

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.



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



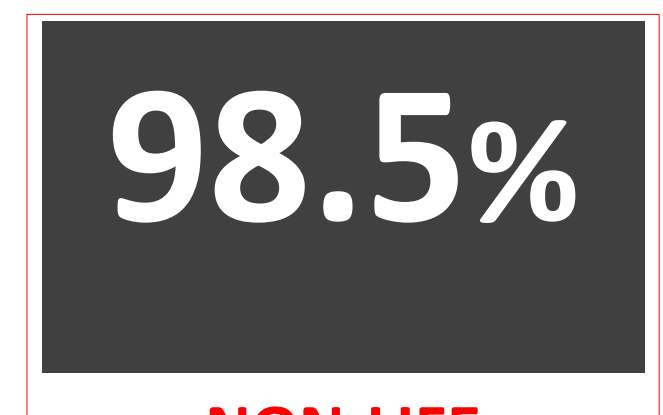
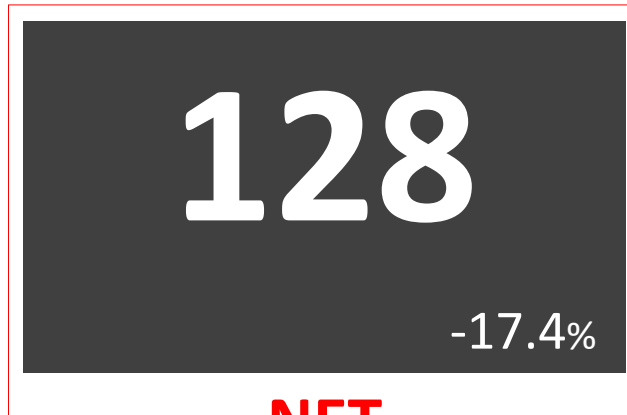
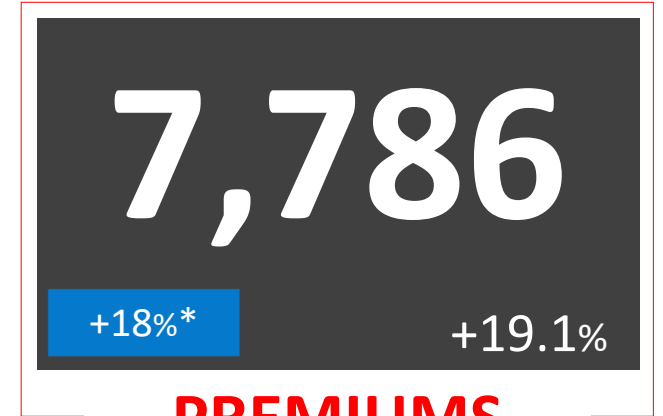
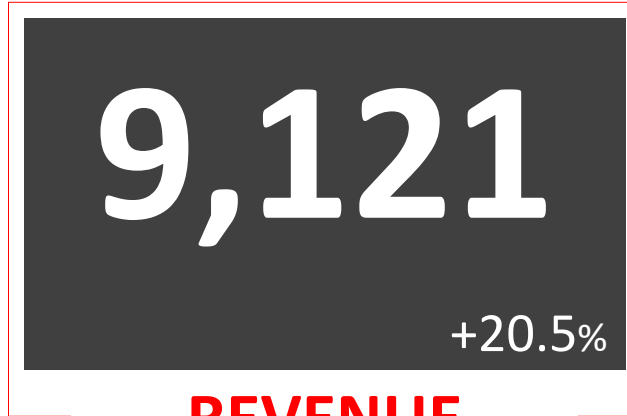
IBERIA outperforms market growth and continues to be the region with the highest premium volume in the Group



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

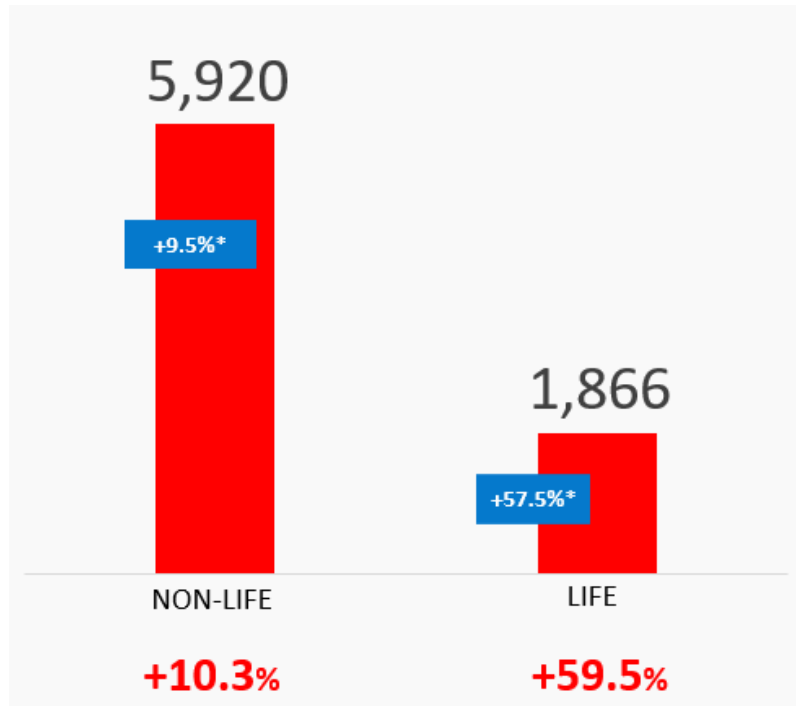


MAPFRE will pay the final dividend against 2022 results on May 24th



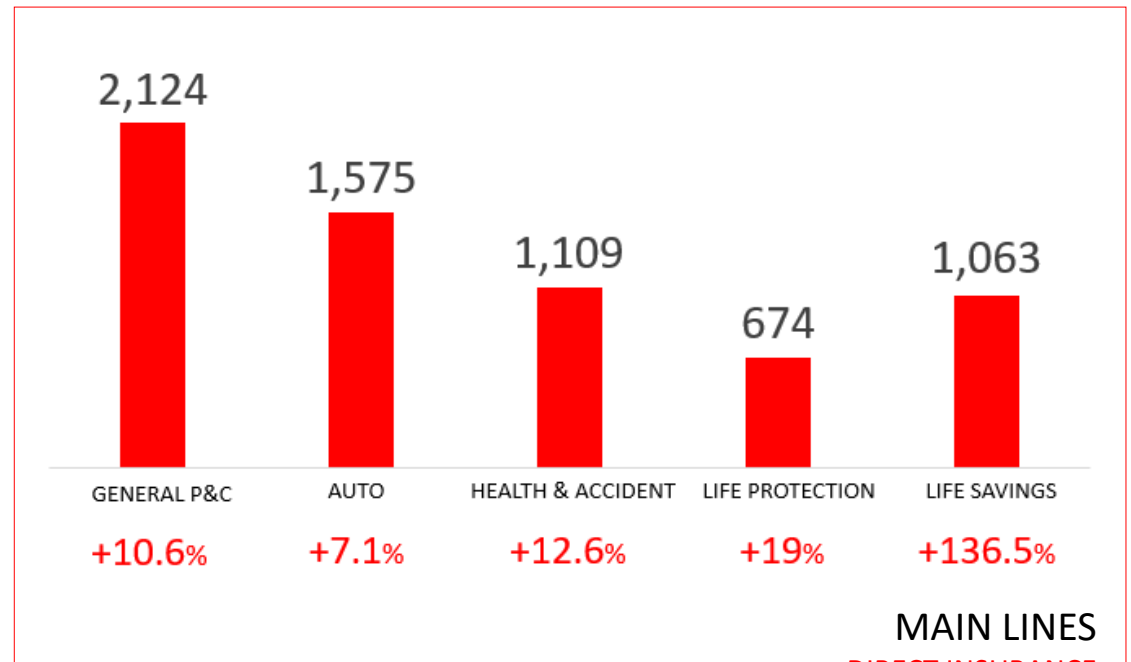
TOTAL PREMIUMS

€7,786M +19.1% +18%*



REVENUE

€9,121M +20.5%



MAIN LINES
DIRECT INSURANCE

KEY FIGURES BY REGIONS, BUSINESS UNITS AND MAIN RATIOS

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)

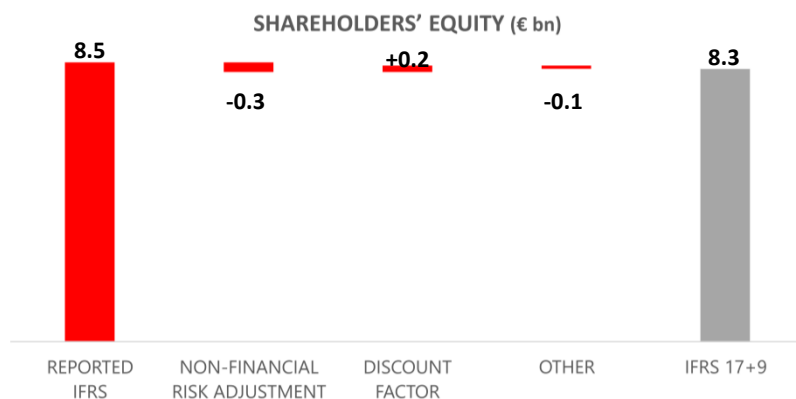
MAR 2023

| | |
|-----------------|-------|
| 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 |

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.

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

Variable Fee Approach (VFA)

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

| 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 Funds measured at FVTPL | No asymmetries or impact in OCI |
| 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 | $(\text{Operating expenses, net of reinsurance} - \text{other technical revenue} + \text{other technical expenses}) / \text{Net premiums earned}$ |
| Loss ratio – Non-Life | $(\text{Net claims incurred} + \text{variation in other technical reserves} + \text{profit sharing and returned premiums}) / \text{Net premiums earned}$ |
| 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) | $(\text{Attributable result for the last twelve months}) / (\text{Arithmetic mean of equity attributable to the controlling company at the beginning and closing of the period (twelve months)})$ |