(0.1)	(4.7)
CLOSING BALANCE AS ON JUNE 30, 2020		308.0	1,506.7	7,073.6	—	(63.4)	270.7	—	910.2	(1,664.0)	1,200.6	9,542.4

Figures in millions of euros

EQUITY ATTRIBUTABLE TO THE CONTROLLING COMPANY												
ITEM	NOTES	SHAREHOLDERS' EQUITY						OTHER EQUITY INSTRUMENTS	VALUATION CHANGE ADJUSTMENTS	CURRENCY CONVERSION DIFFERENCES	NON-CONTROLLING INTERESTS	TOTAL EQUITY
		SHARE CAPITAL	SHARE PREMIUM	RESERVES	INTERIM DIVIDEND	TREASURY STOCK	RESULT FOR THE PERIOD ATTRIBUTABLE TO CONTROLLING COMPANY					
OPENING BALANCE AS ON JANUARY 1, 2021		308.0	1,506.7	7,057.2	(154.0)	(63.4)	526.5	—	1,270.7	(1,915.7)	1,301.8	9,837.8
1	Changes in accounting policies	—	—	—	—	—	—	—	—	—	—	—
2	Correction of errors	—	—	—	—	—	—	—	—	—	—	—
ADJUSTED OPENING BALANCE		308.0	1,506.7	7,057.2	(154.0)	(63.4)	526.5	—	1,270.7	(1,915.7)	1,301.8	9,837.8
I.	TOTAL COMPREHENSIVE REVENUE (EXPENSES)	—	—	—	—	—	364.0	—	(275.2)	119.7	129.4	337.9
II.	COMPANY'S SHAREHOLDERS AND NON-CONTROLLING INTERESTS	—	—	(232.2)	—	0.4	—	—	—	—	(42.4)	(274.2)
1	Capital increases (decreases)	—	—	—	—	—	—	—	—	—	66.1	66.1
2	Distribution of dividends	4	—	(230.8)	—	—	—	—	—	—	(126.3)	(357.1)
3	Increases (decreases) from business combinations	10	—	(0.8)	—	—	—	—	—	—	9.7	8.9
4	Operations with treasury stock	6	—	(0.1)	—	0.4	—	—	—	—	—	0.3
5	Other operations with the controlling company's shareholders and non-controlling interests	2.4	—	(0.5)	—	—	—	—	—	—	8.1	7.6
III. OTHER VARIATIONS IN EQUITY		—	—	365.5	154.0	—	(526.5)	—	—	—	(1.6)	(8.6)
1	Transfers among equity items	—	—	372.5	154.0	—	(526.5)	—	—	—	—	—
2	Other variations	—	—	(7.0)	—	—	—	—	—	—	(1.6)	(8.6)
CLOSING BALANCE AS ON JUNE 30, 2021		308.0	1,506.7	7,190.5	—	(63.0)	364.0	—	995.5	(1,796.0)	1,387.2	9,892.9

Figures in millions of euros

D) CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF-YEARS ENDED JUNE 30, 2021 AND 2020

ITEM	2021	2020
1 Insurance activity:	(297.3)	35.7
Cash received from insurance activity	10,616.2	11,230.2
Cash payments from insurance activity	(10,913.5)	(11,194.5)
2 Other operating activity:	(210.8)	(210.9)
Cash received from other operating activity	345.8	272.6
Cash payments from other operating activity	(556.6)	(483.5)
3 Receipt (payment) of income tax	(114.4)	(92.6)
NET CASH FLOWS FROM OPERATING ACTIVITY	(622.5)	(267.8)
1 Proceeds from investment activity:	12,919.2	11,818.0
Property, plant and equipment	3.7	3.0
Real estate investments	11.4	72.0
Intangible fixed assets	0.8	1.0
Financial instruments	11,424.4	10,462.2
Equity instruments	898.2	753.7
Controlled companies and other business units	55.0	—
Interest collected	462.0	418.0
Dividends collected	47.0	33.3
Other proceeds related to investment activity	16.7	74.8
2 Payments from investment activity:	(12,192.6)	(11,042.3)
Property, plant and equipment	(20.9)	(19.3)
Real estate investments	(93.7)	(20.8)
Intangible fixed assets	(49.4)	(50.9)
Financial instruments	(10,560.4)	(10,049.5)
Equity instruments	(1,403.4)	(871.1)
Controlled companies and other business units	(46.9)	(11.2)
Other payments related to investment activity	(17.9)	(19.5)
NET CASH FLOWS FROM INVESTMENT ACTIVITY	726.6	775.7
1 Proceeds from financing activity	536.3	325.0
Subordinated liabilities	—	—
Proceeds from issuing of equity instruments and capital increases	24.2	4.0
Proceeds from sale of treasury stock	0.2	0.3
Other proceeds related to financing activity	511.9	320.7
2 Payments from financing activity	(662.7)	(666.5)
Dividends paid to shareholders	(365.2)	(412.0)
Interest paid	(44.0)	(47.6)
Subordinated liabilities	—	—
Payments on return of shareholders' contributions	—	—
Purchase of treasury stock	—	—
Other payments related to financing activity	(253.5)	(206.9)
NET CASH FLOW FROM FINANCING ACTIVITY	(126.4)	(341.4)
Conversion differences in cash flow and cash balances	(31.9)	(48.6)
NET INCREASE (DECREASE) IN CASH FLOW	(54.2)	117.8
OPENING CASH BALANCE	2,418.9	2,537.5
CLOSING CASH BALANCE	2,364.7	2,655.3

Figures in millions of euros

E) NOTES ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION REGARDING THE COMPANY AND ITS ACTIVITIES

MAPFRE S.A. (hereinafter the “controlling company”) is a listed company, parent of a number of companies engaged in insurance in its various lines of business, both Life and Non-Life, finance, real estate and services.

MAPFRE S.A. is a subsidiary of CARTERA MAPFRE, S.L., Single-Member Company (hereinafter CARTERA MAPFRE), which is 100 percent controlled by Fundación MAPFRE.

The scope of activity of the controlling company and its subsidiaries (hereinafter “MAPFRE”, “the Group” or “MAPFRE Group”) includes the Spanish territory, European Economic Area countries, and other countries.

The controlling company was incorporated in Spain and has its registered office in Majadahonda (Madrid), Carretera de Pozuelo, 52.

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

2.1. BASIS OF PRESENTATION

The condensed consolidated interim financial statements for the half-year ended June 30, 2021 (hereinafter “interim financial statements”) were prepared in accordance with the International Accounting Standard (IAS) no. 34 on interim financial information. The aforementioned interim financial statements do not include all the information that would be required for complete consolidated annual accounts prepared in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU), so the attached interim financial statements should be read together with the consolidated annual accounts of the Group for the financial year ended on December 31, 2020.

The figures presented in the Interim Financial Statement have been rounded for ease of reporting. Therefore, the totals of the rows or columns may not coincide with the arithmetic sums of the amounts included therein.

The interim financial statements were approved by the Board of Directors at their meeting on July 26, 2021.

2.2. ACCOUNTING POLICIES

The accounting policies and methods used in the preparation of the interim financial statements for the period are consistent with those applied in the preparation of the latest consolidated annual accounts approved, for the financial year 2020.

As indicated in Note 2.4, MAPFRE Group has adopted the optional accounting policy of the IFRS-EU 10 regarding loss of control of a subsidiary.

No significant errors have been detected in the consolidated accounts from previous years.

2.3. COMPARABILITY OF INFORMATION

There are no reasons preventing the consolidated annual accounts of this reporting period from being compared with those of the previous period, as they have been prepared in line with the international standards approved by the European Commission and which were in force at the close of the year.

Therefore, with the aim of improving the presentation and comprehension of the Consolidated Statement of Comprehensive Income, and in line with International Accounting Standards (IAS) no. 1, the format of said Statement was modified, simplifying the information regarding tax effects and the attributable result of non-controlling interests.

2.4. CHANGES IN THE SCOPE OF CONSOLIDATION

The breakdown of the most significant changes in the consolidation scope during the half-year ended on June 30, 2021 is as follows:

Shareholding acquisitions and increases

Company name	Item	Effective date	Amount (Millions of euros)	% Voting rights	
				Acquisition	Total
MIDDLESEA INSURANCE PLC	Increase	APRIL 2021	1.4	1.27%	55.83%
MAPFRE ATLAS	Increase	APRIL 2021	1.1	7.66%	67.66%
MAP SL EUROPEAN INVESTMENT SARL	Establishment	APRIL 2021	155.9	50.00%	50.00%
SANTANDER ASSURANCE SOLUTIONS SA	Acquisition	MARCH 2021	1.2	33.00%	33.00%

The company MAP SL EUROPEAN INVESTMENT SARL has been established via contribution in kind from a Group entity. As a result of this transaction, MAPFRE Group has recorded a gain of 33.6 million euros. In line with IFRS-EU 10 "Consolidated financial statements", when a controlling entity loses control of a subsidiary, the book value of the subsidiary's assets and liabilities at the date of loss of control are taken out of the accounts and the fair value of the compensation received is recognized, recording the difference as a loss or gain in the result for the period.

Disposals of shareholding and other corporate operations

Company name	Item	Effective date	% Voting rights		Gross result (in millions of euros)
			Decrease	As at 6/30/2021	
MAPFRE INSUREANDGO INSURANCE SERVICE USA CORP	Dissolution	APRIL 2021	100.00%	—	—
RASTREATOR COM LTD	Sale	APRIL 2021	25.00%	—	12.1
INDUSTRIAL RE SA	Sale	MAY 2021	100.00%	—	3.5

Additionally, in the first half of 2021, there were changes in the Group's real estate investment fund holdings, consolidated by global integration, which have implied a 10.1 million euro increase in non-controlling interests.

2.5. CONVERSION OF THE FINANCIAL STATEMENTS OF FOREIGN COMPANIES INCLUDED IN THE CONSOLIDATION

In the first half of 2021, the Group has maintained the criteria regarding the exchange rate for Venezuela from previous years, applying a rate based on the country's estimated inflation. To June 30, 2021, inflation has been considered to be 168 percent and an exchange rate of 6,732,343 VES/EUR has been applied.

The amounts contributed to the interim financial statements from the subsidiaries operating in Venezuela are immaterial.

3. SEASONALITY OF OPERATIONS

In the insurance business, the seasonality component is considered in the temporary premium allocation, since this is done in accordance with the temporary distribution of the loss experience over the coverage period of the contract.

4. DIVIDENDS PAID

The breakdown of the dividends paid by the controlling company in the half-years ended on June 30, 2021 and 2020 is as follows:

Item	Total dividend		Dividend per share	
	(million euros)		(in cents of euros)	
	2021	2020	2021	2020
Final dividend for the previous financial year	230.8	261.6	7.57	8.58
Interim dividend for current financial year	—	—	—	—
Total	230.8	261.6	7.57	8.58

The dividends per share indicated above correspond to the amount for each share outstanding at the date of payment of the dividend, after having proportionately applied the amount corresponding to treasury stock to the remaining shares.

This dividend payout was approved by the Ordinary Annual General Shareholder Meeting and complies with the requirements and limitations that are laid down in the legal regulations and the corporate bylaws.

5. FINANCIAL INSTRUMENTS

5.1. FINANCIAL ASSETS

The breakdown by nature and category of financial assets on June 30, 2021 and December 31, 2020 is as follows:

Item	Held-to-maturity portfolio		Available-for-sale portfolio		Trading portfolio		Loans and receivables	
	2021	2020	2021	2020	2021	2020	2021	2020
Derivatives	—	—	—	—	493.5	502.4	—	—
Equity instruments and mutual funds	—	—	2,525.3	2,322.0	2,049.4	1,787.5	—	—
Debt securities	1,546.9	1,556.9	26,408.3	27,759.1	2,456.0	2,215.6	—	—
Hybrid instruments	—	—	3.9	5.8	144.1	315.5	—	—
Loans	24.2	24.4	4.0	3.7	—	—	46.7	49.4
Deposits established for accepted reinsurance	—	—	—	—	—	—	629.0	652.2
Receivables on direct insurance, coinsurance and reinsurance operations	—	—	—	—	—	—	5,920.3	4,489.5
Other financial assets	3.1	3.1	152.1	10.1	8.0	5.0	760.8	720.8
Total	1,574.2	1,584.4	29,093.6	30,100.7	5,151.0	4,826.0	7,356.8	5,911.9

Figures in millions of euros

The fair value assessment of the financial investments included in the available-for-sale portfolio and in the trading portfolio have been classified according to the levels of the variables used to assess them:

- Level 1. Quotation price: Unadjusted price quoted in active markets.
- Level 2. Observable data: Prices quoted in active markets for instruments similar to the one being assessed or other valuation techniques in which all the significant variables are based on observable market data. The valuation is made via a model that discounts future financial flows, including reimbursement value, using a rate curve with two main components:
 - Zero coupon swap curve of the currency of the issue, which is considered to be the best approximation to the risk-free interest rate.
 - Spread of the additional risk, which will be the spread added to or subtracted from the zero coupon swap curve that reflects the risks inherent to the issue being assessed, such as: credit, liquidity and optionality risk.
- Level 3. Other valuations: Variables specific to each case. Financial assets at this level represent 0.6 percent of the total portfolio assessed at fair value. For these purposes, it is possible to distinguish between:
 - Equity assets, where in general the realizable value is estimated according to the individual characteristics of the asset.
 - Fixed-income assets with complex future flow structures (interest rates linked to financial variables, with caps and/or floors) and one or more early redemptions, and in which the issuer has no similar issuances on the market or any unquoted issuance from an issuer with no similar issuances. In these cases, the assets are usually assessed by requesting a benchmark valuation from a third party.

With regard to the sensitivity of fair value assessment, changes in the unobservable variables used in the aforementioned individual valuations would not significantly alter the fair value obtained.

The valuation process for financial assets is as follows:

- a) At the time of acquisition, it is assigned to a specific portfolio (held-to-maturity, available-for-sale or for-trade) depending on the characteristics of the liabilities to which it is going to be assigned, and on the local and international legislation for accounting and insurance.
- b) The accounting nature of the portfolios dictates the type of valuation performed. However, a mark-to-market valuation is performed at least once a month for all assets, using the aforementioned valuation methods (Level 1, Level 2 and Level 3).
- c) The valuations are performed directly by the Group's entities, although in some countries an independent financial institution carries them out in line with the local regulations.

The valuation policy is decided by the Investment Committees and/or Risk Committees, and is reviewed at least once a quarter.

Furthermore, the Executive Committee of the controlling company regularly analyzes the value of all investments and capital gains and losses.

Investments in the available-for-sale portfolio and in the trading portfolio on June 30, 2021 and December 31, 2020, classified according to the valuation levels and variables are shown below:

Item	Market value (book value)						Total book value	
	Level 1. Quotation price		Level 2. Observable data		Level 3. Other measurements		(fair value)	
	2021	2020	2021	2020	2021	2020	2021	2020
AVAILABLE FOR SALE PORTFOLIO								
Equity instruments and mutual funds	2,210.6	2,031.7	137.9	108.0	176.8	182.4	2,525.3	2,322.0
Debt securities	18,215.6	21,530.6	8,192.5	6,224.0	0.2	4.5	26,408.3	27,759.1
Other financial assets	16.1	19.6	144.8	—	(0.9)	—	160.0	19.6
TOTAL AVAILABLE FOR SALE PORTFOLIO	20,442.3	23,581.9	8,475.2	6,332.0	176.1	186.9	29,093.6	30,100.7
TRADING PORTFOLIO								
Derivatives (non-hedging)	—	—	493.5	502.5	—	—	493.5	502.5
Equity instruments and mutual funds	1,902.7	1,685.0	126.4	90.0	20.2	12.5	2,049.3	1,787.3
Debt securities	1,982.5	1,779.9	473.6	435.7	—	—	2,456.1	2,215.7
Hybrids	—	45.3	144.1	270.2	—	—	144.1	315.5
Other financial assets	—	3.7	—	1.3	8.0	—	8.0	5.0
TOTAL TRADING PORTFOLIO	3,885.2	3,513.9	1,237.6	1,299.7	28.2	12.5	5,151.0	4,826.0

Figures in millions of euros

Quotation values are monitored and verified on a regular basis in order to decide whether any transfers between levels are required:

- If the quotation source for a particular asset is no longer representative, it is transferred from Level 1 to Level 2.
- Assets are transferred from Levels 2 and 3 to Level 1 if a reasonable quotation source is verified.
- Assets are transferred to Level 3 when there are no longer any observable market data.

In the half year ending June 30, 2021, there were transfers between levels as a result of modifications to hierarchy criteria for Level 1 assets, and no modifications to the valuation techniques used at Levels 2 and 3 of the fair value hierarchy.

A reconciliation of the opening and closing balances on June 30, 2021 for Level 3 financial assets in the available-for-sale portfolio is shown below:

Item	Equity instruments and mutual funds	Debt securities	Other financial assets	Total
Opening balance	182.3	4.6	—	186.9
Additions	139.4	—	—	139.4
Disposals	(93.3)	—	—	(93.3)
Transfer from level 1 or 2	—	—	—	—
Transfer to level 1 or 2	—	—	—	—
Amortization	—	—	—	—
Gains and losses	4.6	(2.7)	—	1.9
Other	(56.2)	(1.7)	(0.9)	(58.8)
Closing balance	176.8	0.2	(0.9)	176.1

Figures in millions of euros

The investments classified in the held-to-maturity portfolio, as on June 30, 2021 and December 31, 2020 are shown below:

Item	Book value (amortized cost)		Level 1. Quotation price		Fair value				Total	
					Level 2. Observable data		Level 3. Other measurements			
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Debt securities	1,546.9	1,556.9	1,420.4	1,516.4	158.8	152.3	42.0	41.1	1,621.2	1,709.8
Other investments	27.3	27.5	20.2	20.2	0.1	0.1	7.0	7.1	27.3	27.4
Total	1,574.2	1,584.4	1,440.6	1,536.6	158.9	152.4	49.0	48.2	1,648.5	1,737.2

Figures in millions of euros

At June 30, 2021 the Group had guaranteed, for financial swap operations, fixed-income assets with a market value amounting to 597.7 million euros (585.3 million euros as on December 31, 2020). These financial assets are classified in the available-for-sale portfolio. At June 30, 2021 the assets received as collateral amounted to 526.5 million euros (555.1 million euros as on December 31, 2020). In both cases the guarantee matures on a daily basis, at which time a new guarantee is established, or the existing guarantee is maintained or definitively canceled. The existence of these guarantees mitigates the counterparty risk (CVA/DVA) on a large part of the Group's derivatives.

With the aim of analyzing potential impacts of the effective application of IFRS-EU 9 "Financial Instruments" and of improving the comparability of information between entities that are applying said standard and those that have opted for application deferral, the Group included in its 2020 annual accounts the results of the analysis of fixed income securities classified in the held-to-maturity and available-for-sale portfolios, in order to determine which notes receive flows coming only from principal and interest (they pass the SPPI test). In the first half of 2021, there have been no significant differences in the composition of the portfolio with regard to 2020.

5.2. INVESTMENTS ON BEHALF OF LIFE INSURANCE POLICYHOLDERS BEARING THE INVESTMENT RISK

The following table shows the composition of the "Investments on behalf of life insurance policyholders bearing the investment risk" heading, as on June 30, 2021 and December 31, 2020:

Item	Book value (fair value)							
	Level 1. Quotation price		Level 2. Observable data		Level 3. Other measurements		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Equity instruments	715.1	590.0	19.7	14.2	—	—	734.8	604.2
Debt securities and other	203.0	198.7	752.3	933.2	—	—	955.3	1,131.9
Mutual Funds	1,051.5	765.7	0.6	0.6	—	—	1,052.1	766.3
Total	1,969.6	1,554.4	772.6	948.0	—	—	2,742.2	2,502.4

Figures in millions of euros

5.3. NON-CURRENT ASSETS HELD FOR SALE AND ASSOCIATED LIABILITIES

The following is a description of the main operations included in these headings:

June 30, 2021:

BANKIA bancassurance business

On March 26, 2021, the merger carried out via BANKIA S.A.'s absorption by CAIXABANK S.A. was executed, with the subsequent dissolution of the former and universal succession by CAIXABANK. Pursuant to the contracts entered into between BANKIA and MAPFRE, this situation constitutes a change of control of BANKIA, therefore conferring to MAPFRE a put option to CAIXABANK.

MAPFRE formally informed CAIXABANK and BANKIA that it exercised said rights effective March 31, 2021, therefore initiating the contractually established procedures regarding business valuations to determine the price (120 percent of market value of the 51 percent shareholding of MAPFRE VIDA in BANKIA MAPFRE VIDA) and compensation (120 percent of the value of the Non-Life insurance business, not including the value of the insurance portfolio) to be received for the termination of its bancassurance agreements.

The business valuation process is currently being performed by an independent expert who was named by both parties.

The most relevant information for BANKIA MAPFRE VIDA following the Accounting Plan for Insurance Companies, at the close of June 2021 and December 2020, is shown below:

Item	Amount	
	2021	2020
Written premiums	93,4	181,2
Result before tax	57,5	162,0
Attributable result	42,5	120,2
Shareholders' equity	513,1	550,1
Financial investments	6.350,8	7.310,1
Technical provisions	4.833,3	5.123,8

Figures in millions of euros

At June 30, 2021, the non-current assets classified as held for sale and the associated liabilities amount to 7.3 and 6.7 billion euros, respectively, and to 7.8 and 7.2 billion euros, respectively, at the close of 2020.

Sale of MAPFRE INMUEBLES land

Last year, MAPFRE INMUEBLES signed an agreement for the sale of land intended for residential development, with said sale expected to be carried out in 2021. The net accounting value of the land classified as held for sale reached 106.5 million euros both at June 30, 2021 and at December 31, 2020.

Funeral service business in Spain

At June 30, 2021, non-current assets and liabilities held for sale related to the business contribution from the strategic alliance between MAPFRE and Santa Lucía reached 195.0 and 58.3 million euros respectively, and 202.8 and 69.0 million euros respectively at the close of 2020.

Direct insurance and Assistance entities and operations in Europe and Asia

At the close of June, Direct Insurance and Assistance entities and operations, in Europe and Asia, in different degrees of completing the disposal processes, have been reclassified as non-current assets and associated liabilities held for sale for the amount of 238.4 and 125.5 million euros respectively. These amounts include travel assistance operations carried out through the InsureandGo brand, which at June 30, 2021 is in the final stages of formalizing regulatory requirements necessary for its sale to third parties.

December 31, 2020:

In addition to the abovementioned operations, at the close of 2020, there were non-current assets classified as held for sale and associated liabilities, which have materialized to June 2021 coming from:

INDUSTRIAL RE sale

Assets from INDUSTRIAL RE classified as held for sale and the associated liabilities reached 35.1 and 7.7 million euros, respectively.

Sale of Rastreator and Preminen

Assets from Rastreator and Preminen classified as held for sale reached 8.0 and 7.7 million euros, respectively.

5.4. ISSUING, REPURCHASES AND REIMBURSEMENTS OF DEBT SECURITIES

At June 30, 2021 and December 31, 2020, the subordinated liability balance includes the amortized cost of the subordinated notes issued by the controlling company.

No operations with debt securities have taken place during the half year.

5.5. OTHER FINANCIAL LIABILITIES

The concept "Other financial liabilities" includes the amount of obligations due by financial nature not included in other headings. The following table shows a breakdown at June 30, 2021 and December 31, 2020:

Other financial liabilities	Amount	
	2021	2020
Financial liabilities held for trading	7.7	5.5
Other financial liabilities measured at fair value with changes in P&L	550.6	529.4
Non-controlling interests in mutual funds	935.1	708.9
Financial liabilities from leases	295.7	273.1
Other financial liabilities	68.5	79.8
Total	1,857.6	1,596.7

Figures in millions of euros

At June 30, 2021 and December 31, 2020, the fair value of the previous liabilities does not significantly differ from their book value.

Regarding the fair value level, the valuation of these liabilities is classified at Level 2, with the exception of the balance of "Non-controlling interests in mutual funds", valued at liquid value (primarily Level 1). In the first half of 2021, no transfers between the different hierarchy levels have been made.

No adjustments were made for own credit risk in connection with the financial liabilities derived from financial swap transactions, given that they are cash flow exchange operations whose current net value leads to a balance in favor of the counterparty. In any event, the application of adjustments for own credit risk in these transactions would not have a material effect on the income statement or on equity.

6. EQUITY

Paid-up capital

The share capital of the controlling company as on June 30, 2021 is represented by 3,079,553,273 shares, each with a face value of 0.10 euros, fully subscribed and paid-up. All shares carry identical voting and dividend rights.

CARTERA MAPFRE directly held 69.7 percent of the share capital as on June 30, 2021 and December 31, 2020.

All shares representing the share capital of the controlling company are admitted to official trading on the Madrid and Barcelona stock markets.

Treasury stock

In the first half of 2021, 217,410 shares were delivered to directors of subsidiaries as part of a variable remuneration plan, for the amount of 0.4 million euros. The difference in the value at which the shares were delivered and the cost value, which reached 0.1 million euros, is included in the "Reserves" heading. At June 30, 2021, the controlling Company held 30,068,524 shares of treasury stock, representing 0.98 percent of the capital, for an amount of 63.0 million euros.

As on June 30, 2021 and December 31, 2020, no other Group company held shares in the controlling company.

7. DUE TO CREDIT INSTITUTIONS

Credit

As on June 30, 2021 and December 31, 2020 the breakdown of the main credit line is as follows:

Borrowing entity	Maturity	Limit		Drawn down	
		2021	2020	2021	2020
MAPFRE, S.A.	02/26/2025	1,000.0	1,000.0	664.0	600.0
Total		1,000.0	1,000.0	664.0	600.0

Figures in millions of euros

This credit line is a syndicated loan facility ceded by a group of ten banking undertakings. It accrues interest at a rate linked to market variables and the Group's sustainability parameters. In line with the contract, in January 2020, its maturity was extended from February 2024 to February 2025.

Loans

Additionally, at June 30, 2021 and December 31, 2020, there were other loans from banks, the most relevant being the following:

Borrowing entity	Maturity	2021	2020
MAPFRE VIDA	04/01/2026	91.8	110.0
MAPFRE ESPAÑA	02/21/2024	38.3	51.0
MAPFRE DOMINICANA	03/11/2027	27.5	28.9
Total		157.6	189.9

Figures in millions of euros

The MAPFRE VIDA and MAPFRE ESPAÑA loans accrue interest linked to the Euribor, amortized via flat, annual payments, the first being made two years from the date of the formalization of the loan in 2019.

The MAPFRE DOMINICANA loan accrues interest linked to market variables, and MAPFRE Group sustainability parameters and amortizes via 14 biannual flat payments between September 11, 2020 and March 11, 2027.

8. ASSET IMPAIRMENT

The breakdown of expenses for asset impairment accounted for during the half-years ending June 30, 2021 and 2020 is as follows:

Impairment in	2021	2020
Real estate investments	6.8	34.3
Financial investments	8.3	7.6
Receivables	13.5	29.8
Total	28.6	71.7

Figures in millions of euros

9. FINANCIAL INFORMATION BY SEGMENT

9.1. DISTRIBUTION OF PREMIUMS BY BUSINESS UNITS

The breakdown by Business Unit of direct insurance and accepted reinsurance premiums and of the results, for the half-years ending June 30, 2021 and 2020 is as follows:

Business unit	Premiums		Result			
			Before tax		Attributable to controlling company	
	2021	2020	2021	2020	2021	2020
Iberia	4,251.5	3,977.7	318.1	325.5	206.0	221.2
LATAM North	1,347.0	886.6	28.7	71.6	19.8	43.6
LATAM South (*)	756.0	726.8	39.9	43.0	27.8	27.3
Brazil	1,595.6	1,612.0	118.0	202.4	36.3	60.3
North America	1,025.3	1,115.8	66.3	64.0	50.8	53.2
Eurasia	737.7	775.8	27.3	38.4	14.0	23.0
Total Insurance Unit	9,713.1	9,094.7	598.3	744.9	354.7	428.6
Reinsurance and Global Risks	3,241.4	2,910.0	109.0	(70.3)	82.8	(51.7)
Assistance	246.9	337.7	1.8	(8.0)	(1.9)	(13.3)
Total Business Units	13,201.4	12,342.4	709.1	666.6	435.6	363.6
Holding, consolidation adjustments and other	(1,538.7)	(1,359.7)	(74.7)	(130.1)	(71.6)	(92.9)
Total	11,662.7	10,982.7	634.4	536.5	364.0	270.7

Figures in millions of euros

(*) In order to provide clear information, and given its insignificance, MAPFRE VENEZUELA is not included in the LATAM SOUTH. Said information is included in "Holding, Consolidation Adjustments and Other".

The breakdown by Business Unit in the above chart is provided with an eye to operating segments, which are aligned with Group organizational structure, and with the information provided to Management and the markets.

9.2. ORDINARY REVENUES AND RESULTS BY ACTIVITY

The breakdown of the ordinary revenues and results by activity for the half-years ended on June 30, 2021 and 2020 is as follows:

Activity	Ordinary revenues		Result			
			Before tax		Attributable to controlling company	
	2021	2020	2021	2020	2021	2020
Direct insurance:						
· Life	2,030.0	1,991.4	142.7	227.0	69.6	92.6
· Automobile	2,700.7	2,834.8	191.1	367.6	129.4	245.9
· Other Non-Life	5,257.3	4,629.7	214.4	127.4	104.6	37.2
Reinsurance	3,241.4	2,910.0	108.8	(70.4)	77.6	(48.6)
Other Activities and Holdings	423.3	410.8	205.3	181.2	179.6	199.7
Total ongoing operations	13,652.7	12,776.7	862.3	832.8	560.8	526.8
Eliminations and Consolidation Adjustments	(1,834.3)	(1,650.3)	(227.9)	(296.3)	(196.8)	(256.1)
Total	11,818.4	11,126.4	634.4	536.5	364.0	270.7

Figures in millions of euros

The ordinary revenues include the Direct Insurance written premiums and the Accepted Reinsurance premiums from the insurance business, as well as operating revenues from other activities.

Inter-activity transactions arise mainly due to reinsurance operations and dividend payments among Group companies which have been eliminated in the consolidation process, and the value of which is included in "Eliminations and Consolidation Adjustments".

10. BUSINESS COMBINATIONS

In the first half of 2021, the final acquisition price of the 2020 MAPFRE SANTANDER PORTUGAL business combination was assigned. The fair value of the identifiable assets and liabilities from said business combination is the following:

Item	2020 MAPFRE SANTANDER PORTUGAL
ASSETS	
Portfolio acquisition expenses and other intangibles	25.1
Investments	—
Deferred tax assets	0.1
Participation of reinsurance in technical provisions	0.9
Receivables	0.7
Cash	13.3
Other assets	—
TOTAL ASSETS	40.1
LIABILITIES	
Technical provisions	4.4
Deferred tax liabilities	5.6
Debt	0.7
Other Liabilities	0.6
TOTAL LIABILITIES	11.3
Fair value of net assets	28.8
Interest acquired	50.01%
Fair value of the percentage of net assets acquired	14.4
First consolidation difference	—
Business combination costs	14.4

Figures in millions of euros

The definitive amounts for the MAPFRE SANTANDER PORTUGAL business combinations carried out in 2020 differ from the provisional amounts recorded in that year from the assignment of the final consideration in the first half of 2021, which implies a 25.1 million euro increase in value of the intangible assets (exclusive distribution agreement in the Banco Santander bank network in Portugal), as well as a 5.6 million euro increase in liabilities from deferred tax liabilities and a 9.7 million euro increase in non-controlling shares, thus leaving the first consolidation at zero. As the effect of the difference in results and Shareholders' equity for the Controlling company is null, the 2020 figures have not been restated for comparison.

The abovementioned fair values differ from the book value of the company before the combination, primarily due to portfolio acquisition expenses and other intangibles and corresponding deferred tax liabilities, mostly not recorded in their books.

The expenses directly attributable to the above mentioned combination, corresponding to independent professional, legal and financial advisory fees, were not material and were recorded as expenses in the consolidated income statement.

11. TRANSACTIONS WITH RELATED PARTIES

11.1. EXPENSES AND REVENUE

The breakdown of expenses and revenue with related parties for the half-years ended on June 30, 2021 and 2020 is as follows:

Item	Significant shareholders		Other related parties		Total	
	2021	2020	2021	2020	2021	2020
Leasing	—	—	0.2	0.2	0.2	0.2
Services received	—	—	—	—	—	—
Other expenses	—	—	—	—	—	—
Total expenses	—	—	0.2	0.2	0.2	0.2
Leasing	—	—	—	—	—	—
Provision of services	—	—	—	—	—	—
Other revenues	0.2	0.2	0.5	—	0.7	0.2
Total revenue	0.2	0.2	0.5	—	0.7	0.2

Figures in millions of euros

11.2. OTHER TRANSACTIONS

The breakdown of other transactions with related parties for the half-years ended on June 30, 2021 and 2020 is as follows:

Item	Significant shareholders		Other related parties		Total	
	2021	2020	2021	2020	2021	2020
Guarantees and sureties received	—	—	—	—	—	—
Dividends and other profits assigned	162.5	180.5	—	—	162.5	180.5
Other operations	—	—	—	—	—	—

Figures in millions of euros

11.3. REMUNERATION OF KEY MANAGEMENT STAFF

The breakdown of remuneration of the controlling Company's Board of Directors for the half-years ended on June 30, 2021 and 2020 is as follows:

Item	2021	2020
Fixed remuneration	1.32	1.31
Variable remuneration	1.30	1.29
Bylaw perquisites	1.43	1.43
Other concepts	0.16	0.13
Total	4.21	4.16

Figures in millions of euros

Executive directors (who are deemed to be both the company's executives as well as those performing executive duties in other MAPFRE Group companies) receive the remuneration established in their contracts, including fixed salary, incentives with varying amounts linked to results, Life and Disability insurance, and other general benefits established for the company's staff. They also receive certain retirement-related pension benefits, externalized through a Life insurance policy. All of these are pursuant to the compensation policy established by the Group for its senior managers, whether or not they are directors. Contributions to defined benefit plans totaling 3.92 million euros were recorded as expenses for the first-half of 2021 (3.48 million euros in 2020), with the accumulated rights (consolidated and non-consolidated) reaching the amount of 36.34 million euros to June 30, 2021 (30.65 million euros to June 30, 2020).

Regarding the medium-term incentive plans, no amount has accrued in the first half of 2021 or in the same period of the previous year. To June 30, 2021, 0.05 million euros in cash are pending payment (0.09 million euros to December 2020) and 0.04 million euros in shares⁽²⁾ (0.07 million euros to December 2020⁽¹⁾).

With regard to short-term variable remuneration accrued in the first half and in previous periods, 2.53 million euros are pending payment (2.42 million euros at December 2020).

The Board of Directors of MAPFRE S.A. approved on February 10, 2021 a proposal from the company's Appointments and Remuneration Committee regarding a specific key collective in the Company for an additional short-term component for 2021, tied jointly to ROE and the Global Non-Life Combined Ratio for the year, for the amount of 0.60 million euros.

The breakdown of remuneration of senior management for the half-years ended on June 30, 2021 and 2020 is as follows:

ITEM	2021	2020
No. of senior management members	9	9
Fixed remuneration	1.32	1.29
Variable remuneration	0.82	0.82
Other concepts	0.16	0.15
Total	2.30	2.26

Figures in millions of euros

Contributions to defined benefit plans totaling 1.81 million euros were recorded as expenses in the first half of 2021 (1.31 million euros in 2020), with the accumulated rights (consolidated and non-consolidated) reaching the amount of 11.68 million euros at June 30, 2021 (8.65 million euros in 2020).

Regarding the medium-term incentive plans, no amount has accrued in the first half of 2021 or the same period the previous year. 0.01 million euros in cash are pending payment (0.03 million euros to December 2020) and no amount is pending payment in shares (0.01 million euros to December 2020⁽¹⁾).

Of the short-term variable remuneration accrued the first half and in previous periods, 1.50 million euros are pending payment (1.60 million euros in 2020).

The Board of Directors of MAPFRE S.A., approved on February 10, 2021 a proposal from the company's Appointments and Remuneration Committee regarding a specific key collective in the Company for an additional short-term component for 2021, tied jointly to ROE and the Global Non-Life Combined Ratio for the year, for the amount of 0.57 million euros.

(1) Equity instruments have been valued with the closing value of the MAPFRE S.A. share at 06.30.2020: 1.58 €

(2) Equity instruments have been valued with the closing value of the MAPFRE S.A. share at 06.30.2021: 1.78 €

11.4. AVERAGE WORKFORCE

The table below shows the average number of Group employees for the half-years ending June 30, 2021 and 2020:

Average staff	2021	2020
Men	14,969	15,489
Women	18,471	18,758
Total	33,440	34,247

12. FISCAL SITUATION

As a result of the inspection activity carried out in Fiscal Group 9/85, of which MAPFRE S.A. is the controlling company, on March 11, 2020, the Corporate Income Tax pertaining to the period 2013 to 2016 was signed partially in agreement and partially in disagreement.

With regard to the concepts signed in agreement, the most noteworthy is the recognition of deductions for double taxation due to the application of article 30.6 of Legislative Royal Decree 4/2004, which approved the Recast Text of the Corporate Income Tax Law (effective in years 2013 and 2014) and the Twenty-third Transitional Provision of Law 27/2014 regarding Corporate Income Tax (effective starting 2015), as well as the regularization of non-deductible provisions that were, however, reversed in subsequent years.

With regard to the disagreements, they referred primarily to the deductibility of certain personnel expenses, of the technical provision for claims and equalization reserve, the deduction for technological innovation expenses and the repercussion for subsidiaries' royalties for the use of the MAPFRE brand.

On May 30, 2020, allegations were made against the notices of disagreement that were rejected by the Oficina Técnica de la Delegación Central de Grandes Contribuyentes (Large Taxpayers Central Office) via resolutions dated June 26, 2020, against which appeals were filed before the Tribunal Económico-Administrativo Central (Economic Administrative Court) (hereinafter, TEAC), and concerning which the corresponding allegations have already been formulated.

On December 22, 2020, notification was received of a liquidation agreement referring to the action regarding Corporate Income Tax from 2016, which was appealed before the TEAC. Allegations have also already been presented in said reclamation.

Additionally, on December 22, 2020, MAPFRE S.A. was notified as controlling company of Fiscal Group 9/85 an agreement increasing inspection activity related to Corporate Income Tax from 2016, limiting the scope of verification of certain personnel expenses already regulated in inspection activity in 2013 and 2014. As a result of said verification, an act of disagreement was signed on March 24, 2021, against which allegations were formulated and dismissed via decision by the Oficina Técnica de la Delegación Central de Grandes Contribuyentes (Large Taxpayers Central Office), on July 2, 2021, and which will be appealed before the TEAC.

Further, on June 3, 2020, Value-Added Tax items for the period 2014 to 2016 were signed partially in agreement and partially in disagreement, regarding the application of the pro-rata rule in the REGE Group of Companies (Special Regime for Groups of Companies), of which MAPFRE, S.A. is the controlling company, as well as the impact of this on royalty operations for the use of the MAPFRE brand, regarding aspects of which allegations were made on June 2, 2020 and which were partially accepted by the above-mentioned Taxpayers Central Office, via resolution on July 15, 2020, which were appealed before the TEAC, having already presented written allegations.

In line with the opinion of the Controlling company, there are solid arguments supporting MAPFRE's position in the disagreements, which is why no specific provisions have been made for this concept.

Regarding previous inspection activity pertaining to Fiscal Group 9/85 of which MAPFRE S.A. is the Controlling company, concerning Corporate Income Tax from 2007 to 2009, in which deductions applied for Research and Development (R&D) expenses deductions were partially regularized, and which the TEAC had already partially cancelled the liquidation carried out by the Technical Office, notification has been received of the Audiencia Nacional's (Federal Court) sentence dated June 16, 2021 completely cancelling the abovementioned liquidation. At the close of the period, BRASIL SEG currently has legal proceeds open, pending sentencing, regarding the Corporate Income Tax (IRPJ) and Social Contribution on Net Profits (CSSL), and the retroactive application of interest rates on shareholders' equity. The amounts in question reach 60 million Brazilian reais (10 million euros).

13. COVID-19

MAPFRE's activity during the COVID-19 crisis has been focused on two main priorities:

- Guaranteeing the health and safety of all employees and collaborators, which continues to be the top priority for MAPFRE Group.
- Ensuring business continuity in such a way that makes it possible to continue to provide the highest quality service to our clients.

From the perspective of managing the crisis provoked by the pandemic, despite its impact and the mobility restrictions imposed in many countries, MAPFRE Group has maintained the continuity of its operations and has continued providing service to clients everywhere the Group operates, always complying with our commitment to our clients, as well as with the relevant legislation in force in each country at all times.

At the close of June, the percent of personnel who were working on the premises in the key markets where MAPFRE operates was the following: Spain, 94 percent with rotations; United States, 53.5 percent; and in Brazil, due to the negative development of the pandemic in the country, 99 percent of personnel are currently working remotely.

Vaccination progress in Europe and the United States makes it possible to be more and more optimistic about the development of the pandemic situation, which is only threatened by the potential impact of new COVID-19 strains. However, the situation in Latin America is still complicated, and currently has one of the highest rates of contagion in the world, reaching record highs both in number of deaths and in number of cases in the majority of countries in the region. The impact in the region is higher than it was last year, both in the number of people affected as well as the impact on the social situation and economic activity.

Impacts on the consolidated Income Statement

The following is a breakdown of the most relevant impacts on Group results, as a result of the COVID-19 crisis:

Losses

Accumulated reported losses incurred as a result of claims directly allocated to COVID-19, by line of business, in the first half of 2021, is as follows:

Lines	Amount
Life Protection	151.9
Health	50.5
Other lines	24.8
Burial	14.8
Travel Assistance (Travel insurance)	5.1
Total Insurance	247.1
Accepted Reinsurance	19.3
Total	266.4

figures in million euros

By region and business unit, the breakdown of losses is as follows:

Business unit	Amount
Iberia	22.2
LATAM North	72.6
LATAM South	43.8
Brazil	99.7
North America	1.4
Eurasia	2.4
Total Insurance Unit	242.1
Reinsurance and Global Risks	19.3
Assistance	5.1
Total Business Units	266.4

figures in million euros

COVID-19 Expenses

The incurred expenses related to these measures amounted to 2.2 million euros in the first half of 2021.

Combined ratio

The combined ratio by line in the first half of 2021 is as follows:

Lines	Combined ratio		
	June 2021	June 2020	Variation
Auto	95.70%	90.50%	5.2 p.p.
Health & Accident	100.80%	97.90%	2.9 p.p.
General P&C	91.40%	99.00%	(7.6) p.p.
Burial	102.40%	125.80%	(23.4) p.p.
Travel Assistance	102.80%	103.30%	(0.5) p.p.
Life Protection	99.30%	83.90%	15.4 p.p.

At June 30, 2021, there has been a deterioration in the combined ratio in Auto compared to the same period the previous year, from the elimination of mobility restrictions and the return to a certain normality. On the other hand, an improvement can be seen in Burial, as a result of the lower mortality in the population with this insurance cover and average cost contention in the first half of 2021. The combined ratio in Life Protection has gone up significantly, primarily as a result of the high COVID-19 claims in Latin America.

At the close of June 2021, the Group evaluated the possible loss of value of goodwill and other intangible assets assigned to the main cash-generating units, and detected no indications of impairment in any of them.

14. OTHER INFORMATION

The Group has established an early retirement plan aimed at employees of its insurance operations in Spain, and which will be carried out over the course of 2021. In order to cover the costs that will be incurred with this plan, the Group has recorded a provision for approximately 75.0 million euros.

The plan is voluntary and there are certain age and length-of-service requirements in order to be able to opt into the plan. The plan aims to improve the efficiency of sales and administrative processes as a result of the new operating structures, as well as adapting resources to new advances in digitalization.

15. EVENTS SUBSEQUENT TO CLOSING

MAPFRE, through its subsidiary MAPFRE INTERNACIONAL which currently holds 67.4071 percent of the share capital of the Peruvian insurance company MAPFRE PERÚ VIDA COMPAÑÍA DE SEGUROS Y REASEGUROS ("MPV"), has reached an initial agreement with various shareholders of said entity, who hold 32.17 percent of the share capital, by means of which it would acquire said shareholding either directly or indirectly through its subsidiaries registered in Peru. Additionally, MAPFRE intends to acquire the remaining shares corresponding to the 0.4229 percent of the share capital of MPV held by the remaining the shareholders.

In line with Peruvian regulation, when the acquisition exceeds 10 percent of the share capital of MAPFRE PERÚ VIDA, it requires prior approval from the Superintendancy of Banking, Insurance and Pension Fund Management ("SBS" in Spanish). The amount of the transaction, if all shares were acquired, would be the equivalent in Peruvian sols of 130.37 million US dollars (approximately 110.86 million euros) at the time the transaction is carried out, once approved by the SBS.

Consolidated Interim Management Report

JUNE 2021



MAPFRE

Your trusted global insurance company

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1. MAPFRE GROUP KEY FIGURES

ITEM	JUNE 2020	JUNE 2021	Δ %
Results			
Revenue	13,277.0	14,083.1	6.1 %
Total written and accepted premiums	10,982.7	11,662.6	6.2 %
- Non-Life	8,762.8	9,346.7	6.7 %
- Life	2,219.9	2,316.0	4.3 %
Attributable net result	270.7	364.0	34.5 %
Non-Life Loss Ratio	67.6 %	66.0 %	-1.6 p.p.
Non-Life Expense Ratio	29.1 %	29.1 %	— p.p.
Non-Life Combined Ratio	96.7 %	95.1 %	-1.6 p.p.
Earnings per share (euros / 6 months)	0.09	0.12	34.5 %
ITEM	DECEMBER 2020	JUNE 2021	Δ %
Balance sheet			
Total assets	69,152.6	70,871.2	2.5 %
Assets under management	55,181.8	55,797.0	1.1 %
Shareholders' equity	8,536.0	8,505.7	-0.4 %
Debt	2,993.6	3,072.8	2.6 %
ROE	6.1 %	7.4 %	1.3 p.p.
Employees at the close of the period			
Total	33,730	33,157	-1.7 %
- Spain	11,332	11,341	0.1 %
- Other countries	22,398	21,816	-2.6 %
MAPFRE share			
Market capitalization (million euros)	4,905.7	5,489.3	11.9 %
Share price (euros)	1.593	1.783	11.9 %
ITEM	DECEMBER 2020	MARCH 2021	Δ %
Solvency			
Solvency ratio	192.9 %	201.0 %	8.1 p.p.

Figures in million euros

2. SIGNIFICANT ECONOMIC AND CORPORATE EVENTS

2.1 Significant Economic Events

2.1.1 Development of COVID-19 impacts

Current status of MAPFRE operations

MAPFRE's activity during the COVID-19 crisis has focused on two main priorities:

- Guaranteeing the health and safety of all employees and collaborators, which continues to be the top priority for MAPFRE Group.
- Ensuring business continuity in order to continue providing the highest level of service to our clients.

From the perspective of managing the crisis provoked by the pandemic, despite its impact and the mobility restrictions imposed in many countries, MAPFRE Group has maintained the continuity of its operations and has continued providing service to clients everywhere the Group operates, always complying with our commitment to our clients, as well as with the relevant legislation in force in each country at all times.

At the close of June, the percent of personnel who were working on the premises in the key markets where MAPFRE operates was the following: Spain, 94 percent with rotations; United States, 53.5 percent; and in Brazil, due to the negative development of the pandemic in the country, 99 percent of personnel are currently working remotely.

Vaccination progress in Europe and the United States makes it possible to be more and more optimistic about the development of the pandemic situation, which is only threatened by the potential impact of new COVID-19 strains. However, the situation in Latin America is still very complicated, and currently has one of the highest rates of contagion in the world, reaching record highs both in number of deaths and in number of cases in the majority of countries in the region. The impact in the region is higher than it was last year, both in the number of people affected as well as the impact on the social situation and economic activity.

Most relevant economic impacts on MAPFRE's Income Statement

The following is a breakdown of the most relevant impacts on Group results, at the close of June 2021, as a result of the coronavirus (COVID-19) crisis:

Losses:

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

Lines	Amount
LIFE PROTECTION	151.9
HEALTH	50.5
BURIAL	14.8
TRAVEL ASSISTANCE (Travel Insurance)	5.1
OTHER	24.8
TOTAL INSURANCE	247.1
ACCEPTED REINSURANCE	19.3
TOTAL ACCUMULATED	266.4

Figures in million euro

By region and business unit, the breakdown of losses is as follows:

Regions and Units	Amount
IBERIA	22.2
LATAM NORTH	72.6
LATAM SOUTH	43.8
BRAZIL	99.7
NORTH AMERICA	1.4
EURASIA	2.4
TOTAL INSURANCE	242.1
MAPFRE RE	19.3
MAPFRE ASISTENCIA	5.1
TOTAL ACCUMULATED	266.4

Figures in million euros

COVID-19 Expenses

MAPFRE has mobilized resources and adopted measures aimed at guaranteeing the protection of its staff against the COVID-19 pandemic, as well as ensuring business continuity. The expenses related to these measures incurred by the Group during 2021 reached 2.2 million euros.

Combined Ratio

The combined ratio by line of business during the last three years is broken down below:

Lines	Combined Ratio		
	June 2019	June 2020	June 2021
AUTO	100.2 %	90.5 %	95.7 %
HEALTH & ACCIDENT	100.8 %	97.9 %	100.8 %
GENERAL P&C	86.2 %	99.0 %	91.4 %
BURIAL	96.4 %	125.8 %	102.4 %
TRAVEL ASSISTANCE	110.6 %	103.3 %	102.8 %
LIFE PROTECTION	87.3 %	83.9 %	99.3 %

At June 30, 2021, there has been a relevant deterioration of the Auto combined ratio compared to the same period the previous year, from the elimination of mobility restrictions and the return to a certain normality. On the other hand, an improvement can be seen in Burial, as a result of the lower mortality in the population with this insurance cover and average cost contention in the first half of 2021. The combined ratio in Life Protection has gone up significantly, primarily as a result of the high COVID-19 claims in Latin America.

At the close of June 2021, the Group evaluated the possible loss of value of goodwill and other intangible assets assigned to the main cash-generating units, and detected no indications of impairment in any of them.

2.1.2 Voluntary early retirement plan in Spain

The Group has established a voluntary early retirement plan aimed at employees of its insurance operations in Spain, and which will mostly be carried out over the course of the third quarter 2021.

The plan is voluntary and there are certain age and length-of-service requirements in order to be able to opt into the plan. The plan aims to improve the efficiency of sales and administrative processes as a result of the new commercial profiles, as well as adapting resources to new advances in digitalization.

In order to cover the costs that will be incurred with this plan, the Group has recorded a provision in the IBERIA region for approximately 75 million euros (65.2 million in Non-Life and 9.8 million in Life). This extraordinary expense implies 1.0 percentage points on the Group combined ratio. Excluding this effect, the ratio would stand at 94.1 percent.

2.1.3 Main risks and uncertainties for the second half of the year

MAPFRE's business activities are exposed to risk factors and uncertainties that can generally affect the results and equity of the entities operating in the market in the same segments (primarily insurance and reinsurance).

The main risks the Group is subject to are Non-Life underwriting and market risks. However, the Group is reasonably protected against said risks by maintaining a strategic line based on:

- Technical rigor in underwriting risks and managing claims, and a lower expense level than the market average.
- Conservative investment management policy.
- Maintaining a reasonable level of debt and liquid assets, which mitigate possible problems with liquidity and debt refinancing in adverse conditions.

The development of the coronavirus pandemic stands out in an analysis of the most relevant risks, as does cybersecurity, the insufficient speed of adaptation of product and service distribution to new distribution models, the risk derived from long-term changes in climate patterns with increases in extreme weather events, and economic uncertainty arising from the transition to a low carbon economy.

For the coming half year, the main uncertainties are those coming from the economic context of the key countries in which the Group operates. More specifically:

- Economic activity, which conditions the demand for insurance products.
- Possible fluctuations in the market value of financial investments.
- Changing interest rate environment.

MAPFRE considers itself to be well prepared to face these situations and is adopting appropriate measures to reduce the consequences as much as possible. The financial information for the first half of the year sufficiently accounts for the effects of these risks.

2.2 Significant Corporate Events

Business Development. Acquisitions and Disposals.

Bankia-CaixaBank Merger

On March 26, 2021, the merger carried out via BANKIA S.A.'s absorption by CAIXABANK S.A. was executed, with the subsequent dissolution of the former and universal succession by CAIXABANK.

Pursuant to the contracts entered into between BANKIA and MAPFRE, this situation constitutes a change of control of BANKIA, therefore conferring to MAPFRE a put option to CAIXABANK, as the universal successor of BANKIA, of the shares representing 51 percent of the shareholding in BANKIA MAPFRE VIDA and the subsequent termination of the agency contract for the distribution of Life insurance, as well as termination rights for the agency contract for the distribution of Non-Life insurance entered into between BANKIA and MAPFRE ESPAÑA.

MAPFRE formally informed CAIXABANK and BANKIA that it exercised said rights effective March 31, 2021, and therefore is initiating the contractually established procedures regarding business valuations to determine the price (120 percent of market value of the 51 percent shareholding of MAPFRE VIDA in BANKIA MAPFRE VIDA) and compensation (120 percent of the value of the Non-Life insurance business, not including the value of the insurance portfolio) to be received for the termination of its bancassurance agreements.

The business valuation process is currently being performed by an independent appraiser who was named by both parties.

Pursuant to the contract, the results generated by BANKIA MAPFRE VIDA as of the date the put option is exercised will correspond in their entirety to CAIXABANK.

The most relevant information for BANKIA MAPFRE VIDA following the Accounting Plan for Insurance Companies is shown below:

ITEM	DECEMBER 2020	JUNE 2021
Written premiums	181.2	93.4
Result before tax	162.0	57.5
Net result	120.2	42.5

ITEM	DECEMBER 2020	JUNE 2021
Equity	550.1	513.1
Financial investments	7,310.1	6,350.8
Technical provisions	5,123.8	4,833.3

Figures in million euros

Sale of Industrial RE

On December 15, 2020, the Group received a binding offer for the entity Industrial RE, a company that has not had relevant activity for several years. This transaction, in May, obtained the corresponding administrative authorizations and its execution generated a gross gain of 3.5 million euros for MAPFRE Group.

Sale of Rastreator and Preminen

On December 29, Admiral Group Plc announced the sale of Penguin Portals Group and the comparison site Preminen to RVU. Penguin Portal Group holds control of the online price comparison site Rastreator.

MAPFRE Group held 25 percent of Rastreator and 50 percent of Preminen, which were included in this transaction. These sales were formalized and fully paid up in May, generating a gross gain of 12.1 and 1.9 million euros for MAPFRE group, respectively.

Co-investment with Swiss Life.

In the second quarter of the year, MAPFRE Group, through MAPFRE INMUEBLES, formalized a joint real estate investment vehicle with Swiss Life, which will be shared equally with 50 percent participation for each company. To this end, MAPFRE INMUEBLES provided 100 percent of its shares in a company whose main asset is a building it owns in Madrid. As a result of this transaction, a 33.6 million euro gross gain was generated for MAPFRE Group.

MAPFRE raises its stake in Abante

On January 22, 2021, MAPFRE and Abante agreed that MAPFRE's 10 percent stake increase in Abante take place immediately, via capital increase. In the agreement signed between both partners in July 2019, a three-year period had been stipulated for this option; MAPFRE decided to implement it in advance, precisely because of the good progress of the alliance. In June, the corresponding supervisory authorizations were obtained, and this was subscribed and paid up for the amount of 27.4 million euros.

With this operation, the stake in Abante capital reaches 18.77 percent.

Capital increases in MAPFRE Group companies

In the month of June 2021, a capital increase of 90 million reais (15 million euros) in MAPFRE VIDA Brasil was approved, which was subscribed and paid up by MAPFRE Brasil Participaciones, with locally generated resources, in order to strengthen the company's solvency position, due to the accumulated losses produced by COVID-19 claims in the Life Protection business.

Acquisition of non-controlling shareholder participations

In the second quarter of the year, MAPFRE Group acquired additional participation from non-controlling shareholders of MAPFRE Middlesea p.l.c. in Malta and MAPFRE Atlas in Ecuador, representing 1.27 and 7.66 percent of share capital, respectively.

Sale of Annuity portfolio in Chile

As reported in 2020, MAPFRE received a binding offer for the sale of Annuity portfolios from MAPFRE Chile Vida and Caja Reaseguradora de Chile. At June 30, 2021, the parties have decided not to continue with this operation, bringing negotiations to a close.

2.3 Treasury Stock

At June 30, 2021, MAPFRE owns 30,068,524 shares of treasury stock representing 0.98 percent of the capital, for the amount of 63.0 million euros.

3. MACROECONOMIC OVERVIEW AND FINANCIAL MARKETS

General Overview

In the second quarter of 2021, economic recovery has started to be noted in the majority of countries, although to different degrees, supported by lax monetary policies, as well as substantial fiscal stimuli, consisting primarily in direct aid and loans for some sectors, focused (specifically in the European Union) on an economic transition toward clean energies, sustainable infrastructures and greater digitalization.

Both financial markets as well as central banks have begun focusing their concern on the uptick in inflation. While the consensus from economists indicates the uptick in both general inflation as well as underlying inflation is temporary, as a result of the effect of the raw material prices and the existence of labor market slack, markets consider the possibility of rising inflation being permanent, due to the development of raw material and food prices in some countries, the effect of accumulated savings in the increase in private consumption and pressure on manufacturing prices as a result of some supply disruptions.

Monetary authorities prefer to wait for inflation to consistently surpass target levels, before taking action to modify their position, as they are aware that a premature hardening of financing conditions has been harmful in the past. However, some central banks, specifically from emerging countries, have argued for immediate action, raising interest rates, as they expect it will be more complicated to fight rising prices once inflation is high. The US Federal Reserve, at its meeting in June, showed their intention to launch restrictive monetary policies and reduce asset purchases. The European Central Bank (ECB) is maintaining its monetary policy for now, given that it is key in the post-COVID-19 economic recovery.

The pandemic has experienced new increases in contagion in some countries, with the delta variant arising as a particular source of uncertainty. Looking ahead to the rest of the year, expectations are aimed at continued recovery, if vaccines are really effective and outbreaks don't take things off track. In the medium-term, there is concern that activity has not normalized, and will not completely normalize. So far, recovery is due to fiscal stimuli and lax financial conditions, making it necessary to see what impact withdrawing the stimuli will have, and what the effects will be in terms of business closings and employment.

The following is a more detailed analysis of the most relevant markets in which MAPFRE operates:

Eurozone

The GDP is expected to grow 13.1 percent in the second quarter of the year, compared to the 14.6 percent fall in the same period of 2020. Restrictions are relaxing in line with the decline in the number of cases. While loosening restrictions will make recovery easier, the voluntary mobility limitations are not making it possible. At the end of June, mobility in the Eurozone was close to 10 percent below that of 2019.

Looking ahead to the rest of the year, everything points to better expectations, with consumer confidence on the rise along with retail sales, industrial production and mobility in commercial and leisure areas. The Purchasing Managers' Indices (PMI) have improved in June, with the composite at 59.2 points, manufacturing at 63.1, and services at 58.0.

Inflation in the Eurozone reached 2.0 percent in May, primarily from the increase in fuel prices, placing underlying inflation at 0.9 percent. It is expected to continue growing, reaching 2.5 percent at the end of the year, from the effect of oil prices, which have already exceeded 77 USD/bl (Brent). Longer-term, inflation behavior will depend on the recovery of spending, supply disruption, raw material prices, and last but not least, salaries, which should not exert relevant upward pressure as long as there continues to be certain slack in the job market.

A positive point is that the 750-billion-euro Recovery Plan (NextGenEU) is already being distributed. The plan consists of loans and direct aid, which complement the 1,074-billion-euro European budget (Multiannual Financial Framework). Fund disbursement is associated with presenting specific investment projects, with priority given to those related to infrastructure, clean energy, digitalization and sustainability.

The Euro Stoxx 50 index went up 14.4 percent in the half year, reaching 4,064 points.

Spain

The year-on-year GDP variation is estimated to be 19.8 percent in the second quarter (versus a 21.6 fall percent in the second quarter of 2020) thanks to the reopening of economic activity.

With the end of the state of alarm in Spain on May 9, a series of activities returned to normality. Further, with the advancing vaccination, which stood at around 50 percent of the population at the end of June, there is a general feeling of the pandemic being more under control. However, there are still recommendations to maintain certain limitations on mobility and schedules. Tourism and hospitality activities have opened back up, although under certain conditions.

However, tourism will continue to be reduced by the conditions established by the tourist origin markets (quarantines) and by personal choice, from fear of traveling.

The incoming funds from the European Union (NextGenEU), primarily intended for digitalization and environmentally focused investments, will be a major lever for coming out of the crisis. These funds will aim to drive growth in the second half of the year and throughout 2022, but they will not completely compensate lower activity in other sectors.

Inflation in May showed upward tension, reaching 2.7 percent, from the rise in oil prices (underlying inflation reached 0.2 percent), and could close the year around 2.0 percent.

The IBEX 35 index rose to 9.3 percent in the half year, finishing at 8,821 points.

United States

The United States economy will grow an estimated 13.8 percent in the second quarter of 2021, after the 9 percent fall in the same period the previous year. This growth is due to the effect of one of the most aggressive stimulus plans in the world, for the amount of 1.9 trillion dollars which, along with the 900 billion dollars activated at the end of 2020, represent a powerful fiscal impulse in 2021 of approximately 4.3 percentage points of the GDP. At the end of June, the Senate reached an agreement to launch a 579 billion dollar infrastructure plan, which will have to be approved by Congress and is another push toward recovery.

Vaccinations advance at a positive rate (52 percent of the population) and restrictions have been progressively lifted. As a result, the economic activity Restriction Index fell to 50 percent in May, and economic activity has normalized at the same time.

Inflation increased 5.0 percent in May, with underlying at 3.8 percent. This data shows that inflation will remain high in 2021, reaching close to 4 percent in the coming quarters, and will then reduce to around 2.5 percent in 2022. This effect is in line with the variation in fuel and transport prices, the opening of activity after restrictions are lifted, and the high household savings accumulated. This all leads the Federal Reserve to assume that inflation could stand above 2 percent for a period of time.

The Federal Reserve, at its meeting in June, anticipated a change in cycle in interest rates, as well as indicated that two rate hikes are expected in 2023. The conversation was focused on tapering (finishing asset purchases), keeping markets alert to new clues at the meeting in August. For now, the Federal Reserve maintains the 80-billion-dollar monthly Treasury security purchases and 40 billion dollar mortgage security purchases, maintaining interest rates in federal funds in the range of 0-0.25 percent.

The dollar closed the half year at 0.84 euros, appreciating 3.0 percent in the half year. The S&P500 index closed the half year with a 14.4 percent increase, reaching 4,298 points.

Brazil

The Brazilian GDP is expected to grow 13 percent in the second quarter of the year (contrasting the 10.9 percent fall the year before) in the midst of a pandemic that is still, with ups and downs, worsening. Although vaccination is moving forward, unlike other countries the vaccinated portion of the population still oscillates around 27 percent. Restriction levels in the first quarter were still above 70 percent on the Restriction Index, and relaxed to 60 percent in the second quarter.

Inflation in Brazil rose to 8.1 percent in May, due to electricity, fuel and food prices. Electricity is highly dependent on hydraulic production and reservoirs are at their lowest levels in 20 years.

The Central Bank, at its meeting in June, raised interest rates (SELIC) 75 basis points to 4.25 percent, due to inflationary pressure. The Central Bank has indicated that monetary policy normalization is adequate, to a neutral level of 6-7 percent, and a new 75 basis point increase to 5 percent is expected at the next meeting.

In the stock market, the BOVESPA index closed the half year at 126,802 points, with a 6.5 percent increase in local currency.

Mexico

With a partial lifting of restrictions, activity in the second quarter is expected to increase substantially and to maintain this growth in coming quarters. The GDP is expected to grow 17.7 percent in the second quarter, compared to an 18.7 percent fall the same quarter the previous year. Favorable spending and export behavior is expected, with 5.4 percent GDP growth overall in 2021, and 2.9 percent in 2022.

In the first quarter of 2021, the Mexican economy contracted as the level of restrictions remained very high until the end of February. However, since then, they have relaxed, reaching below 50 percent on the Restriction Index in the last four months.

Inflation is on the rise, reaching 6.05 percent in June, with underlying at 4.58 percent. This inflationary pressure is related to external inflation, originating in raw materials and with the drought that affects agricultural products and meat. In this context, the Central Bank, at its meeting in June, raised official interest rates 25 basis points to 4.25 percent, considering that this hike was necessary to avoid adverse effects on inflation expectations, making it possible to reach an organized price adjustment and facilitate price convergence to the target range of 3-4 percent.

The Mexican Stock Exchange closed the half year at 50,290 points, with a 14.1 percent increase in local currency.

Turkey

The Turkish economy is expected to grow 18 percent in the second quarter of 2021, versus the 10.3 percent fall in the same period the previous year. This recovery has been a positive surprise, especially in exports, which will grow over 16 percent in 2021.

Restrictions are still high, although they have relaxed in June, with a Restriction Index of 65 percent. At the same time, the rate of vaccination has sped up, reaching 40 percent of the population at the end of June.

Inflation stood at 16.6 percent in May, with underlying at 17 percent and the currency depreciation will continue to affect the price of imported products. The Central Bank, at its meeting in June, maintained interest rates (1-week repo rate) at 19.0 percent, and inflationary pressure, higher oil prices and continued currency depreciation are expected to impede an additional reduction in interest rates.

The BIST30 stock index in Istanbul closed the half year at 1,463 points, with a 10.6 percent decrease in local currency.

Main currencies compared to the euro

ITEM	Average Exchange Rate		Closing Exchange Rate	
	JUNE 2021	Var. JUNE 2021 vs. JUNE 2020	JUNE 2021	Var. JUNE 2021 vs. DECEMBER 2020
US dollar	0.83343	-7.6 %	0.84321	3.0 %
Brazilian real	0.15491	-14.2 %	0.16803	6.6 %
Turkish lira	0.10352	-25.2 %	0.09698	-11.8 %
Mexican peso	0.04160	-1.0 %	0.04236	3.0 %
Colombian peso	0.00023	-7.6 %	0.00023	-5.6 %
Chilean peso	0.00115	4.9 %	0.00116	0.5 %
Peruvian sol	0.22180	-16.2 %	0.21699	-4.1 %
Argentine peso	0.00881	-30.3 %	0.00881	-9.5 %
Panamanian balboa	0.83184	-7.8 %	0.84321	3.0 %
Dominican peso	0.01454	-11.4 %	0.01478	5.1 %
Honduran lempira	0.03449	-5.2 %	0.03530	4.0 %
Philippine peso	0.01724	-3.3 %	0.01726	1.3 %
Indonesian rupiah	0.00006	-6.4 %	0.00006	-0.4 %

4. CONSOLIDATED RESULT

Consolidated Revenue

ITEM	JUNE 2020	JUNE 2021	Δ %
Total written and accepted premiums	10,982.7	11,662.6	6.2 %
Financial income from investments	1,225.6	1,438.9	17.4 %
Revenue from non-insurance entities and other revenue	1,068.6	981.5	-8.2 %
Total consolidated revenue	13,277.0	14,083.1	6.1 %

Figures in million euros

The Group's consolidated revenue reached nearly 14.1 billion euros, with a 6.1 percent increase, mainly due to the issuing of the multi-year PEMEX policy in Mexico in June for the amount of 563 million dollars (469 million euros), to the favorable development of reinsurance business which grew 15.6 percent, and to the positive commercial performance of Unit-Linked Life products in Spain.

Premiums from direct insurance and accepted reinsurance, which represent a fundamental part of revenue, reached almost 11.7 billion euros, with a 6.2 percent increase, primarily due to the previously mentioned PEMEX policy which provides a larger premium volume and compensates the reduction caused by the fall in exchange rates to the same degree. At constant exchange rates, and excluding the extraordinary effect of the PEMEX policy, premiums would have grown 6.7 percent.

The following chart provides a breakdown of premium development by line of business:

ITEM	JUNE 2020	JUNE 2021	Δ %
Total written and accepted premiums	10,982.7	11,662.6	6.2 %
NON-LIFE	8,762.8	9,346.7	6.7 %
AUTO	2,834.8	2,700.8	-4.7 %
GENERAL P&C	3,056.8	3,690.5	20.7 %
HEALTH & ACCIDENT	1,073.0	1,129.4	5.3 %
OTHER NON LIFE	499.8	437.4	-12.5 %
SUB-TOTAL NON LIFE INSURANCE	7,464.4	7,958.1	6.6 %
NON-LIFE REINSURANCE	2,681.5	2,955.5	10.2 %
CONSOLIDATION ADJUSTMENTS	(1,383.1)	(1,567.0)	-13.3 %
LIFE	2,219.9	2,316.0	4.3 %
LIFE PROTECTION	1,099.8	1,046.3	-4.9 %
LIFE SAVINGS	891.6	983.8	10.3 %
SUB-TOTAL LIFE INSURANCE	1,991.4	2,030.0	1.9 %
LIFE REINSURANCE	228.4	285.9	25.2 %

Figures in million euros

Written premiums in the second quarter of 2021 were negatively affected by lower economic activity and the currency effect, and were positively affected by the issuing of the multi-year PEMEX policy as well as by the improved sales of Unit-Linked Life products.

Non-Life premiums grew 6.6 percent, primarily from improved issuing in the General P&C and Health lines, which went up in the half year 20.7 percent (5.4 percent excluding the PEMEX policy) and 5.3 percent, respectively, thanks to the positive performance of General P&C in Mexico, Spain, Brazil and Colombia and of Health and Accident in Spain and Mexico. On the other hand, lower issuing in the Auto line (4.7 percent) comes primarily from the United States, Italy, Turkey and Brazil.

Life insurance premiums grew 1.9 percent thanks to improved Life Savings business, which was supported by higher sales of Unit-Linked products to cover product maturities in the period. Life Protection fell 4.9 percent, primarily from the currency effect in Brazil.

By Non-Life business type, General P&C is the most important line, with close to 3.7 billion euros in premiums. Auto holds second place, with over 2.7 billion euros. Health and Accident is in third place with over 1.1 billion euros.

Gross revenue from investments surpassed 1.4 billion euros, 17.4 percent more than the same period the previous year. This improvement comes primarily from Spain with 193.3 million euros and Malta with 52.4 million euros, from the revaluation of investments tied to Unit-Linked and similar products and with practically no impact on the Group result.

Finally, other revenue, which mostly includes non-insurance activity and non-technical revenue, went down 8.2 percent, primarily from the decrease in positive foreign exchange differences, which went down 13.8 percent.

Income Statement

The chart below gives a summary of the consolidated income statement to June 2021, showing the various components of earnings and the comparison with the same period of the previous year.

ITEM	JUNE 2020	JUNE 2021	Δ %
I. REVENUE FROM INSURANCE BUSINESS	10,514.2	10,637.3	1.2 %
1. Premiums earned, net	8,399.6	8,438.0	
2. Revenue from investments	1,195.9	1,374.6	
3. Positive currency differences	827.5	713.4	
4. Other technical and non-technical revenues and impairment reversals	91.2	111.2	
II. INSURANCE BUSINESS EXPENSES	(9,844.2)	(9,977.7)	-1.4 %
1. Incurred claims for the year, net	(5,731.5)	(6,275.3)	
2. Net operating expenses	(2,377.1)	(2,248.3)	
3. Investment expenses	(743.8)	(501.4)	
4. Negative currency differences	(801.5)	(702.2)	
5. Other technical and non-technical expenses and impairment	(190.3)	(250.5)	
RESULT FROM THE INSURANCE BUSINESS	669.9	659.6	-1.5 %
III. OTHER ACTIVITIES	(124.9)	(19.4)	
IV. RESULT ON RESTATEMENT OF FINANCIAL ACCOUNTS	(8.6)	(5.8)	
V. RESULT BEFORE TAXES	536.5	634.4	18.3 %
VI. TAX ON PROFITS	(130.4)	(144.3)	
VII. RESULT AFTER TAX	406.1	490.1	20.7 %
VIII. RESULT AFTER TAX FROM DISCONTINUED OPERATIONS	0.0	0.0	
IX. RESULT FOR THE FINANCIAL YEAR	406.1	490.1	20.7 %
1. Attributable to non-controlling interests	135.4	126.1	
2. Attributable to the controlling company	270.7	364.0	34.5 %

Figures in million euros

Revenue from MAPFRE Group insurance business went up 1.2 percent thanks to growth in earned premiums and also to the strong performance of revenue from financial investments, which in 2020 were affected by the fall in valuation of the portfolios.

The decrease in the heading for positive exchange differences has a parallel movement in the heading for negative exchange differences.

The increase in the heading for other technical and non-technical expenses comes from the 75 million euro provision in the Iberia region to cover the voluntary early retirement plan.

The insurance business result reached 659.6 million euros, which is a slight 1.5 percent decrease compared to the same period the previous year.

Non-Life insurance business results reached 511.7 million euros (Appendix 13.5), with a 14.9 percent improvement compared to the same period the previous year.

This improvement in the Non-Life insurance result comes primarily from the MAPFRE RE business unit results, which to June 2020 reported losses of 67.8 million euros (from the earthquake in Puerto Rico and the adverse development of accepted reinsurance claims from COVID-19), while to June 2021 they present earnings of 104.0 million euros

MAPFRE ESPAÑA continues to be the largest contributor to Group profits. Further, the positive rate of contribution to earnings from Non-Life businesses in BRAZIL, the UNITED STATES and LATAM SOUTH is noteworthy.

The Life technical-financial result reached 147.9 million euros (Appendix 13.5), a 34.1 percent decrease compared to the same period the previous year. This decline is due to lower Life Protection business results from the negative development of the COVID-19 pandemic in Latin America, which to June 2021 impacted losses in this line, reducing the net result for Life Protection 50.2 million euros. In the second quarter, this business was positively impacted in Spain from the reduction of the contingent liability from payments for fulfilling objectives in the bancassurance channel for 22 million euros net.

The result from other activities contributed a loss of 19.4 million euros. This result improved compared to the close of March 2021 from the extraordinary gains generated in the second quarter of 2021 from the sale of Rastreator, Preminen and Industrial RE, as well as from the gains generated by the joint investment with Swiss Life. It is important to point out that at the close of June 2020, the total amount of 48.9 million euros was provisioned for restructuring and impairments as a result of the impacts from the COVID-19 pandemic.

The result before taxes stands at 634.4 million euros, 18.3 percent more than the same period the previous year.

Tax on profits reached 144.3 million euros, with a 10.6 percent increase compared to the same period the previous year.

The accumulated attributable result to June 2021 reached 364.0 million euros, increasing 34.5 percent, coming mainly, as previously mentioned, from the improved MAPFRE RE business unit results.

5. CONSOLIDATED BALANCE SHEET

5.1 Balance Sheet

ITEM	DECEMBER 2020	JUNE 2021	Δ %
Goodwill	1,409.8	1,423.0	0.9 %
Other intangible assets	1,370.3	1,416.6	3.4 %
Other fixed assets	238.9	225.0	-5.8 %
Cash	2,418.9	2,364.7	-2.2 %
Real estate	2,239.9	2,325.3	3.8 %
Financial investments	36,511.1	35,818.8	-1.9 %
Other investments	1,220.8	1,355.0	11.0 %
Unit-Linked investments	2,502.4	2,742.2	9.6 %
Participation of reinsurance in technical provisions	5,378.6	6,013.6	11.8 %
Receivables on insurance and reinsurance operations	4,489.5	5,920.3	31.9 %
Deferred taxes	221.7	283.0	27.7 %
Assets held for sale	8,159.5	7,804.7	-4.3 %
Other assets	2,991.2	3,179.1	6.3 %
TOTAL ASSETS	69,152.6	70,871.2	2.5 %
Equity attributable to the Controlling company	8,536.0	8,505.7	-0.4 %
Non-controlling interests	1,301.8	1,387.2	6.6 %
Equity	9,837.8	9,893.0	0.6 %
Financial debt	2,993.6	3,072.8	2.6 %
Technical provisions	41,692.6	42,810.2	2.7 %
Provisions for risks and expenses	582.6	603.1	3.5 %
Debt due on insurance and reinsurance operations	2,256.9	2,736.0	21.2 %
Deferred taxes liabilities	670.6	601.5	-10.3 %
Liabilities held for sale	7,263.9	6,869.8	-5.4 %
Other liabilities	3,854.7	4,284.8	11.2 %
TOTAL LIABILITIES	69,152.6	70,871.2	2.5 %

Figures in million euros

Total assets reached almost 70.9 billion euros at June 2021 and grew 2.5 percent compared to the close of the previous year. The most relevant changes are analyzed below:

1. The 31.9 percent increase in receivables on insurance and reinsurance operations comes from, on the one hand, recording at the beginning of the financial year the annual issuing of the Health and Burial insurance portfolios, which will go down over the course of 2021, and on the other hand to the issuing of the multi-year PEMEX policy.

2. To June 2021, the heading for "Assets held for sale" reached 7.8 billion euros and primarily comprises:

- a. 7.3 billion euros corresponding to operations with the now extinct Bankia, with the transfer to Caixabank pending formalization in the coming months. (7.7 billion euros to December 2020)

- b. 302 million euros corresponding to assets from FUNESPAÑA and MAPFRE INMUEBLE's land for sale, operations which were already held for sale at December 31, 2020.

- c. 238 million euros from Assistance and direct insurance entities and operations in Europe and Asia and which have been reclassified to this heading in the current half year, and which are in various degrees of completing the sale process. This amount includes travel insurance operations through the InsureandGo brand, which at June 30, 2021 is in the final stages of formalizing regulatory requirements necessary for its sale to third parties.

3. 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.

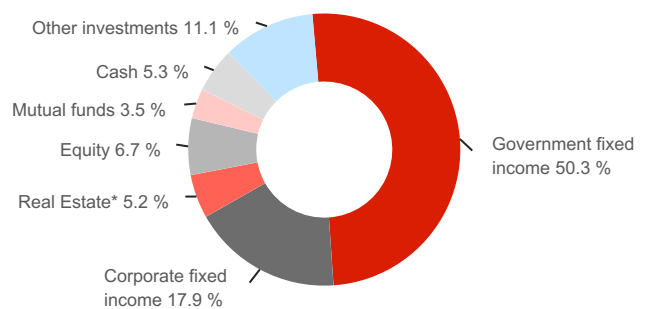
5.2 Investment Portfolio

In the second quarter of the year, economic activity has continued recovering, especially in the United States, Europe and China, in line with vaccination programs. The appearance of a new strain of the virus has generated certain overreaction. However, the significant monetary and fiscal stimuli have given way to certain concerns about inflation, which reached 5.1 percent year-on-year in June in the United States. The possible reaction of central banks to this phenomenon has affected stock and bond markets, although the impact has been going down. Improved economic indicators and company results have driven the main stock markets with appreciation of between 10 and 15 percent. On the other hand, the recovery of the dollar and the Brazilian real is noteworthy, with the possibility of lower laxness in monetary policy.

In fixed income, the active management of duration has been the focus of the investment policy in this period. Portfolio managers increased duration in portfolios to mid-May, taking advantage of the uptick Spanish government debt experienced. Subsequently, duration was reduced in line with market yield reductions. At the end of the quarter, the portfolios had lower durations than they had at the beginning of the quarter, as well as lower than their reference index, thus adapting to the entity's perspectives regarding a forecast for interest rates hikes in the second half of the year. In equity, exposure was increased, primarily based on favorable market development. Exposure to government and corporate debt in the investment portfolio has varied slightly throughout the quarter from 51.3 percent and 18.2 percent to 50.3 percent and 17.9 percent, respectively. Equity and mutual fund exposure has gone up in the quarter from market effects, going from 9.7 to 10.2 percent. The positive performance of all assets with the highest ESG (environmental, social and governance) ratings is also noteworthy, as have the alternative investments that have been made in recent years in line with the investment plan.

Details of the investment portfolio by asset class to June 30 are given in the following chart:

Breakdown by asset class*



ITEM	DECEMBER 2020	JUNE 2021	Δ %
Government fixed income	23,396.0	22,439.9	-4.1 %
Corporate fixed income	8,135.7	7,971.3	-2.0 %
Real Estate*	2,239.9	2,325.3	3.8 %
Equity	2,694.9	3,004.2	11.5 %
Mutual funds	1,414.6	1,570.4	11.0 %
Cash	2,418.9	2,364.7	-2.2 %
Other investments	4,593.1	4,930.3	7.3 %
TOTAL	44,893.2	44,606.0	-0.6 %

Figures in million euros

* "Real Estate" includes both investment property and real estate for own use (at net book value).

Appendix 13.1, Consolidated Balance Sheet, includes a breakdown of the financial investments: by held to maturity portfolio, available for sale portfolio, and trading portfolio.

Breakdown of Fixed income portfolio to June 2021 by geographic area and asset class

ITEM	Government	Total Corporate Debt	Total
Spain	12,184.0	1,384.8	13,568.8
Rest of Europe	4,267.6	3,342.2	7,609.8
United States	1,426.0	2,102.8	3,528.8
Brazil	2,253.2	1.6	2,254.8
Latin America - Other	1,750.4	781.4	2,531.8
Other countries	558.7	358.5	917.2
TOTAL	22,439.9	7,971.3	30,411.2

Figures in million euros

Approximately 2.7 billion euros in Italian sovereign debt is included in "Rest of Europe".

The breakdown of corporate debt is as follows:

Total Corporate Debt	Corporate without collateral	Corporate with collateral	Total
Spain	929.4	455.4	1,384.8
Rest of Europe	3,118.4	223.8	3,342.2
United States	2,043.8	59.0	2,102.8
Brazil	1.6	0.0	1.6
Latin America - Other	723.0	58.4	781.4
Other countries	356.8	1.7	358.5
TOTAL	7,173.1	798.2	7,971.3

Figures in million euros

Four different types of portfolios are included in investment portfolio management:

- Those that aim for a strict immunization of the obligations derived from insurance contracts, and which minimize interest rate risk, through matching adjustments, by means of immunization techniques based on matching cash flow or duration.
- Portfolios that cover Unit-Linked policies composed of assets where the risk is borne by policyholders.
- Conditioned actively managed portfolios, that aim to exceed guaranteed returns and to obtain greater returns for policyholders within prudential parameters, such as portfolios with profit-sharing.
- Freely actively managed portfolios, which are only conditioned by the legal rules and internal risk limitations

Breakdown of actively managed Fixed Income portfolios

	Market Value	Accounting Yield	Market Yield	Modified Duration
Non Life (IBERIA + MAPFRE RE)				
06/30/21	7,339.0	1.60 %	0.54 %	7.74 %
03/31/21	7,501.2	1.57 %	0.47 %	8.06 %
12/31/20	7,458.2	1.68 %	0.28 %	8.58 %
09/30/20	7,398.3	1.70 %	0.42 %	8.21 %
06/30/20	7,150.7	1.78 %	0.62 %	8.22 %
Life (IBERIA)				
06/30/21	5,265.6	3.44 %	0.20 %	6.88 %
03/31/21	5,388.8	3.59 %	0.18 %	6.89 %
12/31/20	5,559.2	3.66 %	-0.01 %	7.10 %
09/30/20	6,618.9	3.56 %	0.15 %	6.72 %
06/30/20	6,561.6	3.56 %	0.34 %	6.77 %

Figures in million euros

The reduction in actively managed fixed income portfolios from Life business to December 2020 and June 2021 is a result of the reclassification of BANKIA MAPFRE VIDA assets to the balance sheet heading "Assets held for sale".

At June 30 2021, the unrealized capital gains on equity and mutual funds from IBERIA's and MAPFRE RE's freely actively managed portfolios reached more than 161 million euros (15 million euros at December 31, 2020).

5.3 Equity

Consolidated equity amounted to 9.9 billion euros at June 30, 2021, as compared to 9.8 billion euros at December 31, 2020. To June 30, 2021, 1.4 billion euros correspond to non-controlling interests' shares in subsidiaries, primarily financial entities in Spain and Brazil with which MAPFRE has bancassurance agreements. Consolidated equity attributable to the controlling Company per share was 2.76 euros at June 30, 2021 (2.77 euros at December 31, 2020).

The following chart shows changes in equity attributable to the controlling Company in the period:

Equity attributable to the controlling Company

ITEM	DECEMBER 2020	JUNE 2021
BALANCE AT 12/31 PREVIOUS YEAR	8,854.3	8,536.0
Additions and deductions recognized directly in equity		
Financial assets available for sale	503.4	(688.9)
Currency conversion differences	(675.5)	119.8
Shadow accounting	(228.1)	407.6
Other	(8.3)	6.1
TOTAL	(408.5)	(155.4)
Result for the period	526.5	364.0
Dividends	(415.6)	(230.8)
Other changes in net equity	(20.7)	(8.0)
BALANCE AS AT PERIOD END	8,536.0	8,505.7

Figures in million euros

Equity attributable to the controlling Company at the close of June 2021 includes:

- A decrease of 688.9 million euros in the market value of the financial assets available for sale portfolio, as a result of the increase in interest rates in the first half of the year, partially offset by shadow accounting for the positive amount of 407.6 million euros.
- An increase of 119.8 million euros from currency conversion differences, mainly due to the appreciation of the dollar and the Brazilian real.
- Profits to June 2021.
- A reduction of 230.8 million euros, from the final 2020 dividend.

The breakdown of the equity items attributable to the controlling Company is shown below:

ITEM	DECEMBER 2020	JUNE 2021
Capital, retained earnings and reserves	9,244.4	9,369.1
Treasury stock and other adjustments	(74.3)	(67.7)
Net capital gains	1,281.6	1,000.3
Unrealised gains (Available for sale portfolio)	4,068.6	3,379.8
Shadow accounting (Gains allocated to provisions)	(2,787.0)	(2,379.4)
Currency conversion differences	(1,915.7)	(1,796.0)
Attributable equity	8,536.0	8,505.7

Figures in million euros

The following table shows a breakdown of the currency conversion differences and variations:

CURRENCY	DECEMBER 2020	JUNE 2021	VARIATION
US dollar	301.2	371.5	70.3
Brazilian real	(944.6)	(890.6)	54.1
Venezuelan Bolivar	(423.3)	(424.9)	-1.6
Turkish lira	(345.9)	(356.9)	-11.0
Argentine peso	(121.8)	(116.1)	5.7
Mexican peso	(140.9)	(133.5)	7.4
Colombian peso	(62.6)	(74.0)	-11.4
Indonesian rupiah	(17.4)	(17.1)	0.3
Other currencies	(160.3)	(154.4)	6.0
Total	(1,915.7)	(1,796.0)	119.8

Figures in million euros

Hyperinflationary economies' effect on Equity

The financial statements of the companies registered in countries with high inflation rates or hyperinflationary economies are adjusted or restated for the effects of the changes in prices before they are converted to euros. The Group accounting policy for recording operations in hyperinflationary economies consists of recording the accounting effects from inflation adjustments and from currency conversion differences in Equity, with both recycled in P&L.

The amounts included in the last two years from these effects are the following:

ITEM	DEC 2019	Var. 2020	DEC 2020	Var. 2021	JUN 2021
Restatement for inflation	564.8	17.7	582.5	13.9	596.4
Currency conversion differences	(1,102.8)	(24.8)	(1,127.6)	(9.8)	(1,137.3)
Net	(538.0)	(7.1)	(545.1)	4.1	(540.9)

Figures in million euros

The breakdown, by country, of results from accounting restatement and equity from the subsidiaries operating in hyperinflationary economies is below:

COUNTRY	Results from restatement		Attributable equity	
	JUNE 2020	JUNE 2021	DECEMBER 2020	JUNE 2021
Argentina	(4.7)	(5.4)	56.0	63.3
Venezuela	(3.9)	(0.4)	6.7	6.1
Total	(8.6)	(5.8)	62.7	69.5

Figures in million euros

5.4 Funds under Management

The following charts show the performance of managed savings, including both technical provisions of Life companies, and the Life provisions of multiline companies, which are presented in the Group's consolidated balance sheet. In addition to the Life insurance operations, MAPFRE manages its clients' savings through pension and mutual funds.

Managed savings

The following chart shows the details of and changes in managed savings, which includes both concepts:

ITEM	DECEMBER 2020	JUNE 2021	Δ %
Life technical provisions	22,500.7	22,225.3	-1.2 %
Pension funds	5,754.9	6,115.1	6.3 %
Mutual funds and other	4,533.8	5,075.9	12.0 %
Subtotal	32,789.3	33,416.3	1.9 %

Figures in million euros

The improvement in pension funds and mutual funds to June 2021 is noteworthy, up 6.3 and 12.0 percent, respectively, compared to the close of the previous year. In pension funds, contributions and external inflows surpassed withdrawals and external outflows at the close of June 2021, for the amount of 70.4 million euros. Additionally, mutual funds also had positive net contributions for the amount of 212.0 million euros.

Assets under management

The following chart reflects the development of assets under management, which include the total Group investment portfolio as well as pension and mutual funds:

ITEM	DECEMBER 2020	JUNE 2021	Δ %
Investment portfolio	44,893.2	44,606.0	-0.6 %
Pension funds	5,754.9	6,115.1	6.3 %
Mutual funds and other	4,533.8	5,075.9	12.0 %
TOTAL	55,181.8	55,797.0	1.1 %

Figures in million euros

6. Information by Business Unit

MAPFRE manages its business through the following Units: Insurance, Reinsurance, Global Risks and Assistance. The Reinsurance and Global Risks Units comprise the legal entity MAPFRE RE.

The chart below shows premiums, attributable result, and Non-Life combined ratio for each Regional Area and Business Unit:

Key Figures

AREA / BUSINESS UNIT	Premiums			Attributable result			Combined ratio	
	JUNE 2020	JUNE 2021	Δ %	JUNE 2020	JUNE 2021	Δ %	JUNE 2020	JUNE 2021
IBERIA	3,977.7	4,251.5	6.9 %	221.2	206.0	-6.8 %	93.8 %	96.3 %
BRAZIL	1,612.0	1,595.6	-1.0 %	60.3	36.3	-39.8 %	88.8 %	86.1 %
LATAM NORTH	886.6	1,347.0	51.9 %	43.6	19.8	-54.7 %	87.8 %	93.5 %
LATAM SOUTH	726.8	756.0	4.0 %	27.3	27.8	1.8 %	93.9 %	92.3 %
NORTH AMERICA	1,115.8	1,025.3	-8.1 %	53.2	50.8	-4.6 %	99.1 %	97.2 %
EURASIA	775.8	737.7	-4.9 %	23.0	14.0	-39.1 %	97.1 %	101.8 %
TOTAL INSURANCE	9,094.7	9,713.1	6.8 %	428.6	354.7	-17.2 %	93.8 %	95.0 %
REINSURANCE	2,123.2	2,454.2	15.6 %	(47.7)	69.0	244.5 %	106.5 %	95.6 %
GLOBAL RISKS	786.8	787.3	0.1 %	(4.0)	13.8	446.1 %	109.1 %	84.4 %
ASSISTANCE	337.7	246.9	-26.9 %	(13.3)	(1.9)	85.6 %	100.3 %	99.7 %
Holdings, eliminations and other	(572.9)	(751.6)	-31.2 %	(97.0)	(57.8)	40.4 %	0.0 %	0.0 %
MAPFRE S.A.	10,982.7	11,662.6	6.2 %	270.7	364.0	34.5 %	96.7 %	95.1 %

Figures in million euros

6.1 IBERIA

IBERIA encompasses the business activities of MAPFRE ESPAÑA and its subsidiary in Portugal, as well as the Life business managed by MAPFRE VIDA and its bancassurance subsidiaries.

Information by country

REGION / COUNTRY	Premiums			Attributable result			Combined ratio		ROE	
	JUNE 2020	JUNE 2021	Δ %	JUNE 2020	JUNE 2021	Δ %	JUNE 2020	JUNE 2021	DECEMBER 2020	JUNE 2021
IBERIA	3,977.7	4,251.5	6.9 %	221.2	206.0	-6.8 %	93.8 %	96.3 %	10.6 %	10.5 %
SPAIN*	3,910.8	4,186.1	7.0 %	217.7	204.0	-6.3 %	93.8 %	96.2 %	10.7 %	10.7 %
PORTUGAL	66.9	65.4	-2.2 %	3.5	2.0	-41.8 %	95.9 %	97.5 %	6.4 %	5.4 %

Figures in million euros

*VERTI Spain premiums reached 44.8 million euros (+7.7 percent).

Breakdown by key lines:

IBERIA	Premiums			Attributable result			Combined ratio	
	JUNE 2020	JUNE 2021	Δ %	JUNE 2020	JUNE 2021	Δ %	JUNE 2020	JUNE 2021
LIFE	886.9	1,001.7	12.9 %	66.4	86.7	30.5 %	— %	— %
LIFE PROTECTION	280.3	277.5	-1.0 %	44.8	30.4	-32.1 %	66.9 %	75.1 %
LIFE SAVINGS	606.6	724.2	19.4 %	18.5	35.4	91.1 %	— %	— %
AUTO	1,085.8	1,115.0	2.7 %	159.9	62.0	-61.2 %	81.0 %	93.1 %
GENERAL P&C	1,208.1	1,269.7	5.1 %	(16.6)	10.8	165.0 %	107.2 %	101.2 %
HEALTH & ACCIDENT	660.3	722.0	9.3 %	(2.5)	6.8	— %	102.4 %	99.3 %

Figures in million euros

IBERIA premiums

Premiums in IBERIA grew 6.9 percent. Non-Life premiums grew 5.6 percent and reflect the positive development of the Auto, Health, Condominiums, Commercial and Homeowners business.

Life premiums went up 12.9 percent, primarily due to the positive commercial performance of Life Savings products (Unit-Linked).

Regarding the SANTANDER MAPFRE operation, written premiums reached 24.5 million euros at the close of June 2021.

IBERIA result

IBERIA's pre-tax results reached 318.1 million euros, which implies a 2.2 percent decrease compared to the same period of 2020.

IBERIA's attributable result reached 206.0 million euros with a 6.8 percent decrease compared to the same period the previous year. There was a 26.3 percent fall in Non-Life business as a result of recording a 65.2 million euro (gross) provision at June 2021 for a voluntary early retirement program. Excluding this effect, the Iberia combined ratio would stand at 93.4 percent, similar to the previous year. This fall in Non-Life is partially compensated by the Life business, which includes a positive extraordinary from the reduction of the contingent liability from payments for fulfilling objectives in the bancassurance channel for 25 million euros gross. In this Life business, a 9.8 million euro (gross) provision for early retirements was also recorded. Additionally, extraordinary gains were recorded for the sale of Rastreator and the joint investment with Swiss Life for 12.1 and 30.3 million euros gross, respectively.

At the close of June 2021, 1.7 million euros in financial gains, net of losses, were recorded (19.4 million as of June 2020).

The information for MAPFRE ESPAÑA is provided below:**MAPFRE ESPAÑA - Key figures**

ITEM	JUNE 2020	JUNE 2021	Δ %
Gross written and accepted premiums	3,067.0	3,234.9	5.5 %
Net premiums earned	2,142.9	2,242.3	4.6 %
Gross result	170.0	120.8	-29.0 %
Tax on profits	(37.9)	(19.5)	
Non-controlling interests	0.7	1.5	
Attributable net result	132.9	102.7	-22.7 %
Combined ratio	94.5 %	96.9 %	2.4p.p.
Expense ratio	23.0 %	24.9 %	1.9p.p.
Loss ratio	71.5 %	72.0 %	0.5p.p.

ITEM	DECEMBER 2020	JUNE 2021	Δ %
Investments, real estate and cash	7,147.1	6,977.5	-2.4 %
Technical provisions	6,322.1	6,834.3	8.1 %
Shareholders' equity	2,590.7	2,433.6	-6.1 %
ROE	10.2 %	9.5 %	-0.7p.p.

Figures in million euros

MAPFRE ESPAÑA - Auto

ITEM	JUNE 2020	JUNE 2021	Δ %
Gross written and accepted premiums	1,085.8	1,115.0	2.7 %
Net premiums earned	996.9	995.3	-0.2 %
Result before tax	212.4	80.3	-62.2 %
Non-Life Loss Ratio	62.5 %	71.5 %	9.0p.p.
Non-Life Expense Ratio	18.6 %	21.6 %	3.1p.p.
Non-Life Combined Ratio	81.0 %	93.1 %	12.1p.p.
Number of vehicles insured (units)	5,868,225	6,149,010	4.8 %

Figures in million euros

Auto premiums (including VERTI, SEGUROS GERAIS PORTUGAL and SANTANDER MAPFRE) grew 2.7 percent.

The Auto combined ratio went up and stands at 93.1 percent due to a 9.0 percentage point increase in the loss ratio, from the return to normal mobility and the provision for voluntary early retirements.

MAPFRE ESPAÑA - General P&C

ITEM	JUNE 2020	JUNE 2021	Δ %
Gross written and accepted premiums	1,208.1	1,269.7	5.1 %
Net premiums earned	748.9	799.7	6.8 %
Result before tax	(23.6)	14.0	159.2 %
Non-Life Loss Ratio	78.4 %	71.6 %	-6.8p.p.
Non-Life Expense Ratio	28.7 %	29.6 %	0.8p.p.
Non-Life Combined Ratio	107.2 %	101.2 %	-6.0p.p.

Figures in million euros

General P&C business volume reflects the solid performance of the majority of retail Non-Life lines. At the close of June, accumulated growth in the Homeowners business reached 2.6 percent, and 6.1 percent in Condominiums. Commercial lines experienced an increase in written premiums of 8.7 percent.

MAPFRE ESPAÑA – Health & Accident

ITEM	JUNE 2020	JUNE 2021	Δ %
Gross written and accepted premiums	618.2	678.8	9.8 %
Net premiums earned	295.4	326.2	10.4 %
Result before tax	(10.3)	1.9	118.5 %
Non-Life Loss Ratio	86.2 %	80.4 %	-5.8p.p.
Non-Life Expense Ratio	19.2 %	20.7 %	1.5p.p.
Non-Life Combined Ratio	105.4 %	101.1 %	-4.3p.p.

Figures in million euros

Health and Accident premiums maintained their strong rate of growth, reaching 9.8 percent over the same period in the previous year. The combined ratio shows a decrease compared to the same period of the previous year, reaching 101.1 percent.

The charts below provide a breakdown of the information for MAPFRE VIDA:

MAPFRE VIDA – Key figures

ITEM	JUNE 2020	JUNE 2021	Δ %
Gross written and accepted premiums	910.8	1,016.7	11.6 %
Gross result	155.7	197.6	26.9 %
Tax on profits	(30.5)	(44.7)	
Non-controlling interests	(36.8)	(49.6)	
Attributable net result	88.3	103.3	17.0 %

ITEM	DECEMBER 2020	JUNE 2021	Δ %
Investments, real estate and cash	18,790.7	18,308.4	-2.6 %
Shareholders' equity	1,778.4	1,831.1	3.0 %
ROE	11.1 %	11.8 %	0.7p.p.
Technical financial Margin	1.6 %	1.8 %	0.2p.p.

Figures in million euros

MAPFRE VIDA – Premium breakdown

ITEM	JUNE 2020	JUNE 2021	Δ %
- Agent channel	690.2	799.4	15.8 %
- Bank channel	220.6	217.3	-1.5 %
BANKIA MAPFRE VIDA	97.7	93.4	-4.4 %
BANKINTER SEG DE VIDA	102.3	105.6	3.3 %
CAJA CASTILLA LA MANCHA	20.6	18.3	-11.5 %
TOTAL PREMIUMS	910.8	1,016.7	11.6 %
- Life-Savings	592.3	702.5	18.6 %
- Life-Protection	276.4	271.0	-2.0 %
- Accident	42.1	43.2	2.7 %

Figures in million euros

MAPFRE VIDA business went up 11.6 percent due to the relevant 18.6 improvement in Life Savings business, from the positive performance of Unit-Linked products sold by the company in order to deal with maturities of products from previous years. On the other hand, the Life Protection business went down 2.0 percent.

MAPFRE VIDA's result before taxes grew 26.9 percent, with its attributable result reaching 103.3 million euros, 17.0 percent higher than the same period the previous year.

MAPFRE INVERSIÓN activity is consolidated in MAPFRE VIDA accounts. Its attributable result, to June 30, 2021, reached 21.5 million euros (17.0 million euros to June 2020).

MAPFRE VIDA – Managed savings

ITEM	DECEMBER 2020	JUNE 2021	Δ %
Technical provisions	16,439.8	15,947.1	-3.0 %
MAPFRE VIDA	14,224.4	13,774.7	-3.2 %
BANKINTER SEGUROS DE VIDA	1,434.9	1,425.5	-0.7 %
CAJA CASTILLA LA MANCHA	780.6	746.9	-4.3 %
Mutual funds and other	3,875.8	4,337.9	11.9 %
Pension funds	5,754.9	6,115.1	6.3 %
MAPFRE AM	2,633.7	2,775.9	5.4 %
OTHER	3,121.2	3,339.2	7.0 %
TOTAL MANAGED SAVINGS	26,070.6	26,400.1	1.3 %

Figures in million euros

6.2 BRAZIL

This regional area encompasses the insurance activity in Brazil.

Key Figures

ITEM	JUNE 2020	JUNE 2021	Δ %
Gross written and accepted premiums	1,612.0	1,595.6	-1.0 %
- Non-Life	1,002.0	1,044.3	4.2 %
- Life	610.0	551.3	-9.6 %
Net premiums earned	1,240.1	1,127.4	-9.1 %
Gross result	202.4	118.0	-41.7 %
Attributable net result	60.3	36.3	-39.8 %
Combined ratio	88.8 %	86.1 %	-2.8p.p.
Expense ratio	35.4 %	35.3 %	-0.1p.p.
Loss ratio	53.4 %	50.8 %	-2.7p.p.

ITEM	DECEMBER 2020	JUNE 2021	Δ %
Investments, real estate and cash	2,623.1	2,634.1	0.4 %
Technical provisions	3,416.5	4,020.5	17.7 %
Shareholders' equity	782.7	788.0	0.7 %
ROE	11.3 %	9.9 %	-1.4p.p.

Figures in million euros

Breakdown by key lines:

BRAZIL	Premiums			Attributable result			Combined ratio	
	JUNE 2020	JUNE 2021	Δ %	JUNE 2020	JUNE 2021	Δ %	JUNE 2020	JUNE 2021
LIFE	610.0	551.3	-9.6 %	18.6	(7.8)	-142.1 %	— %	— %
LIFE PROTECTION	577.0	517.4	-10.3 %	18.2	(10.7)	-158.8 %	86.5 %	103.8 %
LIFE SAVINGS	33.0	33.9	2.9 %	(2.1)	0.5	124.4 %	— %	— %
AUTO	233.4	221.7	-5.0 %	5.7	3.3	-42.5 %	102.5 %	102.8 %
GENERAL P&C	767.7	822.1	7.1 %	29.1	31.8	9.0 %	78.8 %	77.3 %

Figures in million euros

Premiums

Written premiums fell 1.0 percent in euros, while in Brazilian reais they showed 15.3 percent growth. The fall in issuing in euros is mainly due to the 14.2 percent depreciation of the real compared to the last year.

In Brazilian reais, the Brasil Seg (Banco do Brasil) channel grew 15.4 percent. The MAPFRE channel grew 15.2 percent. The positive growth in reais in the Agro and Life Protection business in the Brasil Seg channel, and the Auto, Transport and Industrial Risks lines in the MAPFRE channel is noteworthy. It is important to highlight the improvement in insurance activity in the second quarter of 2021.

Result

The development of the attributable result in Brazil at the close of June 2021 fell 39.8 percent, reaching 36.3 million euros. This reduction is partly explained by the depreciation of the Brazilian real (in local currency, the reduction would have been 29.8 percent) and from the unfavorable development of the Life Protection line which reported losses as a result of the increased mortality in the country due to the deterioration of the health situation caused by the COVID-19 pandemic, which reached maximum numbers of infections and death. The impact of COVID-19 losses in this region to June 30, 2021, reached 99.7 million euros.

6.3 LATAM NORTH

This regional area includes Mexico and the sub-region of Central America and Dominican Republic, which includes operations in Panama, the Dominican Republic, Honduras, Guatemala, Costa Rica, El Salvador and Nicaragua.

Key figures

ITEM	JUNE 2020	JUNE 2021	Δ %
Gross written and accepted premiums	886.6	1,347.0	51.9 %
- Non-Life	644.1	1,158.6	79.9 %
- Life	242.4	188.4	-22.3 %
Net premiums earned	580.1	545.4	-6.0 %
Gross result	71.6	28.7	-59.9 %
Tax on profits	(18.5)	(5.3)	
Non-controlling interests	(9.5)	(3.6)	
Attributable net result	43.6	19.8	-54.7 %
Combined ratio	87.8 %	93.5 %	5.6p.p.
Expense ratio	26.7 %	22.0 %	-4.7p.p.
Loss ratio	61.2 %	71.5 %	10.3p.p.

ITEM	DECEMBER 2020	JUNE 2021	Δ %
Investments, real estate and cash	1,531.0	1,554.7	1.6 %
Technical provisions	1,521.6	2,051.3	34.8 %
Shareholders' equity	445.6	479.0	7.5 %
ROE	15.8 %	9.9 %	-5.9p.p.

Figures in million euros

Breakdown of key countries

COUNTRY	Premiums			Attributable result			Combined ratio	
	JUNE 2020	JUNE 2021	Δ %	JUNE 2020	JUNE 2021	Δ %	JUNE 2020	JUNE 2021
MEXICO	449.9	932.7	107.3 %	20.5	12.2	-40.6 %	87.5 %	87.5 %
DOMINICAN REP.	174.6	159.0	-8.9 %	6.5	2.6	-60.1 %	89.1 %	102.5 %
PANAMA	123.6	104.5	-15.4 %	6.9	2.1	-70.2 %	87.3 %	95.8 %
HONDURAS	41.8	40.7	-2.7 %	3.8	(2.3)	-160.6 %	75.9 %	94.6 %
GUATEMALA	39.1	38.5	-1.6 %	2.8	2.8	1.6 %	86.7 %	93.0 %

Figures in million euros

Breakdown by key lines of business:

LATAM NORTH	Premiums			Attributable result			Combined ratio	
	JUNE 2020	JUNE 2021	Δ %	JUNE 2020	JUNE 2021	Δ %	JUNE 2020	JUNE 2021
LIFE	242.4	188.4	-22.3 %	6.3	(5.0)	-179.8 %	— %	— %
LIFE PROTECTION	135.6	151.7	11.9 %	5.2	(5.6)	— %	96.7 %	119.5 %
LIFE SAVINGS	106.8	36.7	-65.6 %	1.1	0.6	-48.7 %	— %	— %
AUTO	109.9	112.0	1.9 %	14.3	11.3	-20.5 %	86.6 %	91.2 %
GENERAL P&C	293.6	809.3	175.6 %	11.4	16.8	47.2 %	80.1 %	74.0 %
HEALTH & ACCIDENT	236.6	234.9	-0.7 %	13.4	0.8	-94.4 %	90.8 %	101.5 %

Figures in million euros

Premiums

Premiums in the region grew 51.9 percent compared to the same period the previous year, due primarily to recording the renewal of the multi-year PEMEX policy in Mexico in the second quarter for the amount of 563 million dollars (469 million euros). Excluding the extraordinary effect of this policy, premiums would have fallen 1.0 percent in the region, mainly as a result of currency depreciation in the region, as well as lower business performance in the Life Savings line, down 65.6 percent due to lower issuing in this line in Mexico and Panama. The Auto line fell 1.9 percent and Health was down 0.7 percent. The General P&C line, eliminating the effect of the PEMEX policy in Mexico, would have grown 15.8 percent.

Result

The results in the LATAM NORTH region were affected by the negative development of the COVID-19 pandemic in the first half of 2021, which has primarily affected the Life Protection and Health lines, businesses with relevant weight in the insurance portfolio in the region, with COVID-19-related losses reaching 72.6 million euros in the first half of 2021, which, along with currency depreciation in the region, has caused the result to be 54.7 percent lower than the same period the previous year.

By line, Life Protection has 5.6 million euros in losses, due to the already mentioned negative development of the pandemic in the region in the first half of the year, compared to the positive results obtained in the same period the previous year. The result of the Health line, also affected by COVID-19, although not to the point of reporting losses, has gone down 94.4 percent.

The Auto line is down as a result of higher losses in the region in this line due to the return to normality.

6.4 LATAM SOUTH

This regional area encompasses the business activities in Peru, Colombia, Argentina, Chile, Uruguay, Paraguay and Ecuador.

Key figures

ITEM	JUNE 2020	JUNE 2021	Δ %
Gross written and accepted premiums	726.8	756.0	4.0 %
- Non-Life	608.9	640.8	5.2 %
- Life	117.9	115.2	-2.3 %
Net premiums earned	377.5	389.9	3.3 %
Gross result	43.0	39.9	-7.2 %
Tax on profits	(13.3)	(10.5)	
Non-controlling interests	(2.3)	(1.6)	
Attributable net result	27.3	27.8	1.8 %
Combined ratio	93.9 %	92.3 %	-1.6p.p.
Expense ratio	38.8 %	33.8 %	-5.1p.p.
Loss ratio	55.1 %	58.5 %	3.5p.p.

ITEM	DECEMBER 2020	JUNE 2021	Δ %
Investments, real estate and cash	1,995.6	1,927.9	-3.4 %
Technical provisions	3,305.0	3,269.7	-1.1 %
Shareholders' equity	578.5	532.6	-7.9 %
ROE	10.3 %	10.7 %	0.4p.p.

Figures in million euros

Breakdown of key countries

COUNTRY	Premiums			Attributable result			Combined ratio	
	JUNE 2020	JUNE 2021	Δ %	JUNE 2020	JUNE 2021	Δ %	JUNE 2020	JUNE 2021
COLOMBIA	149.6	183.9	23.0 %	4.1	5.3	28.7 %	92.1 %	89.6 %
PERU	252.9	242.6	-4.0 %	9.9	7.5	-24.4 %	92.0 %	89.4 %
ARGENTINA	78.9	88.5	12.1 %	4.3	4.3	0.1 %	99.4 %	106.3 %
CHILE	137.2	139.8	1.9 %	2.7	4.1	52.5 %	99.2 %	94.1 %
URUGUAY	49.5	47.8	-3.5 %	2.6	2.0	-24.7 %	92.5 %	95.6 %
PARAGUAY	30.4	29.1	-4.2 %	4.3	4.5	4.0 %	86.7 %	80.5 %

Figures in million euros

Breakdown by key lines of business:

LATAM SOUTH	Premiums			Attributable result			Combined ratio	
	JUNE 2020	JUNE 2021	Δ %	JUNE 2020	JUNE 2021	Δ %	JUNE 2020	JUNE 2021
LIFE	117.9	115.2	-2.3 %	(1.0)	(6.1)	— %	— %	— %
LIFE PROTECTION	92.7	86.3	-6.9 %	(0.2)	(10.7)	-5051.7 %	107.9 %	129.1 %
LIFE SAVINGS	25.1	28.9	15.0 %	(1.1)	4.4	— %	— %	— %
AUTO	170.0	174.5	2.6 %	13.4	16.6	23.8 %	95.6 %	94.0 %
GENERAL P&C	348.4	373.1	7.1 %	10.5	13.8	32.1 %	90.5 %	86.5 %
HEALTH & ACCIDENT	72.1	81.1	12.4 %	4.7	4.3	-7.9 %	96.6 %	96.9 %

Figures in million euros

Premiums

In general, issuing in local currency grew at a good rate in several countries in the region: Argentina (60.8 percent), Colombia (33.1 percent), Peru (14.4 percent), Uruguay (11.9 percent) and Paraguay (4.2 percent), while Chile and Ecuador went down.

By line of business, all lines except Life Protection improved issuing in euros compared to the same period the previous year, highlighting Life Savings (15.0 percent), Health and Accident (12.4 percent) and General P&C (7.1 percent). The Life Protection line shows a 6.9 percent fall in premium issuing.

Result

To the close of June 2021, LATAM SOUTH had an attributable result of 27.8 million euros, with a 1.8 percent improvement. The Non-Life combined ratio stands at 92.3 percent, a 1.6 percentage point improvement on the same period the previous year, due to favorable development of the expense ratio that has improved 5.1 percentage points compared to the same period the previous year.

By country, Peru is the highest contributor to results in the region, with 7.5 million euros, followed by Colombia, which closed the half year with a profit of 5.3 million euros. The rest of the countries in the region show improved results, with the exception of Uruguay, which deteriorated slightly.

By line of business, the extraordinary improvement in the General P&C and Auto lines stands out, up 32.1 and 23.8 percent, respectively. As with the other regions of Latin America, the Life Protection line is also affected by an increase in losses from the higher mortality from the pandemic. The impact of COVID-19 losses for this region to June 30, 2021 reached 43.8 million euros.

6.5 NORTH AMERICA

This regional area has its headquarters in Webster, MA (USA) and encompasses operations in NORTH AMERICA (United States and Puerto Rico).

Key figures

ITEM	JUNE 2020	JUNE 2021	Δ %
Gross written and accepted premiums	1,115.8	1,025.3	-8.1 %
Net premiums earned	835.6	740.7	-11.4 %
Gross result	63.9	66.3	3.7 %
Tax on profits	(10.7)	(15.5)	
Non-controlling interests	0.0	0.0	
Attributable net result	53.2	50.8	-4.6 %
Combined ratio	99.1 %	97.2 %	-1.9p.p.
Expense ratio	31.4 %	31.6 %	0.2p.p.
Loss ratio	67.7 %	65.6 %	-2.1p.p.

ITEM	DECEMBER 2020	JUNE 2021	Δ %
Investments, real estate and cash	2,388.6	2,375.4	-0.6 %
Technical provisions	2,452.4	2,511.8	2.4 %
Shareholders' equity	1,343.4	1,376.4	2.5 %
ROE	5.6 %	5.3 %	-0.4p.p.

Figures in million euros

Breakdown by country / region

COUNTRY	Premiums			Attributable result			Combined ratio	
	JUNE 2020	JUNE 2021	Δ %	JUNE 2020	JUNE 2021	Δ %	JUNE 2020	JUNE 2021
UNITED STATES	896.6	829.3	-7.5 %	66.1	43.2	-34.6 %	95.8 %	98.1 %
Northeast	800.0	778.3	-2.7 %	75.6	48.7	-35.7 %	92.4 %	96.5 %
West	49.8	46.2	-7.2 %	7.3	2.2	-70.4 %	88.8 %	100.2 %
Exit states*	46.9	4.8	-89.7 %	(16.9)	(7.6)	54.7 %	— %	— %
PUERTO RICO	219.2	196.0	-10.6 %	(12.9)	7.6	159.0 %	120.7 %	90.7 %

Figures in million euros

*Includes businesses or states that are not part of MAPFRE's long-term strategic path in the United States

Breakdown by key lines

NORTH AMERICA	Premiums			Attributable result			Combined ratio	
	JUNE 2020	JUNE 2021	Δ %	JUNE 2020	JUNE 2021	Δ %	JUNE 2020	JUNE 2021
LIFE	1.5	0.5	-66.9 %	0.6	0.5	-22.9 %	— %	— %
AUTO	715.0	653.7	-8.6 %	64.7	37.5	-42.0 %	95.4 %	96.0 %
GENERAL P&C	367.8	345.1	-6.2 %	(14.1)	11.5	181.8 %	129.6 %	108.3 %
HEALTH & ACCIDENT	27.6	23.7	-13.9 %	1.8	0.3	-85.0 %	93.9 %	99.4 %

Figures in million euros

Premiums

At the close of June, premiums in NORTH AMERICA registered an 8.1 percent decrease. Written premiums in dollars in NORTH AMERICA is 0.6 percent lower compared to the same period the previous year. Lower issuing in the United States is a consequence of the still slow process of commercial reactivation after the strict measures of technical control implemented in the last two years, as well as the impact of the measures restricting personal movement from the COVID-19 crisis.

At June 30, 2021, the supervisors in the United States have been notified of the exit of Verti USA operations in Pennsylvania. This decision was made as a result of the project not reaching the expected business volume and returns in the established period. The digital know-how acquired during the time Verti USA was operating will help to accelerate the digital transformation of MAPFRE USA business, strengthening its virtual sales channel in the United States.

Puerto Rico has 10.6 percent lower issuing in euros than the previous year, although in local currency there is only a 3.3 percent reduction.

Result

The result in NORTH AMERICA to June 30, 2021 stands at 50.8 million euros, 4.6 percent lower than the same date the previous year.

The result in the United States fell 34.6 percent compared to the previous year, reaching 43.2 million euros at June 2021, due to the positive impact in 2020 of an extraordinary gain of 19.6 million dollars recorded from the sale of a building in Boston.

In the first half of 2021, 13.7 million euros in gains were realized on financial investments, following the positive context of the markets.

Puerto Rico improved results 159.0 percent, as its 2020 results were impacted by the earthquake that took place in the first half of the year.

6.6 EURASIA

This regional area encompasses the insurance operations in Italy, Germany, Turkey, Malta, Indonesia and the Philippines.

Key figures

ITEM	JUNE 2020	JUNE 2021	Δ %
Gross written and accepted premiums	775.8	737.7	-4.9 %
- Non-Life	643.1	564.8	-12.2 %
- Life	132.7	172.9	30.2 %
Net premiums earned	565.4	550.2	-2.7 %
Gross result	38.4	27.3	-29.1 %
Tax on profits	(10.5)	(6.8)	
Non-controlling interests	(4.9)	(6.5)	
Attributable net result	23.0	14.0	-39.1 %
Combined ratio	97.1 %	101.8 %	4.7p.p.
Expense ratio	25.3 %	30.3 %	4.9p.p.
Loss ratio	71.7 %	71.5 %	-0.2p.p.

ITEM	DECEMBER 2020	JUNE 2021	Δ %
Investments, real estate and cash	4,244.2	4,124.7	-2.8 %
Technical provisions	4,268.1	4,138.8	-3.0 %
Shareholders' equity	713.7	724.8	1.6 %
ROE	4.4 %	3.1 %	-1.3p.p.

Figures in million euros

Breakdown by country

COUNTRY	Premiums			Attributable result			Combined ratio	
	JUNE 2020	JUNE 2021	Δ %	JUNE 2020	JUNE 2021	Δ %	JUNE 2020	JUNE 2021
TURKEY	181.9	153.3	-15.7 %	14.1	5.7	-59.6 %	99.3 %	111.5 %
ITALY	180.7	122.6	-32.2 %	2.9	(0.7)	-125.6 %	96.5 %	104.7 %
GERMANY	215.1	223.2	3.7 %	2.7	3.5	26.7 %	97.1 %	96.9 %
MALTA	166.6	209.7	25.9 %	2.6	2.7	2.7 %	83.3 %	87.5 %
PHILIPPINES	9.9	10.2	2.3 %	(0.2)	0.2	192.1 %	105.3 %	102.2 %
INDONESIA	21.6	18.8	-13.2 %	0.9	2.7	189.8 %	103.7 %	91.1 %

Figures in million euros

Breakdown by key lines

EURASIA	Premiums			Attributable result			Combined ratio	
	JUNE 2020	JUNE 2021	Δ %	JUNE 2020	JUNE 2021	Δ %	JUNE 2020	JUNE 2021
LIFE	132.7	172.9	30.2 %	1.7	1.4	-15.7 %	— %	— %
LIFE PROTECTION	13.0	13.1	0.4 %	0.5	0.1	-78.9 %	102.1 %	80.5 %
LIFE SAVINGS	119.7	159.8	33.5 %	1.2	1.3	10.5 %	— %	— %
AUTO	486.0	421.0	-13.4 %	22.8	13.6	-40.5 %	95.5 %	100.9 %
GENERAL P&C	69.5	69.1	-0.6 %	0.8	2.1	183.6 %	101.6 %	98.6 %
HEALTH & ACCIDENT	75.1	63.7	-15.1 %	3.9	2.3	-41.2 %	99.4 %	103.7 %

Figures in million euros

Premiums

At the close of June, premiums in EURASIA registered a fall of 4.9 percent with a decline in Turkey (15.7 percent), Italy (32.2 percent), and Indonesia (13.2 percent). On the other hand, issuing improved in Germany (3.7 percent), Malta (25.9 percent) and Philippines (2.3 percent).

Issuing in Turkey is affected by a notable fall in Auto business, and by the strong depreciation of the Turkish lira (25.2 percent).

The fall in issuing in Italy is tied to the absence of new business in the car dealership channel. This distribution channel has been considered non-strategic for the country, and the reduction in premiums is expected to continue throughout the year.

There has been a very positive performance in Germany, with growth from a very good sales campaign and an excellent renewal ratio.

The improvement in premium issuing in Malta is due to the increase in the Life Savings business, which grew 33 percent compared to the same date the previous year.

Finally, lower issuing in Indonesia is due to the fall in the Auto business.

Result

At the close of June 2021, EURASIA presents an attributable result of 14 million euros, which is a 39.1 percent reduction compared to the previous year.

The result in Turkey reached 5.7 million euros, which is a decline compared to the previous year, as a result of the depreciation of the Turkish lira and the increase in the loss ratio in Auto and General P&C. This loss experience is partially offset by the good financial result from positive conversion differences coming from financial investments held in dollars and euros.

Germany and Malta performed positively, in line expectations, , while the result in Italy deteriorated compared to the same period the previous year, due to the fall in issuing and the high level of expenses.

Indonesia and Philippines showed positive development to June, with an improvement in both cases compared to the same period the previous year.

6.7 MAPFRE RE

MAPFRE RE is a global reinsurer and is the professional reinsurer of MAPFRE Group.

MAPFRE RE offers reinsurance services and capacities, providing all kinds of solutions for reinsurance treaties and facultative reinsurance, in all Life and Non-Life lines.

MAPFRE RE also includes the Global Risks Unit, which is the specialized unit within MAPFRE Group for managing global multinational insurance programs (for example, policies that cover aviation, nuclear, energy, third party liability, fire, engineering and transport risks).

The table below shows the key figures for MAPFRE RE.

Key figures

ITEM	JUNE 2020	JUNE 2021	Δ %
Gross written and accepted premiums	2,910.0	3,241.4	11.4 %
- Non-Life	2,681.5	2,955.5	10.2 %
- Life	228.4	285.9	25.2 %
Net premiums earned	1,519.5	1,659.9	9.2 %
Gross result	(70.3)	109.0	255.2 %
Tax on profits	18.6	(26.3)	
Attributable net result	(51.7)	82.8	260.1 %
Combined ratio	106.7 %	94.8 %	-11.9p.p.
Expense ratio	31.3 %	29.9 %	-1.4p.p.
Loss ratio	75.4 %	64.9 %	-10.5p.p.

ITEM	DECEMBER 2020	JUNE 2021	Δ %
Investments, real estate and cash	5,303.1	5,530.1	4.3 %
Technical provisions	6,396.7	6,771.4	5.9 %
Shareholders' equity	1,770.9	1,838.9	3.8 %
ROE	1.0 %	8.6 %	7.7p.p.

ITEM	JUNE 2020	JUNE 2021	Δ %
Gross written and accepted premiums	2,910.0	3,241.4	11.4 %
Reinsurance Business	2,123.2	2,454.2	15.6 %
Global Risks Business	786.8	787.3	0.1 %
Attributable net result	(51.7)	82.8	260.1 %
Reinsurance Business	(47.7)	69.0	244.5 %
Global Risks Business	(4.0)	13.8	0.0 %
Combined ratio	106.7 %	94.8 %	-11.9p.p.
Reinsurance Business	106.5 %	95.6 %	-10.9p.p.
Global Risks Business	109.1 %	84.4 %	-24.8p.p.
Expense ratio	31.3 %	29.9 %	-1.4p.p.
Reinsurance Business	31.5 %	30.8 %	-0.7p.p.
Global Risks Business	28.5 %	17.8 %	-10.7p.p.
Loss ratio	75.4 %	64.9 %	-10.5p.p.
Reinsurance Business	75.0 %	64.8 %	-10.2p.p.
Global Risks Business	80.6 %	66.6 %	-14.0p.p.

Figures in million euros

Breakdown of premium distribution to June 2021 is as follows:

ITEM	%	ITEM	%
By Type of business:		By Ceding company:	
Proportional	59.2 %	MAPFRE	51.7 %
Non-proportional	13.3 %	Other	48.3 %
Facultative	27.5 %		
By Region:		By Insurance Lines:	
IBERIA	19.3 %	Property	40.7 %
EURASIA	40.0 %	Life & Accident	12.1 %
LATAM	28.6 %	Motor	15.1 %
NORTH AMERICA	12.2 %	Global Risks business	24.3 %
		Transport	3.0 %
		Other	4.9 %

Premiums

Total written premiums in MAPFRE RE went up 11.4 percent compared to the same period the previous year.

Written premiums from the Reinsurance business reached 2.5 billion euros, which is a 15.6 percent increase compared to the same period the previous year, essentially as a result of the increase in participations in cedent programs and higher tariffs in certain lines after several years of high frequency in CAT claims.

Written premiums from the Global Risks Unit, integrated in MAPFRE RE, reached 787.3 million euros, representing 0.1 percent more than the previous period. Net earned premiums grew 9.2 percent.

Result

MAPFRE RE's attributable net result at the close of June 2021 had a profit of 82.8 million euros, versus losses of 51.7 million euros in 2020. Despite the occurrence of various CAT events, there was a positive result for the half year, primarily due to the improved loss frequency in the reinsurance business, and a reduction in large losses particularly in the Global Risks unit. To June 2021, various CAT events have been reported, with the most relevant being the winter storm "Uri" in the US for 26 million euros net, and the "Filomena" snow storm, for the net amount of 15.7 million euros.

Direct incurred claims from COVID-19 reached 18.8 million euros at June 2021. The majority is attributable to the Life / Health line, from the claims filed by cedents occurring in 2021 and including an estimate for those that are currently in the process of negotiation or litigation.

The accumulated provision for COVID-19 claims to June 30, 2021 reached 132.2 million euros, the majority of which are pending liquidation and payment (113.4 million euros to December 31, 2020). The claims reported in the Property lines are concentrated in large part in certain business interruption coverage in Europe. In the immense majority of the property portfolio, business interruption coverage is dependent on the existence of material damage, and in this case, there is none. As such, this exposure only exists in exceptional cases. However, to date, there is a lot of uncertainty about the final amount for possible claims and the results of certain claims that get taken to court or to arbitration, both with regards to the existence of coverage in original insurance policies as well as the validity of certain coverage claims in reinsurance contracts.

At the close of June 2021, 12.7 million euros of financial gains, net of financial losses and other financial extraordinary, were recorded (9.6 million euros to June 2020).

The attributable result of the Reinsurance business reached 69.0 million euros, benefiting from an improved loss ratio as well as lower acquisition expenses.

The attributable result of Global Risks business reports profits of 13.8 million euros.

The combined ratio of the Reinsurance business stands at 95.6 percent, while the combined ratio for the Global Risks business stands at 84.4 percent. It is important to point out the 10.7 percentage point reduction in the expense ratio in the Global Risks business, due to the increase in reinsurance commissions charged and from changes in the ceding structure.

6.8 MAPFRE ASISTENCIA

MAPFRE ASISTENCIA specializes in travel assistance, roadside assistance, and other specialty risks of the Group.

Key figures

ITEM	JUNE 2020	JUNE 2021	Δ %
Operating revenue	386.1	284.2	-26.4 %
- Gross written and accepted premiums	337.7	246.9	-26.9 %
- Other revenue	48.4	37.3	-23.0 %
Net premiums earned	272.9	201.4	-26.2 %
Result from other business activities	(8.2)	(2.1)	74.3 %
Gross result	(7.9)	1.8	122.8 %
Tax on profits	(4.4)	(2.9)	
Non-controlling interests	(0.9)	(0.8)	
Attributable net result	(13.3)	(1.9)	85.6 %
Combined ratio	100.3 %	99.7 %	-0.7p.p.
Expense ratio	43.8 %	48.7 %	5.0p.p.
Loss ratio	56.6 %	50.9 %	-5.6p.p.

Figures in million euros

Premiums reached 246.9 million euros in MAPFRE ASISTENCIA, a 26.9 percent decrease compared to the same period the previous year. At the close of June, revenue from Travel Insurance premiums from InsureandGo in the United Kingdom, Ireland and Australia was strongly impacted, with an 72.2 percent reduction in business volume as a result of travel restrictions from COVID-19.

At the close of June, MAPFRE ASISTENCIA recorded a negative attributable result of 1.9 million euros. In the same period the previous year, MAPFRE ASISTENCIA recorded losses of 13.3 million euros, after the relevant impact in losses caused by COVID-19 from trip cancellation coverage resulting from mobility limitations imposed because of the pandemic.

Losses in 2021 continue to be concentrated in Travel insurance, after the significant loss in premium volume, primarily from operations in the UK and Australia, where activity was exclusively Travel insurance. The tourism sector and Assistance companies are experiencing an unprecedented crisis that has not spared the InsureandGo operations (UK and Australia). These two operations recorded losses before taxes of 5.7 million euros to the close of June.

The following chart provides a breakdown of MAPFRE ASISTENCIA's result before taxes, by region and business line at the close of June 2021:

REGION	ASSISTANCE	TRAVEL INSURANCE	SPECIAL RISKS	2021	2020
UNITED KINGDOM, FRANCE AND BELGIUM	0.3	(1.2)	0.3	(0.7)	(7.9)
REST OF EURASIA	0.3	(3.7)	3.3	(0.2)	(0.9)
LATAM	(0.1)	0.0	1.0	0.8	(1.5)
NORTH AMERICA	(0.7)	0.0	2.5	1.8	2.3
TOTAL	(0.2)	(5.0)	7.0	1.8	(7.9)

Figures in million euros

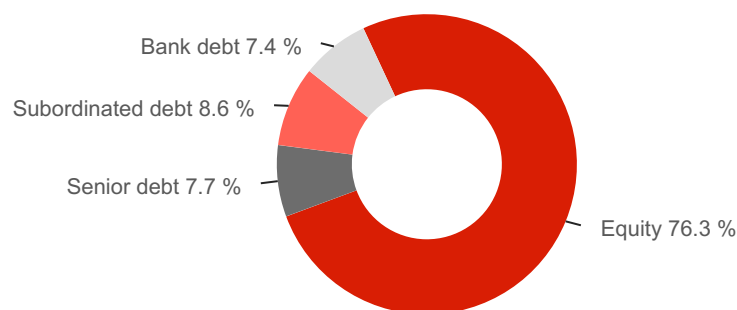
At the close of June, MAPFRE ASISTENCIA reclassified to the heading assets held for sale a total of 23.3 million euros in assets from operations in Europe and Asia. It is of note that the assets related to InsureandGo operations in the UK and Australia are included in the reclassified assets. In the UK, a collective consultation process is underway, which may foresee the close of the MAPFRE ASISTENCIA insurance branch in this country.

All operations are expected to be concluded during the second half of the year, once the necessary authorizations are obtained in each market.

No significant economic impacts are expected from the close of the insurance branch in the UK.

7. DEBT & CAPITAL MANAGEMENT

The chart below shows the composition of the capital structure at the close of June 2021:



Capital structure reached almost 13.0 billion euros, of which 76.3 percent corresponds to equity. The Group leverage ratio is 23.7 percent, a 0.4 percentage point increase compared to the close of 2020.

The following chart shows the development of the Group's debt instruments and leverage ratios:

ITEM	DECEMBER 2020	JUNE 2021
Total Equity	9,837.8	9,893.0
Total debt	2,993.6	3,072.8
- of which: senior debt - 5/2026	1,005.6	997.8
- of which: subordinated debt - 3/2047 (First Call 3/2027)	618.0	604.9
- of which: subordinated debt - 9/2048 (First Call 9/2028)	503.6	514.0
- of which: syndicated credit facility - 02/2025 (€ 1,000 M)	600.0	664.0
- of which: bank debt	266.4	292.1
Earnings before tax	1,118.4	634.4
Financial expenses	82.4	39.3
Earnings before tax & financial expenses	1,200.8	673.7
RATIOS	DECEMBER 2020	JUNE 2021
Leverage	23.3%	23.7 %
Equity / Debt	3.3	3.2
Earnings before tax & financial expenses / financial expenses (x)	14.6	17.1

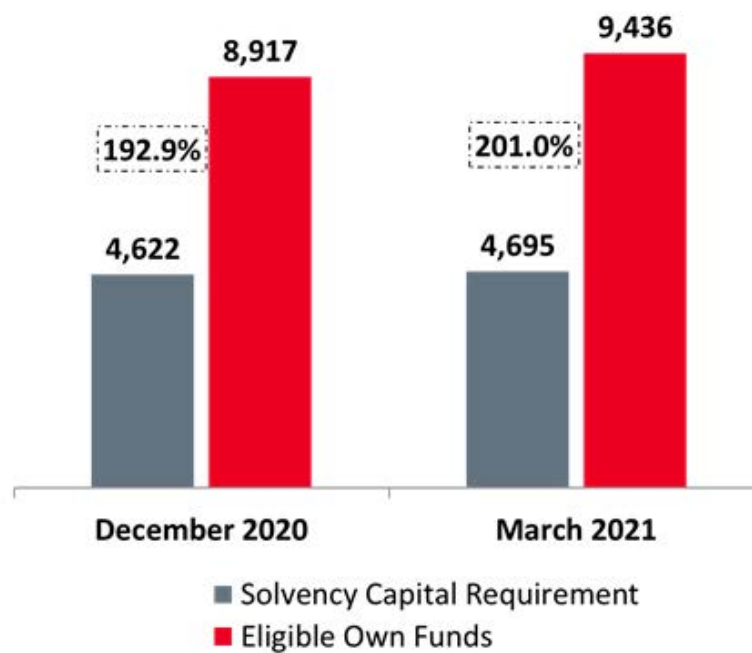
Figures in million euros

8. SOLVENCY II

The Solvency II ratio for MAPFRE Group stands at 201.0 percent at March 2021, compared to 192.9 percent at the close of December 2020, including transitional measures. This ratio would be 187.8 percent, excluding the effects of these measures. Eligible Own Funds reached 9.4 million euros in the same period, of which 88.0 percent are high quality funds (Tier 1).

The ratio maintains great solidity and stability, backed by high diversification and strict investment and ALM policies, as can be seen in the charts below.

Solvency margin breakdown (Solvency II)



Figures in million euros

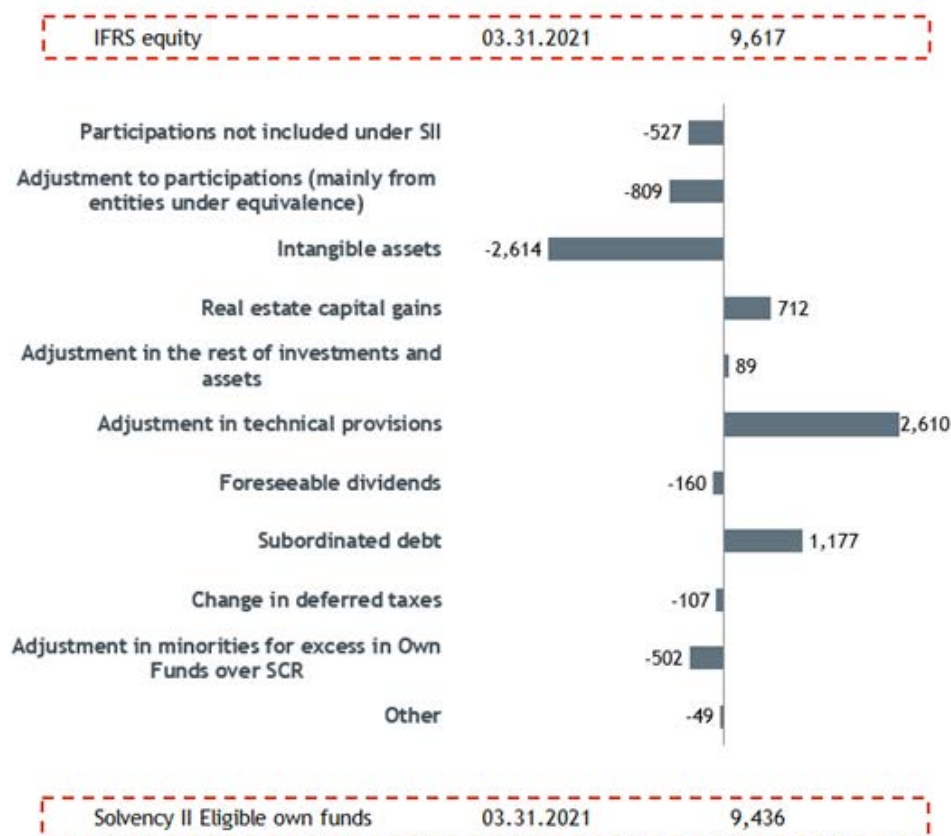
This 519 million euro increase in Eligible Own Funds from December 2020 to March 2021 is primarily a result of an increase in the risk free rates in Turkey and in Latin America, specifically Colombia and Panama.

Impact of transitional measures and matching and volatility adjustments

Ratio at March 31, 2021	201.0%
Impact of transitional for technical provisions	-12.9%
Impact of equity transitional	-0.3%
Total ratio without transitionals	187.8%

Ratio at March 31, 2021	201.0%
Impact of matching adjustment	3.7%
Impact of volatility adjustment	-0.6%
Total ratio without matching and volatility adjustments	204.1%

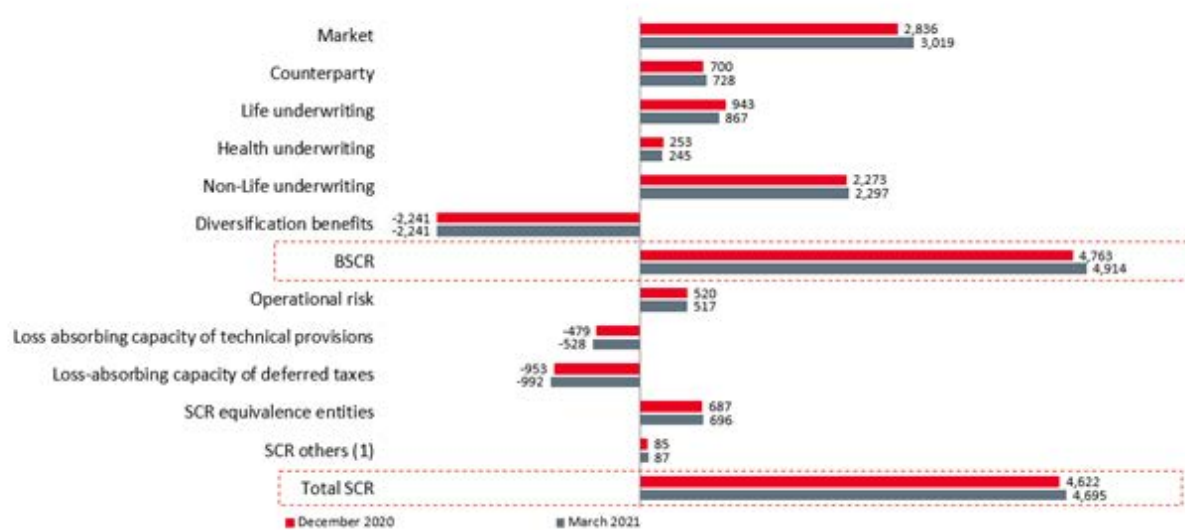
IFRS and Solvency II Reconciliation



Figures in million euros

Breakdown of Solvency Capital Requirement (SCR)

The breakdown of the SCR for the last two years calculated to March 2021 and December 2020, is as follows:



(1) Includes other financial sectors, non-controlling interests and other companies.

Figures in million euros

Regulatory aspects underway

EIOPA is currently reviewing Solvency II, and has proposed modifications to the standard formula to the European Commission. There is no effective date for these modifications yet, and it would be difficult for them to enter into force before 2023. One of the modifications that would have the largest impact on the Group's solvency ratio is regarding the diversification benefit in the risk calculation for Life portfolios that use the Matching Adjustment.

The following chart shows the impact Supervisory approval of this measure would have on the Solvency II ratio, based on provisional figures from March 31, 2021:

	March 2021
Solvency II Ratio	201.0%
Matching adjustment - diversification	6.8%
Solvency II Ratio (pro-forma)	207.8%

Effect of BANKIA MAPFRE VIDA exit

BANKIA MAPFRE VIDA exiting MAPFRE Group consolidation scope, assuming no change in Eligible Own Funds after said exit, would improve the Group solvency position by approximately four percentage points.

9. RATINGS

In June, Fitch reaffirmed MAPFRE BHD's local rating and in July S&P confirmed MAPFRE S.A.'s credit rating, as well as the financial strength of its subsidiaries. In both cases, the outlook was maintained as stable.

The chart below details the current credit ratings for companies registered in Spain as well as for the main group entities registered outside of Spain. The ratings have not changed in the second quarter of 2021:

Companies registered in Spain	S&P	Fitch	A.M. Best
MAPFRE S.A. - Issuer	A- (Stable)	A- (Stable)	-
MAPFRE S.A. - Senior debt	A-	BBB+	-
MAPFRE S.A. - Subordinated debt	BBB	BBB-	-
<i>Financial Strength</i>			
- MAPFRE RE	A+ (Stable)	-	A (Stable)
- MAPFRE ESPAÑA	-	-	A (Stable)
- MAPFRE ASISTENCIA	-	A+ (Stable)	-
Companies registered outside of Spain	S&P	Fitch	A.M. Best
<i>Financial Strength</i>			
MAPFRE SIGORTA A.S. (Turkey)	-	AA+ tur (Stable)	-
MAPFRE SEGUROS GENERALES DE COLOMBIA	-	AA col (Stable)	-
MAPFRE BHD COMPAÑÍA DE SEGUROS (Dominican Republic)	-	AAA dom (Stable)	-
MAPFRE U.S.A. Group	-	-	A (Stable)
MAPFRE PRAICO (Puerto Rico)	-	-	A (Stable)
MAPFRE MÉXICO	-	-	A (Stable)
MAPFRE PANAMÁ	-	-	A (Stable)

10. THE MAPFRE SHARE. DIVIDEND INFORMATION

In the first half of 2021, the price of MAPFRE S.A. shares increased 11.9 percent compared to a 9.3 percent increase in the IBEX 35.

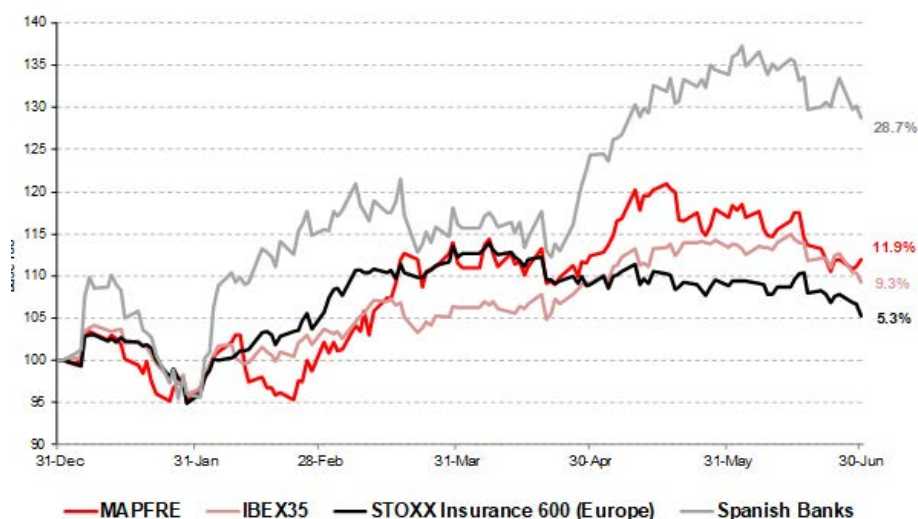
The following chart provides information about the MAPFRE share.

According to the data published by the Spanish Stock Market (BME), on this platform an average of 5,364,032 MAPFRE shares were traded daily and the average daily effective value reached 9.3 million euros.

Stock Market information

	2020	6M 2021
Total outstanding shares	3,079,553,273	3,079,553,273
Number of shareholders	219,341	217,424
Market cap (million euros, at close of the period)	4,906	5,489
Market value ratios (euros / share)	2020	6M 2021
Earnings (last 12 months)	0.171	0.201
Book value (at close of the period)	2.772	2.762
Dividend paid (last 12 months)	0.135	0.125
P/BV (at close of period)	0.575	0.645
Share price (euros / share)	2020	6M 2021
Share value (at beginning of the period)	2.360	1.593
Share value (at close of the period)	1.593	1.783
Price variation in the period	-32.5%	11.9%
Period high	2.434	1.927
Period low	1.280	1.514
Trading volume	2020	6M 2021
Average number of shares traded daily	7,395,047	5,364,032
Average daily effective value (million euros)	12.3	9.3

Share Performance: December 31, 2020 – June 30, 2021

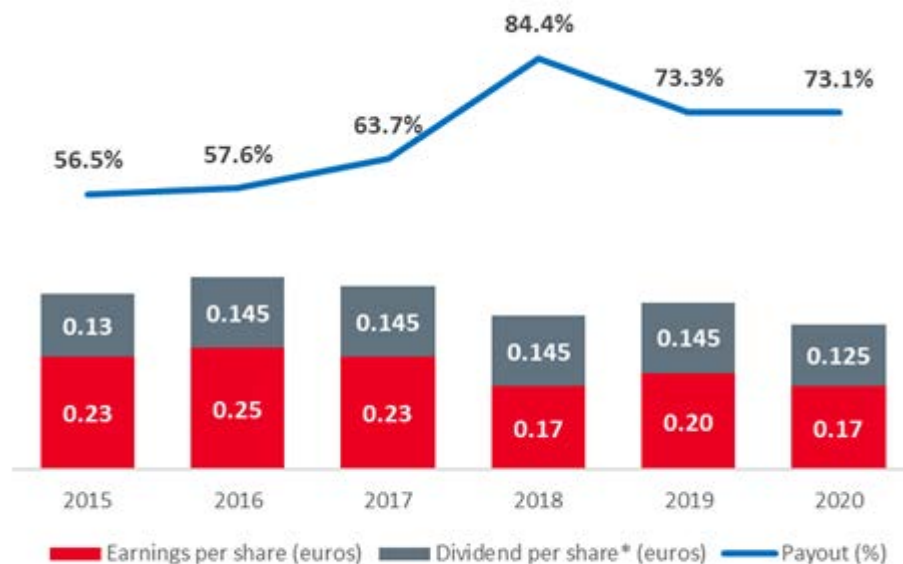


Source: Bloomberg and own calculations

Spanish Banks: listed Spanish Banks that are included in the IBEX 35

Dividends and Payout

On May 24, 2021, the final dividend of 0.0757 euros gross per share was paid, after having proportionately applied the amount corresponding to treasury stock to the remaining shares.



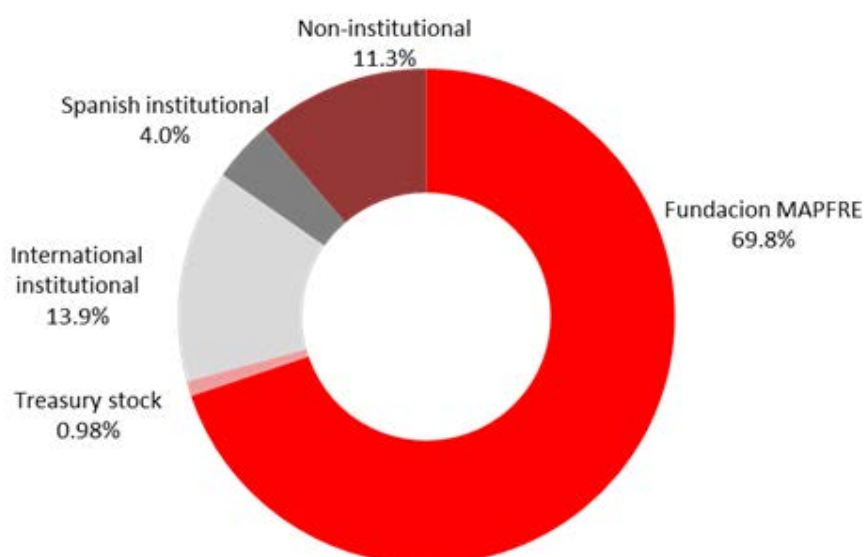
*Dividends paid against results

Analyst coverage and target price

The average target price for the MAPFRE share stands at 1.98 euros at the date of publication of this report, based on reports from analysts covering the company. At December 31, 2020, the average target price was 1.89 euros.

The majority of analysts recommend "Buy", with 69 percent, compared to the 13 percent "Neutral", and 18 percent "Sell".

Shareholder composition to June 30, 2021



11. EVENTS SUBSEQUENT TO CLOSING

MAPFRE, through its subsidiary MAPFRE INTERNACIONAL which currently holds 67.4071 percent of the share capital of the Peruvian insurance company MAPFRE PERÚ VIDA Compañía de Seguros y Reaseguros ("MPV"), has reached an initial agreement with various shareholders of said entity, who hold 32.17 percent of the share capital, by means of which it would acquire said shareholding either directly or indirectly through its subsidiaries registered in Peru. Additionally, MAPFRE intends to acquire the remaining shares corresponding to the 0.4229 percent of the share capital of MPV held by the remaining the shareholders.

In line with Peruvian regulation, when the acquisition exceeds 10 percent of the share capital of MAPFRE PERÚ VIDA, it requires prior approval from the Superintendancy of Banking, Insurance and Pension Fund Management ("SBS" in Spanish). The amount of the transaction, if all shares were acquired, would be the equivalent in Peruvian soles of 130.37 million US dollars (approximately 110.86 million euros) at the time the transaction is carried out, once approved by the SBS.

The most relevant information for MAPFRE PERU VIDA is as follows:

ITEM	December 2020
Total written and accepted premiums	173.6
Financial income from investments	21.8
Other revenue	19.1
Total revenue	214.6
Net result	16.4
ITEM	December 2020
Equity	95.3
Total assets	438.9
Financial investments	274.2
Technical provisions	295.3
Dividends paid	10.8

Figures in million euros

12. APPENDIXES

12.1 Consolidated Balance Sheet

ITEM	DECEMBER 2020	JUNE 2021
A) INTANGIBLE ASSETS	2,780.1	2,839.5
I. Goodwill	1,409.8	1,423.0
II. Other intangible assets	1,370.3	1,416.6
B) PROPERTY, PLANT AND EQUIPMENT	1,279.3	1,265.3
I. Real estate for own use	1,040.4	1,040.3
II. Other fixed assets	238.9	225.0
C) INVESTMENTS	38,931.4	38,458.8
I. Real estate investments	1,199.5	1,285.0
II. Financial investments		
1. Held-to-maturity portfolio	1,584.4	1,574.2
2. Available-for-sale portfolio	30,100.7	29,093.6
3. Trading portfolio	4,826.0	5,151.0
III. Investments recorded by applying the equity method	336.4	514.4
IV. Deposits established for accepted reinsurance	652.2	629.0
V. Other investments	232.2	211.5
D) INVESTMENTS ON BEHALF OF LIFE INSURANCE POLICYHOLDERS BEARING THE INVESTMENT RISK	2,502.4	2,742.2
E) INVENTORIES	49.5	49.1
F) PARTICIPATION OF REINSURANCE IN TECHNICAL PROVISIONS	5,378.6	6,013.6
G) DEFERRED TAX ASSETS	221.7	283.0
H) RECEIVABLES	5,359.1	6,858.9
I. Receivables on direct insurance and co-insurance operations	3,477.3	4,823.0
II. Receivables on reinsurance operations	1,012.2	1,097.2
III. Tax receivables		
1. Tax on profits receivable	181.6	161.0
2. Other tax receivables	149.9	181.7
IV. Corporate and other receivables	538.1	595.9
V. Shareholders, called capital	—	—
I) CASH	2,418.9	2,364.7
J) ACCRUAL ADJUSTMENTS	1,908.7	2,015.6
K) OTHER ASSETS	163.4	175.6
L) NON-CURRENT ASSETS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS	8,159.5	7,804.7
TOTAL ASSETS	69,152.6	70,871.2

Figures in million euros

ITEM	DECEMBER 2020	JUNE 2021
A) EQUITY	9,837.8	9,893.0
I. Paid-up capital	308.0	308.0
II. Share premium	1,506.7	1,506.7
III. Reserves	7,057.2	7,190.4
IV. Interim dividend	(154.0)	—
V. Treasury Stock	(63.4)	(63.0)
VI. Result attributable to controlling company	526.5	364.0
VII. Other equity instruments	—	—
VIII. Valuation change adjustments	1,270.7	995.5
IX. Currency conversion differences	(1,915.7)	(1,796.0)
Equity attributable to the controlling company's shareholders	8,536.0	8,505.7
Non-controlling interests	1,301.8	1,387.2
B) SUBORDINATED LIABILITIES	1,121.6	1,118.9
C) TECHNICAL PROVISIONS	39,190.1	40,068.0
I. Provisions for unearned premiums and unexpired risks	7,195.3	8,378.6
II. Provisions for life insurance	19,588.9	19,042.5
III. Provision for outstanding claims	11,210.5	11,413.1
IV. Other technical provisions	1,195.5	1,233.8
D) TECHNICAL PROVISIONS FOR LIFE INSURANCE WHERE POLICYHOLDERS BEAR THE INVESTMENT RISK	2,502.4	2,742.2
E) PROVISIONS FOR RISKS AND EXPENSES	582.6	603.1
F) DEPOSITS RECEIVED ON CEDED AND RETROCEDED REINSURANCE	71.6	111.6
G) DEFERRED TAX LIABILITIES	670.6	601.5
H) DEBT	7,593.3	8,497.2
I. Issue of debentures and other negotiable securities	1,005.6	997.8
II. Due to credit institutions	866.4	956.1
III. Other financial liabilities	1,596.7	1,857.6
IV. Due on direct insurance and co-insurance operations	951.0	965.8
V. Due on reinsurance operations	1,305.9	1,770.2
VI. Tax liabilities		
1. Tax on profits to be paid	58.5	51.7
2. Other tax liabilities	246.5	346.2
VII. Other debts	1,562.7	1,551.8
I) ACCRUAL ADJUSTMENTS	318.6	365.9
J) LIABILITIES LINKED TO NON-CURRENT ASSETS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS	7,263.9	6,869.8
TOTAL EQUITY AND LIABILITIES	69,152.6	70,871.2

Figures in million euros

12.2 Consolidated Income Statement

ITEM	JUNE 2020	JUNE 2021
I. REVENUE FROM INSURANCE BUSINESS		
1. Premiums earned, net		
a) Written premiums, direct insurance	9,129.5	9,712.8
b) Premiums from accepted reinsurance	1,853.2	1,949.9
c) Premiums from ceded reinsurance	(2,065.6)	(2,466.4)
d) Variations in provisions for unearned premiums and unexpired risks		
Direct insurance	(511.8)	(1,148.1)
Accepted reinsurance	(66.7)	(85.3)
Ceded reinsurance	61.0	475.2
2. Share in profits from equity-accounted companies	3.6	2.7
3. Revenue from investments		
a) From operations	1,056.1	1,111.8
b) From equity	76.8	93.0
4. Gains on investments on behalf of life insurance policyholders bearing the investment risk	59.4	167.2
5. Other technical revenue	36.3	44.1
6. Other non-technical revenue	29.3	57.5
7. Positive foreign exchange differences	827.5	713.4
8. Reversal of the asset impairment provision	25.6	9.5
TOTAL REVENUE FROM INSURANCE BUSINESS	10,514.2	10,637.3
II. INSURANCE BUSINESS EXPENSES		
1. Incurred claims for the year, net		
a) Claims paid and variation in provision for claims, net		
Direct insurance	(5,697.7)	(5,912.6)
Accepted reinsurance	(1,186.7)	(1,091.6)
Ceded reinsurance	1,232.0	962.5
b) Claims-related expenses	(393.5)	(382.1)
2. Variation in other technical provisions, net	342.7	177.7
3. Profit sharing and returned premiums	(28.3)	(29.3)
4. Net operating expenses		
a) Acquisition expenses	(2,349.5)	(2,243.6)
b) Administration expenses	(375.4)	(362.8)
c) Commissions and participation in reinsurance	347.8	358.1
5. Share in losses from equity-accounted companies	—	(1.8)
6. Investment expenses		
a) From operations	(470.7)	(447.2)
b) From equity and financial accounts	(13.8)	(31.1)
7. Losses on investments on behalf of life insurance policyholders bearing the investment risk	(259.3)	(21.3)
8. Other technical expenses	(94.3)	(157.1)
9. Other non-technical expenses	(60.7)	(67.9)
10. Negative foreign exchange differences	(801.5)	(702.2)
11. Allowance to the asset impairment provision	(35.3)	(25.4)
TOTAL EXPENSES FROM INSURANCE BUSINESS	(9,844.2)	(9,977.7)
RESULT FROM THE INSURANCE BUSINESS	669.9	659.6
III. OTHER ACTIVITIES		
1. Operating revenue	143.7	155.7
2. Operating expenses	(218.8)	(189.6)
3. Net financial income		
a) Financial income	26.8	62.0
b) Financial expenses	(49.5)	(43.1)
4. Results from non-controlling interests		
a) Share in profits from equity-accounted companies	3.0	2.3
b) Share in losses from equity-accounted companies	—	(4.7)
5. Reversal of asset impairment provision	6.3	1.2
6. Allowance to the asset impairment provision	(36.3)	(3.2)
7. Result from the disposal of non-current assets classified as held for sale, not included in discontinued operations	—	—
RESULT FROM OTHER ACTIVITIES	(124.9)	(19.4)
IV. RESULT ON RESTATEMENT OF FINANCIAL ACCOUNTS	(8.6)	(5.8)
V. RESULT BEFORE TAXES	536.5	634.4
VI. TAX ON PROFITS	(130.4)	(144.3)
VII. RESULT AFTER TAX	406.1	490.1
VIII. RESULT AFTER TAX FROM DISCONTINUED OPERATIONS	—	—
IX. RESULT FOR THE FINANCIAL YEAR	406.1	490.1
1. Attributable to non-controlling interests	135.4	126.1
2. Attributable to the controlling company	270.7	364.0

Figures in million euros

12.3 Key Figures by Business Unit. Quarterly Breakdown

Period	2020				2021		Δ Annual Apr.-Jun. 2021/2020
	Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Sept.-Dec.	Jan.-Mar.	Apr.-Jun.	
Consolidated figures							
Total consolidated revenue	7,332.8	5,944.2	5,774.5	6,367.7	7,304.0	6,779.1	14.0 %
Written and accepted premiums - Total	6,097.5	4,885.2	4,567.2	4,932.3	5,895.7	5,767.0	18.0 %
Written and accepted premiums - Non-Life	4,897.5	3,865.3	3,676.5	3,670.4	4,770.0	4,576.7	18.4 %
Written and accepted premiums - Life	1,200.0	1,019.9	890.7	1,261.8	1,125.7	1,190.3	16.7 %
Net result	126.8	143.9	179.8	76.1	173.3	190.7	32.5 %
Combined ratio	100.0 %	93.1 %	92.3 %	93.4 %	94.3 %	95.9 %	2.7p.p.
Loss ratio	70.8 %	64.0 %	63.8 %	63.5 %	66.3 %	65.7 %	1.7p.p.
Expense ratio	29.2 %	29.1 %	28.4 %	29.8 %	28.0 %	30.1 %	1.1p.p.
Figures by business unit							
Written and accepted premiums - Total							
IBERIA	2,415.2	1,562.5	1,335.1	1,686.0	2,485.0	1,766.5	13.1 %
BRAZIL	838.0	774.0	761.9	711.4	729.0	866.5	12.0 %
NORTH AMERICA	510.5	605.3	527.8	454.2	454.7	570.6	-5.7 %
EURASIA	473.2	302.6	347.4	360.3	430.7	307.0	1.5 %
LATAM SOUTH	371.1	355.7	361.3	362.4	385.5	370.5	4.2 %
LATAM NORTH	484.2	402.4	318.6	369.4	454.6	892.4	121.8 %
MAPFRE RE	1,413.6	1,496.4	1,308.8	1,467.7	1,586.5	1,654.9	10.6 %
MAPFRE ASISTENCIA	219.7	118.0	156.0	125.3	118.6	128.3	8.7 %
Written and accepted premiums - Non-Life							
IBERIA	1,943.8	1,147.0	1,054.5	1,176.6	2,021.7	1,228.1	7.1 %
BRAZIL	500.5	501.5	468.7	405.1	482.2	562.1	12.1 %
NORTH AMERICA	509.6	604.7	527.4	453.8	454.5	570.3	-5.7 %
EURASIA	393.9	249.2	275.9	284.8	340.7	224.1	-10.1 %
LATAM SOUTH	310.7	298.2	308.7	306.5	326.3	314.5	5.5 %
LATAM NORTH	342.6	301.5	225.9	280.6	355.9	802.6	166.2 %
MAPFRE RE	1,304.8	1,376.8	1,209.1	1,242.2	1,419.0	1,536.5	11.6 %
MAPFRE ASISTENCIA	219.7	118.0	156.0	125.3	118.6	128.3	8.7 %
Written and accepted premiums - Life							
IBERIA	471.5	415.4	280.6	509.4	463.3	538.5	29.6 %
BRAZIL	337.5	272.5	293.2	306.3	246.9	304.4	11.7 %
NORTH AMERICA	0.9	0.6	0.4	0.4	0.2	0.3	-53.6 %
EURASIA	79.4	53.4	71.5	75.5	89.9	82.9	55.4 %
LATAM SOUTH	60.4	57.5	52.5	55.9	59.2	56.0	-2.6 %
LATAM NORTH	141.6	100.9	92.8	88.9	98.6	89.8	-11.0 %
MAPFRE RE	108.8	119.6	99.7	225.5	167.5	118.4	-1.0 %
MAPFRE ASISTENCIA	—	—	—	—	—	—	— %

Figures in million euros

Period	2020				2021		Δ Annual Apr.-Jun. 2021/2020
	Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Sept.-Dec.	Jan.-Mar.	Apr.-Jun.	
Net result							
IBERIA	103.2	118.0	112.6	119.6	108.3	97.7	-17.1 %
BRAZIL	28.8	31.5	20.8	20.4	14.3	22.0	-30.1 %
NORTH AMERICA	24.0	29.3	12.7	10.4	27.6	23.2	-20.6 %
EURASIA	5.0	18.0	8.4	[0.3]	3.4	10.6	-41.4 %
LATAM SOUTH	13.1	14.3	15.8	15.4	17.6	10.2	-28.4 %
LATAM NORTH	23.1	20.5	11.1	15.0	10.1	9.7	-52.8 %
MAPFRE RE	[29.4]	[22.3]	31.7	36.8	32.4	50.3	— %
MAPFRE ASISTENCIA	[11.9]	[1.4]	[4.2]	[3.1]	[2.1]	0.2	111.8 %
Holdings, eliminations and other	[29.0]	[64.0]	[29.0]	[138.2]	[38.3]	[33.2]	48.0 %
Combined ratio							
IBERIA	96.5 %	90.9 %	89.9 %	90.5 %	93.3 %	99.2 %	8.3p.p.
BRAZIL	95.0 %	81.1 %	82.0 %	90.3 %	88.2 %	84.2 %	3.1p.p.
NORTH AMERICA	101.7 %	96.2 %	94.7 %	97.5 %	96.6 %	97.7 %	1.5p.p.
EURASIA	101.5 %	92.1 %	102.8 %	99.0 %	104.7 %	98.7 %	6.6p.p.
LATAM SOUTH	97.3 %	89.5 %	91.1 %	96.7 %	89.4 %	95.3 %	5.8p.p.
LATAM NORTH	90.9 %	84.2 %	95.9 %	90.9 %	93.0 %	93.9 %	9.8p.p.
MAPFRE RE	109.3 %	104.4 %	95.3 %	94.9 %	95.1 %	94.6 %	-9.8p.p.
MAPFRE ASISTENCIA	110.2 %	87.8 %	94.7 %	97.9 %	100.3 %	99.1 %	11.3p.p.
Loss ratio							
IBERIA	73.7 %	67.6 %	67.8 %	67.3 %	70.7 %	72.0 %	4.4p.p.
BRAZIL	60.3 %	44.8 %	45.1 %	51.5 %	51.7 %	49.9 %	5.1p.p.
NORTH AMERICA	71.8 %	63.1 %	60.5 %	64.0 %	64.1 %	67.0 %	4.0p.p.
EURASIA	76.1 %	66.9 %	75.3 %	68.7 %	73.4 %	69.5 %	2.7p.p.
LATAM SOUTH	61.9 %	46.3 %	55.5 %	56.5 %	57.3 %	59.8 %	13.5p.p.
LATAM NORTH	61.7 %	60.5 %	68.2 %	65.4 %	70.5 %	72.4 %	11.8p.p.
MAPFRE RE	75.9 %	75.0 %	66.9 %	63.7 %	67.4 %	63.0 %	-11.9p.p.
MAPFRE ASISTENCIA	67.0 %	43.2 %	50.5 %	50.1 %	51.6 %	50.2 %	7.1p.p.
Expense ratio							
IBERIA	22.8 %	23.3 %	22.1 %	23.1 %	22.6 %	27.2 %	3.9p.p.
BRAZIL	34.7 %	36.2 %	36.9 %	38.9 %	36.5 %	34.3 %	-2.0p.p.
NORTH AMERICA	29.9 %	33.1 %	34.2 %	33.5 %	32.6 %	30.7 %	-2.5p.p.
EURASIA	25.4 %	25.2 %	27.4 %	30.3 %	31.3 %	29.2 %	4.0p.p.
LATAM SOUTH	35.5 %	43.2 %	35.6 %	40.1 %	32.1 %	35.5 %	-7.7p.p.
LATAM NORTH	29.2 %	23.7 %	27.7 %	25.5 %	22.4 %	21.6 %	-2.1p.p.
MAPFRE RE	33.4 %	29.4 %	28.4 %	31.2 %	27.6 %	31.6 %	2.2p.p.
MAPFRE ASISTENCIA	43.1 %	44.6 %	44.2 %	47.8 %	48.7 %	48.8 %	4.2p.p.

Figures in million euros

12.4 Consolidated Statement of Other Comprehensive Income

ITEM	JUNE 2020	JUNE 2021
A) CONSOLIDATED RESULT FOR THE YEAR	406.1	490.1
B) OTHER COMPREHENSIVE INCOME – HEADINGS NOT RECLASSIFIED TO RESULTS	—	—
C) OTHER COMPREHENSIVE INCOME – HEADINGS THAT CAN BE RECLASSIFIED SUBSEQUENT TO RESULTS	(676.2)	(152.1)
1. Financial assets available for sale		
a) Valuation gains (losses)	(268.2)	(1,018.3)
b) Amounts transferred to the income statement	(62.7)	(58.0)
c) Other reclassifications	0.0	(3.4)
2. Currency conversion differences		
a) Valuation gains (losses)	(563.1)	155.2
b) Amounts transferred to the income statement	(0.1)	0.1
c) Other reclassifications	0.3	—
3. Shadow accounting		
a) Valuation gains (losses)	175.3	643.7
b) Amounts transferred to the income statement	11.5	20.8
c) Other reclassifications	—	—
4. Equity-accounted entities		
a) Valuation gains (losses)	(1.1)	(1.0)
b) Amounts transferred to the income statement	—	—
c) Other reclassifications	—	—
5. Other recognized revenue and expenses	(6.7)	6.9
6. Tax on profits	38.5	101.9
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B+C)	(270.1)	338.1
1. Attributable to the controlling company	(246.7)	208.6
2. Attributable to non-controlling interests	(23.4)	129.5

Figures in millions euros

12.5 Income Statement by Business Unit

ITEM	IBERIA		BRAZIL		NORTH AMERICA		EURASIA		LATAM SOUTH		LATAM NORTH	
	JUNE 2020	JUNE 2021	JUNE 2020	JUNE 2021	JUNE 2020	JUNE 2021	JUNE 2020	JUNE 2021	JUNE 2020	JUNE 2021	JUNE 2020	JUNE 2021
Gross written and accepted premiums	3,090.8	3,249.8	1,002.0	1,044.3	1,114.4	1,024.8	643.1	564.8	608.9	640.8	644.1	1,158.6
Net premiums earned	2,164.0	2,255.8	706.0	639.7	833.3	739.1	435.8	380.9	294.5	299.6	391.0	405.5
Net claims incurred and variation in other technical provisions	(1,531.3)	(1,608.8)	(377.3)	(324.8)	(564.1)	(484.7)	(312.6)	(272.4)	(162.2)	(175.3)	(239.2)	(289.8)
Net operating expenses	(467.6)	(479.6)	(249.8)	(225.8)	(267.3)	(238.2)	(107.0)	(112.1)	(116.4)	(105.5)	(99.3)	(88.8)
Other technical revenue and expenses	(31.8)	(82.8)	(0.1)	0.0	5.3	4.5	(3.4)	(3.2)	2.0	4.3	(5.1)	(0.4)
Technical result	133.3	84.5	78.8	89.1	7.3	20.7	12.8	(6.7)	18.0	23.1	47.5	26.4
Net financial income	63.5	74.3	37.7	21.4	61.9	46.6	20.2	27.6	29.5	27.5	14.7	15.5
Other non-technical revenue and expenses	(15.5)	(25.3)	(0.1)	0.0	(4.7)	(0.3)	(1.6)	(1.1)	(1.0)	(0.3)	(0.3)	(0.2)
Result of Non-Life business	181.3	133.6	116.4	110.5	64.4	67.0	31.4	19.8	46.4	50.3	61.9	41.8
Gross written and accepted premiums	886.9	1,001.7	610.0	551.3	1.5	0.5	132.7	172.9	117.9	115.2	242.4	188.4
Net premiums earned	844.1	965.2	534.1	487.8	2.3	1.6	129.6	169.3	83.0	90.3	189.1	139.9
Net claims incurred and variation in other technical provisions	(735.8)	(1,150.7)	(197.4)	(291.8)	(0.6)	(0.5)	(53.1)	(212.3)	(75.9)	(87.7)	(150.1)	(120.9)
Net operating expenses	(123.2)	(124.1)	(271.8)	(222.8)	(1.3)	(0.9)	(10.9)	(11.3)	(43.7)	(44.8)	(41.4)	(51.2)
Other technical revenue and expenses	(14.5)	(20.6)	(0.5)	—	—	—	0.3	0.4	(0.4)	(1.9)	(1.5)	(1.4)
Technical result	(29.4)	(330.2)	64.4	(26.8)	0.4	0.3	65.9	(53.8)	(37.0)	(44.2)	(4.0)	(33.6)
Financial result and other non-technical revenue	153.5	488.3	18.7	24.1	0.2	0.2	(58.6)	61.5	37.1	37.5	16.0	19.6
Result of Life business	124.1	158.1	83.1	(2.7)	0.6	0.5	7.3	7.7	0.1	(6.7)	12.0	(14.0)
Result from other business activities	20.1	26.5	2.9	10.1	(1.1)	(1.2)	(0.3)	(0.2)	0.9	1.3	(2.3)	1.0
Hyperinflation adjustments	—	—	—	—	—	—	—	—	(4.4)	(5.1)	—	—
Result before tax	325.5	318.1	202.4	118.0	63.9	66.3	38.4	27.3	43.0	39.9	71.6	28.7
Tax on profits	(68.4)	(64.2)	(56.3)	(21.6)	(10.7)	(15.5)	(10.5)	(6.8)	(13.3)	(10.5)	(18.5)	(5.3)
Result from discontinued operations	—	—	—	—	—	—	—	—	—	—	—	—
Non-controlling interests	(35.9)	(47.9)	(85.8)	(60.1)	—	—	(4.9)	(6.5)	(2.3)	(1.6)	(9.5)	(3.6)
Attributable net result	221.2	206.0	60.3	36.3	53.2	50.8	23.0	14.0	27.3	27.8	43.6	19.8
Loss ratio	70.8 %	71.3 %	53.4 %	50.8 %	67.7 %	65.6 %	71.7 %	71.5 %	55.1 %	58.5 %	61.2 %	71.5 %
Expense ratio	23.1 %	24.9 %	35.4 %	35.3 %	31.4 %	31.6 %	25.3 %	30.3 %	38.8 %	33.8 %	26.7 %	22.0 %
Combined ratio	93.8 %	96.3 %	88.8 %	86.1 %	99.1 %	97.2 %	97.1 %	101.8 %	93.9 %	92.3 %	87.8 %	93.5 %

ITEM	IBERIA		BRAZIL		NORTH AMERICA		EURASIA		LATAM SOUTH		LATAM NORTH	
	DECEMBER 2020	JUNE 2021	DECEMBER 2020	JUNE 2021	DECEMBER 2020	JUNE 2021	DECEMBER 2020	JUNE 2021	DECEMBER 2020	JUNE 2021	DECEMBER 2020	JUNE 2021
Investments, real estate and cash	25,937.8	25,285.8	2,623.1	2,634.1	2,388.6	2,375.4	4,244.2	4,124.7	1,995.6	1,927.9	1,531.0	1,554.7
Technical provisions	22,757.2	22,776.8	3,416.5	4,020.5	2,452.4	2,511.8	4,268.1	4,138.8	3,305.0	3,269.7	1,521.6	2,051.3
Shareholders' equity	4,367.9	4,263.3	782.7	788.0	1,343.4	1,376.4	713.7	724.8	578.5	532.6	445.6	479.0
ROE	10.6 %	10.5 %	11.3 %	9.9 %	5.6 %	5.3 %	4.4 %	3.1 %	10.3 %	10.7 %	15.8 %	9.9 %

Figures in million euros

ITEM	MAPFRE RE		MAPFRE ASISTENCIA		CONS. ADJUST. & CORPORATE AREAS		TOTAL	
	JUNE 2020	JUNE 2021	JUNE 2020	JUNE 2021	JUNE 2020	JUNE 2021	JUNE 2020	JUNE 2021
Gross written and accepted premiums	2,681.5	2,955.5	337.7	246.9	(1,359.7)	(1,538.9)	8,762.8	9,346.7
Net premiums earned	1,317.5	1,388.8	272.9	201.4	0.7	2.0	6,415.6	6,312.8
Net claims incurred and variation in other technical provisions	(993.5)	(902.0)	(154.3)	(102.6)	(0.7)	(5.2)	(4,335.1)	(4,165.5)
Net operating expenses	(410.9)	(410.9)	(112.3)	(89.6)	2.4	1.9	(1,828.0)	(1,748.7)
Other technical revenue and expenses	(1.1)	(3.9)	(7.2)	(8.5)	—	(0.1)	(41.3)	(90.1)
Technical result	(87.9)	72.1	(0.9)	0.7	2.3	(1.4)	211.2	308.5
Net financial income	24.2	32.3	1.4	3.6	1.1	(18.0)	254.1	230.8
Other non-technical revenue and expenses	(4.1)	(0.4)	—	—	7.3	—	(19.9)	(27.6)
Result of Non-Life business	(67.8)	104.0	0.5	4.3	10.7	(19.4)	445.4	511.7
Gross written and accepted premiums	228.4	285.9	—	—	—	0.1	2,219.9	2,316.0
Net premiums earned	201.9	271.1	—	—	—	0.1	1,984.0	2,125.2
Net claims incurred and variation in other technical provisions	(183.4)	(245.8)	—	—	—	(0.1)	(1,396.3)	(2,109.8)
Net operating expenses	(57.0)	(43.0)	—	—	—	(1.5)	(549.2)	(499.6)
Other technical revenue and expenses	(0.2)	(0.9)	—	—	—	1.5	(16.7)	(22.9)
Technical result	(38.6)	(18.6)	—	—	—	—	21.7	(507.1)
Financial result and other non-technical revenue	36.1	23.7	—	—	—	0.1	202.9	655.0
Result of Life business	(2.5)	5.1	—	—	—	—	224.6	147.9
Result from other business activities	0.0	0.0	(8.2)	(2.1)	(136.9)	(54.9)	(124.9)	(19.4)
Hyperinflation adjustments	0.0	0.0	(0.3)	(0.3)	(3.9)	(0.4)	(8.6)	(5.8)
Result before tax	(70.3)	109.0	(7.9)	1.8	(130.1)	(74.7)	536.5	634.4
Tax on profits	18.6	(26.3)	(4.4)	(2.9)	33.2	8.7	(130.4)	(144.3)
Result from discontinued operations	—	—	—	—	—	—	—	—
Non-controlling interests	—	—	(0.9)	(0.8)	4.0	(5.6)	(135.4)	(126.1)
Attributable net result	(51.7)	82.8	(13.3)	(1.9)	(93.0)	(71.6)	270.7	364.0
Loss ratio	75.4 %	64.9 %	56.6 %	50.9 %			67.6 %	66.0 %
Expense ratio	31.3 %	29.9 %	43.8 %	48.7 %			29.1 %	29.1 %
Combined ratio	106.7 %	94.8 %	100.3 %	99.7 %			96.7 %	95.1 %

ITEM	MAPFRE RE		MAPFRE ASISTENCIA		CONS. ADJUST. & CORPORATE AREAS		TOTAL	
	DECEMBER 2020	JUNE 2021	DECEMBER 2020	JUNE 2021	DECEMBER 2020	JUNE 2021	DECEMBER 2020	JUNE 2021
Investments, real estate and cash	5,303.1	5,530.1	341.9	305.2	527.8	868.1	44,893.2	44,606.0
Technical provisions	6,396.7	6,771.4	591.5	556.7	(3,016.5)	(3,286.7)	41,692.6	42,810.2
Shareholders' equity	1,770.9	1,838.9	120.8	119.4	(1,587.5)	(1,616.6)	8,536.0	8,505.7
ROE	1.0 %	8.6 %	-14.7 %	-7.3 %			6.1 %	7.4 %

Figures in million euros

Terminology

CONCEPT	DEFINITION
MANAGED SAVINGS	Includes third party Life technical reserves, pensions funds and mutual funds
CORPORATE AREAS AND CONSOLIDATION ADJUSTMENTS	Includes the result attributable to MAPFRE RE and MAPFRE INTERNACIONAL's non-controlling interests and other concepts
GROSS RESULT	Result before taxes and non-controlling interests
MINIMUM CAPITAL REQUIREMENT (MCR)	Minimum level of capital below which the amount of financial resources should not fall
SOLVENCY CAPITAL REQUIREMENT (SCR)	Reflects a level of eligible own funds that enables insurance and reinsurance undertakings to absorb significant losses and meet their obligations to policyholders
FINANCIAL DEBT	Includes subordinated debt, senior debt and debt due to credit institutions
LEVERAGE RATIO	Financial debt / (Equity + Financial debt)
SENIOR DEBT	Issue of debentures and other negotiable securities
SUBORDINATED DEBT	Subordinated liabilities
ELIGIBLE OWN FUNDS/ EOF	Funds available to cover the Solvency Capital Requirement on an on-going basis, consisting of the insurance company's assets, free of any foreseeable liabilities, less any intangible items, and having applied another series of adjustments in line with the Solvency II regulation.
SOLVENCY RATIO	The coefficient between Eligible Own Funds and Solvency Capital Requirement
TECHNICAL AND FINANCIAL MARGIN – LIFE	Technical and financial result, plus other non-technical revenue / arithmetic mean of technical reserves at the beginning and closing of the period (twelve months) x 100
OTHER BUSINESS ACTIVITIES	Includes the Group's non-insurance activities undertaken by the insurance subsidiaries, as well as by other subsidiaries <ul style="list-style-type: none"> • Activities of the holding companies of MAPFRE S.A. and MAPFRE INTERNACIONAL • Non-insurance activities of the Group developed by its subsidiaries, mainly including: <ul style="list-style-type: none"> • MAPFRE INVERSIÓN (MAPFRE ASSET MANAGEMENT) • MAPFRE ASISTENCIA: Assistance and Specialty Risks • MAPFRE ESPAÑA: FUNESPAÑA (funeral services), MULTIMAP, GESTIÓN CENTROS MÉDICOS MAPFRE (medical services), CESVIMAP (research and training services) • MAPFRE INTERNACIONAL: sigorta SERVIS (vehicle repair shops in Turkey), BEE INSURANCE (advisory services in Malta), GROWTH INVESTMENTS (investment services in Malta)
PAYOUT	(Total dividend charged against earnings / Result for the year attributable to the controlling company) x 100
TARGET PRICE	Average of the target prices calculated by analysts over a period of one year
COMBINED RATIO– NON-LIFE	Expense ratio + Loss ratio
EXPENSE RATIO– NON-LIFE	(Net operating expenses – other technical revenue + other technical expenses) / Net premiums earned. Figures regarding Non-Life Insurance
LOSS RATIO– NON-LIFE	(Incurred claims for the year, net + Variation in other technical provisions + Profit sharing and returned premiums) / Net premiums earned. Figures regarding Non-Life Insurance
SOLVENCY II RATIO	Eligible Own Funds / Solvency Capital Requirement (SCR) x 100
DIVIDEND YIELD	Amount of dividend paid in the year / Average share price in the year
RESULT OF LIFE BUSINESS	Includes technical result, financial result and other non-technical revenue
ROE (RETURN ON EQUITY)	(Attributable result (see definition) for the last twelve months) / (Arithmetic mean of equity attributable to the controlling company (see definition) at the beginning and closing of the period (twelve months)) x 100

The Alternative Performance Measures (APM) used in this report correspond to those financial measures that are not defined or detailed within the framework of the applicable financial information. Their definition and calculation can be consulted at the following link: <https://www.mapfre.com/en/financial-information/>

Certain numerical figures included in this report have been rounded. Therefore, discrepancies may arise in the tables between the totals and the itemized amounts as a result of said rounding.

DECLARATION OF RESPONSIBILITY WITH RESPECT TO THE CONTENT OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND THE CONSOLIDATED INTERIM MANAGEMENT REPORT (ARTICLE 11.1.b. ROYAL DECREE 1,362/2007)

The Condensed Consolidated Interim Financial Statements and the Consolidated Interim Management Report for MAPFRE S.A. corresponding to the first half of 2021, contained in the preceding pages 1 to xxx, have been approved by the Board of Directors at its meeting held on July 26, 2021.

The Board Members declare that, as far as they are aware, the Condensed Consolidated Interim Financial Statements, attached herein, have been prepared in accordance with the applicable accounting principles and offer a true and fair view of the equity, the financial situation, and the results of the companies comprising the consolidation as a whole, and that the Consolidated Interim Management Report includes a true and fair analysis of the information required.

Mr. Antonio Huertas Mejías
Chairman

Mr. Antonio Gómez Ciria
Member

Mr. Ignacio Baeza Gómez
1st Vicechairman

Mr. Luis Hernando de Larramendi Martínez
Member

Ms. Catalina Miñarro Brugarolas
2nd Vicechairwoman

Mr. Francisco J. Marco Orenes
Member

Mr. José Manuel Inchausti Pérez
3rd Vicechairman

Mr. Fernando Mata Verdejo
Member

Mr. José Antonio Colomer Guiu
Member

Mr. Antonio Miguel-Romero de Olano
Member

Ms. Ana Isabel Fernández Alvarez
Member

Ms. Pilar Perales Viscasillas
Member

Ms. María Leticia de Freitas Costa
Member

Mr. Alfonso Rebuelta Badías
Member

Ms. Rosa María García García
Member

Mr. Ángel Luis Dávila Bermejo
Secretary and Non-Member

DILIGENCE to establish that Ms. Catalina Miñarro Brugarolas, Ms. María Leticia de Freitas Costa and Mr. Luis Hernando de Larramendi Martínez have endorsed the Condensed Consolidated Interim Financial Statements and the Consolidated Interim Management Report for MAPFRE S.A. corresponding to 2021 but have not signed them, neither in writing nor electronically, as a result of them having attended the meeting via videoconference, therefore making it physically impossible to sign.