

Activity Update

Analyst & Investor
presentation

Q1 2023

90
YEARS **MAPFRE**



April 28th 2023



MAPFRE S.A. (MAPFRE) hereby informs that the figures in this activity update report are presented under the accounting principles in force in each country, homogenized for comparison and aggregation purposes. These figures should not be considered an indication of the future financial information for the first half of 2023 which will be presented in accordance with the International Financial Reporting Standards (IFRS 17 & 9) applicable to listed companies as of January 1, 2023, and which MAPFRE will present on a semi-annual basis and according to the legally established calendar.

This document is for information purposes only and its aim is to show the development of the most relevant business indicators of MAPFRE's units in the first quarter of 2023. Its content does not constitute, nor can it be interpreted as, an offer or an invitation to sell, exchange or buy, and it is not binding on the issuer in any way.

The comparative data from the first quarter 2022 reflects the figures reported by the Group under the international accounting principles in force in said year. There are no relevant valuation or presentation differences with the criteria applicable in 2023.

MAPFRE S.A. does not undertake to update or revise periodically the content of this document.

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



MAPFRE keeps demonstrating a

**SOLID BUSINESS
MODEL** that **IS
GROWING** even in a
complex environment.

90 YEARS MAPFRE



Premiums grew 19%, with a
noteworthy increase in LIFE of close to
60%



Net impact earthquake in Turkey
€77 M



Gradual adjustment to inflationary
context



IBERIA outperforms market growth
and continues to be the region with
the highest premium volume in the
Group



LATAM net result takes off and is the
main contributor to MAPFRE's earnings



MAPFRE will pay the final dividend
against 2022 results on May 24th



9,121

+20.5%

REVENUE

7,786

+18%*

+19.1%

PREMIUMS

128

-17.4%

NET
RESULT

98.5%

NON-LIFE
COMBINED RATIO

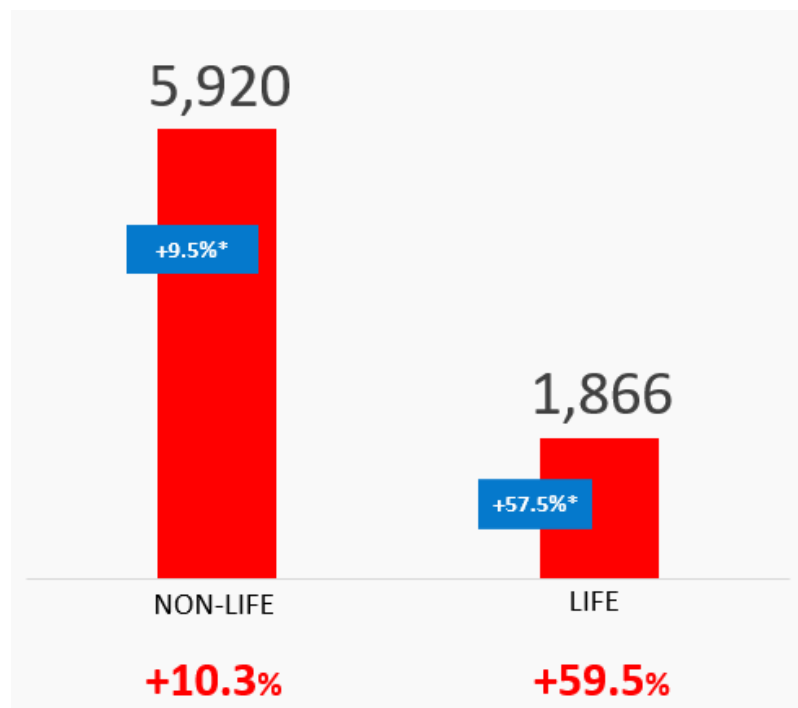
REVENUE

90 YEARS **MAPFRE**

TOTAL PREMIUMS

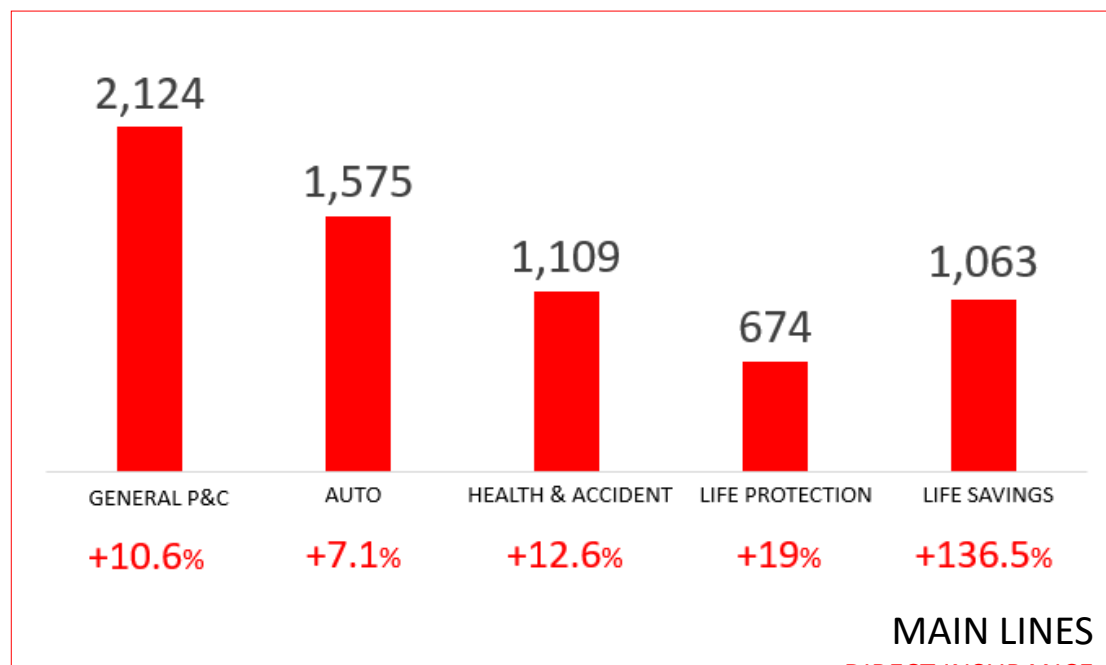
€7,786M **+19.1%**

+18%*



REVENUE

€9,121M **+20.5%**



MAIN LINES
DIRECT INSURANCE

KEY FIGURES BY REGIONS, BUSINESS UNITS AND MAIN RATIOS

90 YEARS **MAPFRE**

KEY FIGURES BY REGIONS AND BUSINESS UNITS

	Premiums		Net result		Non-Life Combined ratio	
	MAR 2023	Δ %	MAR 2023	Δ %	MAR 2023	Δ %
IBERIA	3,328	30.9%	67.3	-34.1%	99.8%	4.4 p.p
BRAZIL	1,198	21.5%	53.6	362.1%	81.6%	-23.0 p.p
LATAM SOUTH CENTRAL	826	12.1%	27.9	57.6%	102.1%	4.2 p.p
MEXICO	333	1.3%	12.3	108.8%	94.9%	2.3 p.p
TOTAL LATAM	2,357	14.9%	93.8	166.6%	90.2%	-10.5 p.p
NORTH AMERICA	584	8.1%	(9.3)	-159.5%	107.7%	5.8 p.p
EMEA	437	7.7%	(17.8)	-176.5%	113.7%	2.6 p.p
TOTAL INSURANCE	6,706	21.0%	134.0	-8.6%	98.5%	-0.7 p.p
REINSURANCE	1,451	6.7%	26.6	-1.9%	99.5%	4.2 p.p
GLOBAL RISKS	559	11.1%	6.8	-27.8%	90.8%	10.6 p.p
TOTAL MAPFRE RE	2,010	7.9%	33.4	-8.5%	98.8%	4.6 p.p
ASISTENCIA (MAWDY)	56	13.5%	0.4	-6.1%	98.4%	-0.2 p.p
Holding expenses	-985	-7.9%	(40.2)	-38.3%	--	--
TOTAL	7,786	19.1%	127.6	-17.4%	98.5%	0.4 p.p

Million euros

ROE (main markets/units)

MAR 2023

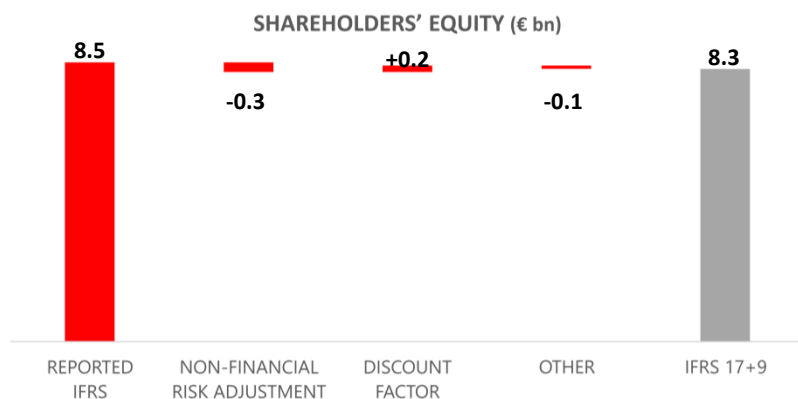
IBERIA	9.6%
TOTAL LATAM	18.1%
BRAZIL	20.8%
TOTAL MAPFRE RE	7.5%

COMBINED RATIOS

	MAR 2023	Δ %
Non-Life Loss ratio	71.2%	0.7 p.p
Non-Life Expense ratio	27.2%	-0.3 p.p
Non-Life Combined ratio	98.5%	0.4 p.p
General P&C	87.3%	-5.3 p.p
Auto	106.3%	2.5 p.p
Health & Accident	101.8%	-0.4 p.p
Life Protection Combined ratio	81.6%	-1.3 p.p

IMPACTS OF THE NEW IFRS 17 & 9 STANDARDS

TRANSITION BALANCE SHEET (1/1/2022)



CSM (1/1/2022)

≈€2.2 BN

Calculated for the following products:

- Traditional Life Savings
- Burial Insurance
- Accepted and retroceded Reinsurance

IFRS 9 IMPACTS (3M 2023)

CONCEPT	AMOUNT	ADJUSTED LOCAL ACCOUNTING	IFRS 9
Realized gains – equity portfolio	€22M	Impact in P&L	Impact in Other comprehensive income (OCI)
Unrealized gains – mutual fund portfolio	€30M	Impact in Other comprehensive income (OCI)	Impact in P&L
Valuation adjustments	€3M	Impact in Other valuation adjustments	Impact in P&L

- Group earning power is expected to remain unchanged post transition as around 70% of premiums are subject to simplified approach (PAA)
- Solvency, dividends and cash generation should remain unchanged
- All other information related to IFRS 17 will be published according to the legally established calendar

Annex

Building Block Approach (BBA)

General Assessment approach /Default approach

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

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

Variable Fee Approach (VFA)

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

Premium Allocation Approach (PAA)

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

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

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

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

Annex: IFRS 17&9 – Valuation approaches and options taken

Valuation approach	Type of product	Liability	Asset	Remarks
Building Block Approach (BBA)	Burial	Variations in yield curve (risk-free curve + spread) reflected in OCI	≈100% Fixed Income portfolios measured at FVOCI with recycling in P&L	If durations and yields are matched, there will be no asymmetries or impact in OCI
	Life matched			
	Life Savings w/o PS > 1 year			
Variable Fee Approach (VFA FVTPL)	Unit Linked	Liability measured at FVTPL linked to the performance of underlying assets	Assets measured at FVTPL	No asymmetries or impact in OCI
Variable Fee Approach (VFA disaggregating in OCI)	Life with PS	Variations in yield curve (risk-free curve+spread) are reflected in OCI	Fixed income measured at FVOCI with recycling in P&L	If durations and yields are matched, there will be no asymmetries or impact in OCI
		Variations in Equity and Funds are adjusted by estimating the future PS in P&L	Equity measured at FVTPL	No asymmetries or impact in OCI
			Funds measured at FVTPL	
Premium Allocation Approach (PAA)	Own funds portfolios, Life and Non-Life < 1 year	Risk-free curve discount	Fixed income measured at FVOCI with recycling in P&L	Both the variation in the risk-free curve and the credit spread will be reflected in OCI
			Equity measured at FVOCI without recycling in P&L	No possibility to manage the impact in P&L
			Funds measured at FVTPL	Higher volatility in P&L

PS: Profit sharing

FVTPL: Fair Value through P&L

OCI: Other Comprehensive Income

FVOCI: Fair Value through Other Comprehensive Income

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Upcoming events – H1 2023*:

10-11 May	Roadshow– Banco Santander (Madrid)
16 May	Credit Agricole Bank & Insurance conference (Paris)
24 May	UBS Financial Institutions (Lausanne)
31 May	Foro MedCap (Madrid)
12 June	J.P. Morgan European Insurance (London)
13 June	Goldman Sachs European Financials (Paris)
15 June	Berenberg Insurance Speed Dating (Virtual)
22 June	Speed Dating Event BBVA (Vienna)
7-27 July	Black-out period
28 July	6M 2023 Results presentation

* Dates are subject to change

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