



Activity Update

**Analyst & Investor
presentation**

12M 2023

February 14th 2024

DISCLAIMER

MAPFRE S.A. (MAPFRE) hereby informs that the figures and ratios in this activity presentation, unless stated otherwise, are homogenized local accounting figures obtained from the financial statements prepared by MAPFRE Group companies, presented under the accounting principles in force in each country. For comparison and aggregation purposes, certain adjustments have been applied to the 2023 figures between units and regions, the most relevant being: the elimination of the goodwill impairment in Spain and the elimination of Nat Cat reserves in some countries in Latin America. In Malta and Portugal the local accounting applied is IFRS 17 & 9.

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

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

ACTIVITY UPDATE – 12M 2023

OPENING REMARKS

MAPFRE CONTINUES GROWING DESPITE UNCERTAINTY



Significant improvement in **profitability**, record premiums and revenue



Geographical and business **diversification**: Life, Spain, LATAM and reinsurance leading profitable growth



Advances in **technical management** Combined Ratio **improving** by almost 1 p.p



Auto business on the **path to profitability**
Already achieved in BRAZIL NORTH AMERICA and IBERIA on track



Very positive environment for recurring **financial income**



Commitment to shareholders: **attractive** and **sustainable dividend**

ACTIVITY UPDATE – 12M 2023

KEY FIGURES

90 YEARS **MAPFRE**

26,917

+9.7%

PREMIUMS

32,239

+9.2%

REVENUE

692 **767****

+7.7%

+19.4%

**NET
RESULT**

97.2%

-0.8 p.p

**NON-LIFE
COMBINED RATIO**

189.7%

Excluding transitional measures

**SOLVENCY II
RATIO***

9.0% **9.9%****

+0.9 p.p

+1.8 p.p

ROE

Million euros

*Data at September 2023 excluding transitional measures. The ratio including transitional measures was 198.1%.

**Without the goodwill writedown

ACTIVITY UPDATE – 12M 2023

KEY HIGHLIGHTS

LIFE

Excellent growth **(+14.6%)**

Improved profitability **(+12%)**

NON-LIFE

Strong premium growth **(+8.4%)**
Consolidation of improvement in combined ratio

AUTO

Strict focus on tariffs and underwriting to return to **profitability**

FINANCIAL INCOME

Recurring investment result up **26%***

IBERIA

Leading the growth of the Group **(+15.8%)**

LATAM

Net result of €373mn, main contributor to earnings

BRAZIL €233 mn net profit (+62%)

NORTH AMERICA

Improving performance supported by **tariff updates**

MAPFRE RE

€245 mn net profit
Increases contribution to net result with solid business growth

* Without the goodwill writedown

PROVEN COMMITMENT

TO SHAREHOLDERS with an **increase** in the **final dividend**

15 Cents per
share

2023 dividend*

462 mn€

2023 dividend*

≈7.7%

Average dividend yield**

≈67%

Payout

*Total dividend against 2023 fiscal year includes the interim dividend of €0.06 paid in November and a final dividend of €0.09 proposed by the Board of Directors to be approved at the AGM on March 15th

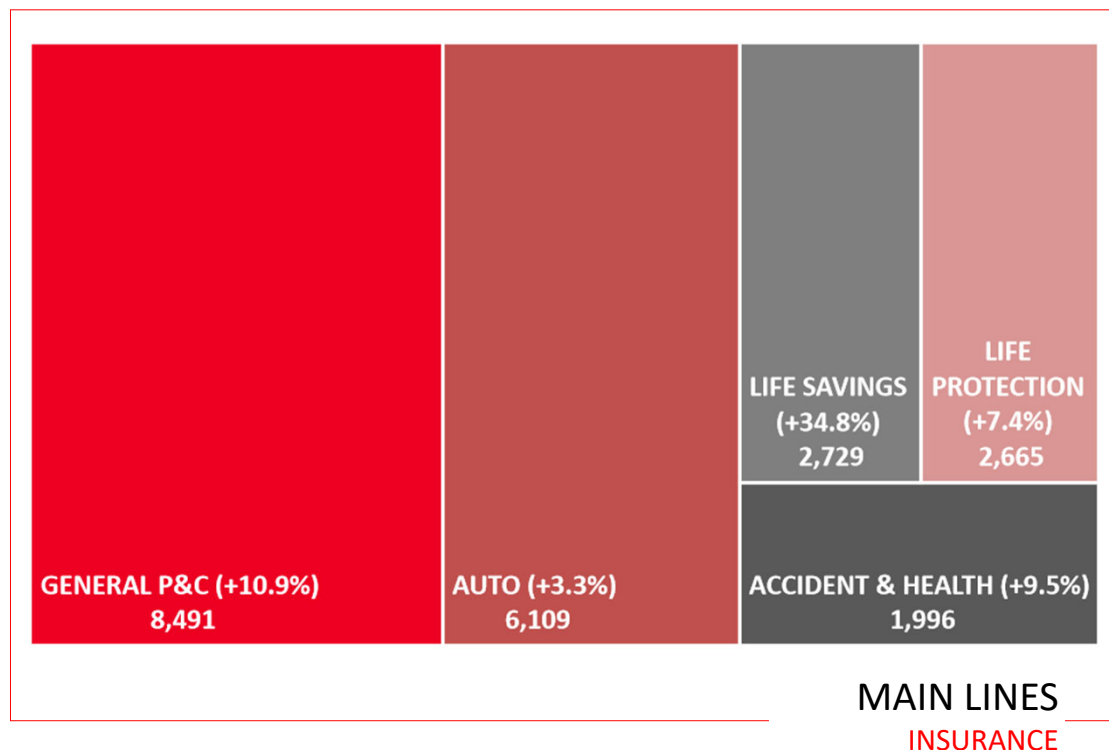
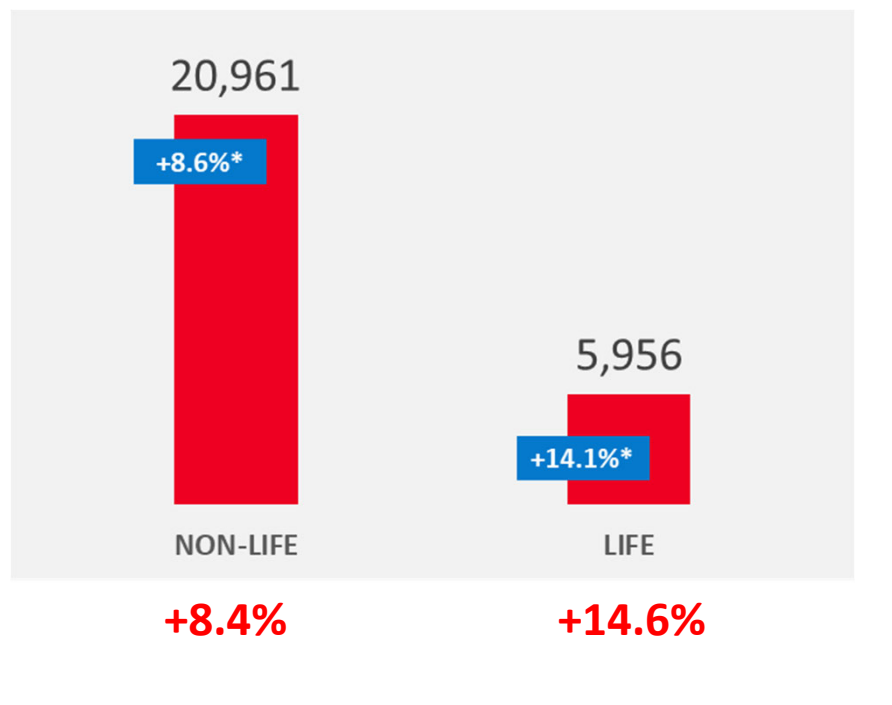
** Based on 2023 dividends paid and average share price

ACTIVITY UPDATE – 12M 2023

PREMIUMS

TOTAL PREMIUMS

€26,917M **+9.7%** **+9.8%***



ACTIVITY UPDATE – 12M 2023

KEY FIGURES AND RATIOS

90 YEARS **MAPFRE**

KEY FIGURES BY REGIONS AND BUSINESS UNITS

	Premiums		Net result		Non-Life Combined ratio	
	12M 2023	Δ %	12M 2023	Δ %	12M 2023	Δ %
IBERIA	8,832.6	15.8%	361.0	-3.9%	99.9%	3.0 p.p
BRAZIL	5,136.0	5.9%	233.0	62.1%	78.6%	-8.3 p.p
OTHER LATAM	4,672.1	13.3%	140.5	-10.6%	101.8%	1.0 p.p
TOTAL LATAM	9,808.1	9.3%	373.4	24.1%	88.9%	-4.5 p.p
NORTH AMERICA	2,682.1	3.6%	(1.8)	89.3%	105.4%	-2.9 p.p
EMEA	1,290.9	-2.0%	(46.6)	-57.4%	116.4%	4.2 p.p
TOTAL INSURANCE	22,613.8	10.3%	686.1	8.9%	97.9%	-0.6 p.p
REINSURANCE	6,115.5	7.8%	215.4	75.7%	96.0%	-1.3 p.p
GLOBAL RISKS	1,740.4	12.2%	29.2	40.3%	90.4%	0.4 p.p
TOTAL MAPRE RE	7,855.9	8.8%	244.6	70.6%	95.6%	-1.2 p.p
ASSISTANCE (MAWDY)	213.7	0.0%	5.4	-20.7%	97.9%	0.8 p.p
Holding expenses and other	(3,766.2)	-10.7%	(169.4)	--	--	--
Goodwill writedown	--	--	(75.0)	--	--	--
TOTAL	26,917.2	9.7%	691.8	7.7%	97.2%	-0.8 p.p
TOTAL w/o goodwill writedown	--	--	766.8	19.4%	--	--

ROE (main markets/units)

	12M 2023
BRAZIL	24.3%
TOTAL LATAM	17.7%
MAPFRE RE	12.0%
IBERIA	11.8%

COMBINED RATIOS

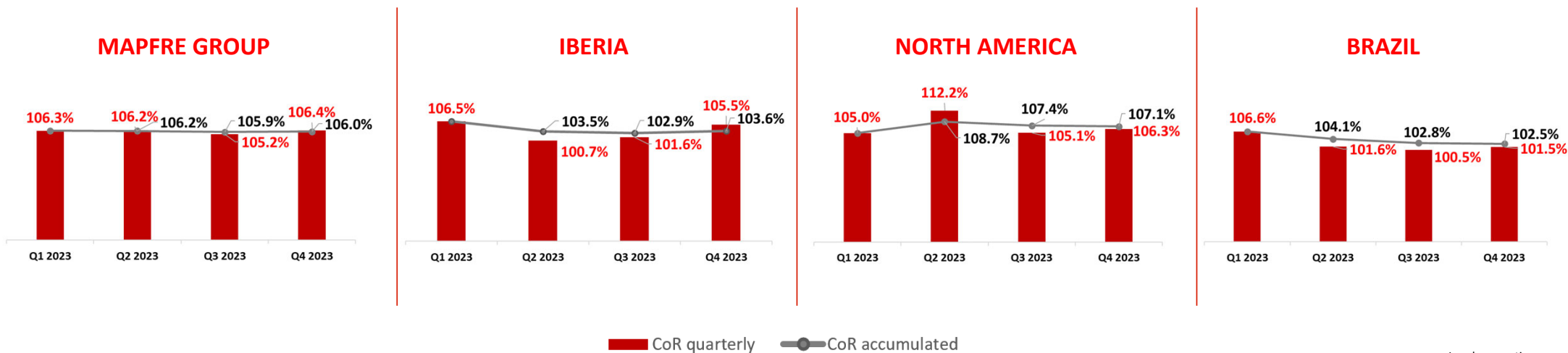
	Ratios	
	12M 2023	Δ %
Non-Life Loss ratio	69.6%	-1.0 p.p
Non-Life Expense ratio	27.6%	0.2 p.p
Non-Life Combined ratio	97.2%	-0.8 p.p
General P&C	87.6%	-0.3 p.p
Auto	106.0%	-0.1 p.p
Health & Accident	98.9%	-1.2 p.p
Life Protection Combined ratio	82.7%	-0.4 p.p

ACTIVITY UPDATE – 12M 2023

KEY FIGURES > AUTO

	Premiums			Insured units		Attributable result		Combined Ratio	
	12M 2022	12M 2023	Δ %	Units (mn)	Δ %	12M 2022	12M 2023	12M 2022	12M 2023
MAPFRE GROUP	5,912	6,109	3.3%	13.53	-3.4%	-57.3	-67.6	106.1%	106.0%
IBERIA	2,267	2,388	5.3%	6.11	-1.8%	15.1	-17.9	100.9%	103.6%
NORTH AMERICA	1,495	1,542	3.1%	1.35	-5.4%	-51.3	-28.6	109.7%	107.1%
BRAZIL	623	628	0.9%	1.22	-10.4%	-34.1	10.0	114.8%	102.5%

Combined Ratio

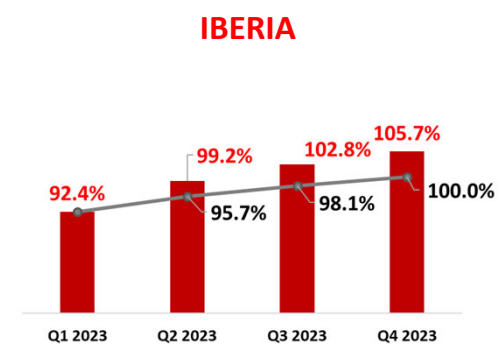
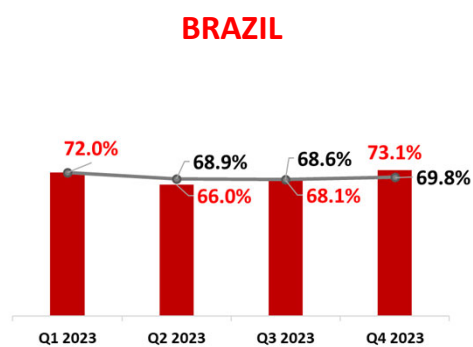
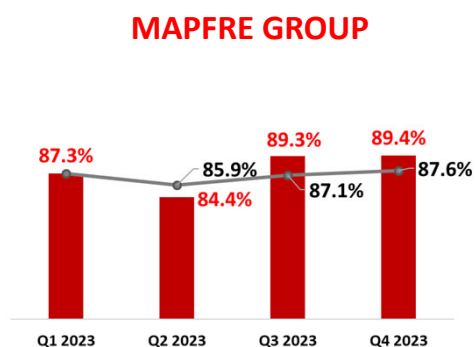


ACTIVITY UPDATE – 12M 2023

KEY FIGURES > GENERAL P&C

	Premiums			Attributable result		Combined Ratio	
	12M 2022	12M 2023	Δ %	12M 2022	12M 2023	12M 2022	12M 2023
MAPFRE GROUP	7,658	8,491	10.9%	259.7	216.6	87.9%	87.6%
BRAZIL	2,722	2,929	7.6%	106.8	134.0	75.0%	69.8%
IBERIA	2,328	2,549	9.5%	119.2	50.2	93.8%	100.0%

Combined Ratio

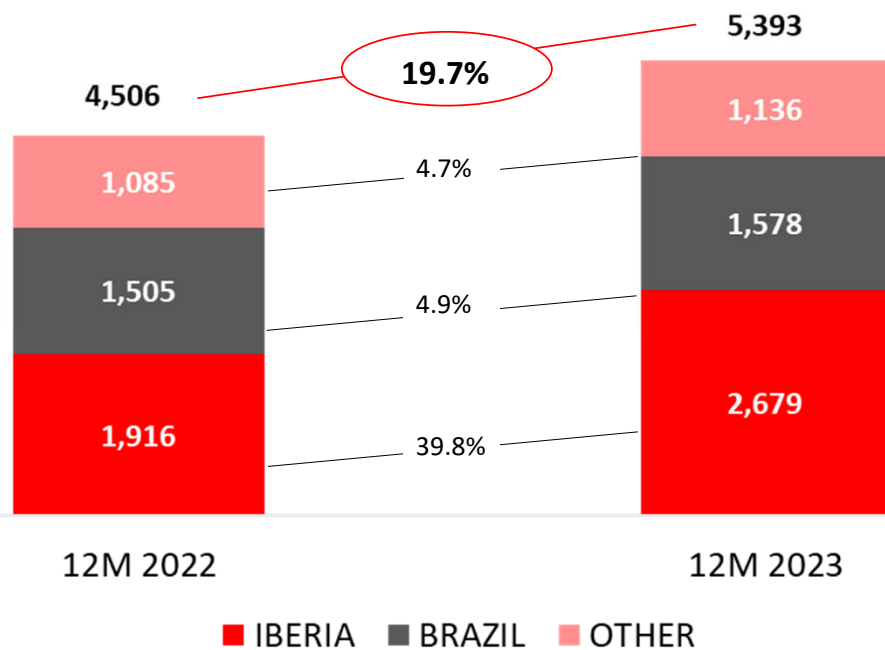


■ CoR quarterly ● CoR accumulated

ACTIVITY UPDATE – 12M 2023

KEY FIGURES > LIFE BUSINESS

Premium growth > Insurance units



Life technical-financial result

	12M 2022	12M 2023	Δ YoY
Total MAPFRE Group*	721.9	809.3	12.1%
Total Insurance Units	714.8	789.0	10.4%
<i>of which:</i>			
IBERIA	259.6	256.8	-1.1%
BRAZIL	352.1	421.5	19.7%
OTHER	103.2	110.7	7.3%

*Includes reinsurance

OTHER: Mainly OTHER LATAM AND EMEA (Malta)

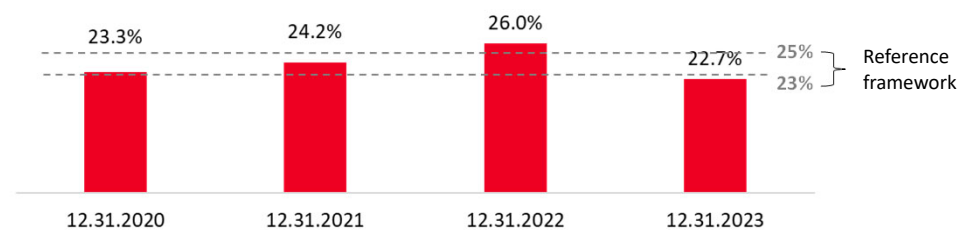
Million euros

ACTIVITY UPDATE – 12M 2023

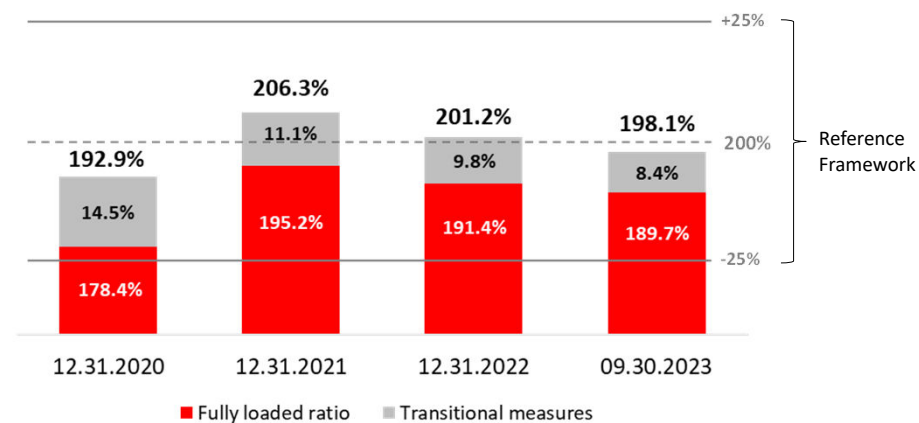
CAPITAL POSITION & CREDIT METRICS

	12.31.2020	12.31.2021	12.31.2022	12.31.2023	%Δ YTD
Shareholders' equity	8,536	8,464	7,289	8,071	10.7%
Non-controlling interests	1,302	1,203	1,071	1,143	6.7%
Total equity	9,838	9,667	8,360	9,214	10.2%
Total debt	2,994	3,092	2,935	2,701	-8.0%
Senior debt	1,006	863	863	864	0.1%
Subordinated debt	1,122	1,122	1,627	1,628	0.1%
Bank financing	866	1,107	444	208	-53.1%
ROE	6.1%	9.0%	8.2%	9.0%	0.8 p.p

Leverage Ratio (%)



Solvency II Ratio (%)



ACTIVITY UPDATE – 12M 2023

DIVIDEND UPSTREAMING

Dividends upstreamed from subsidiaries to holding companies* (€mn)

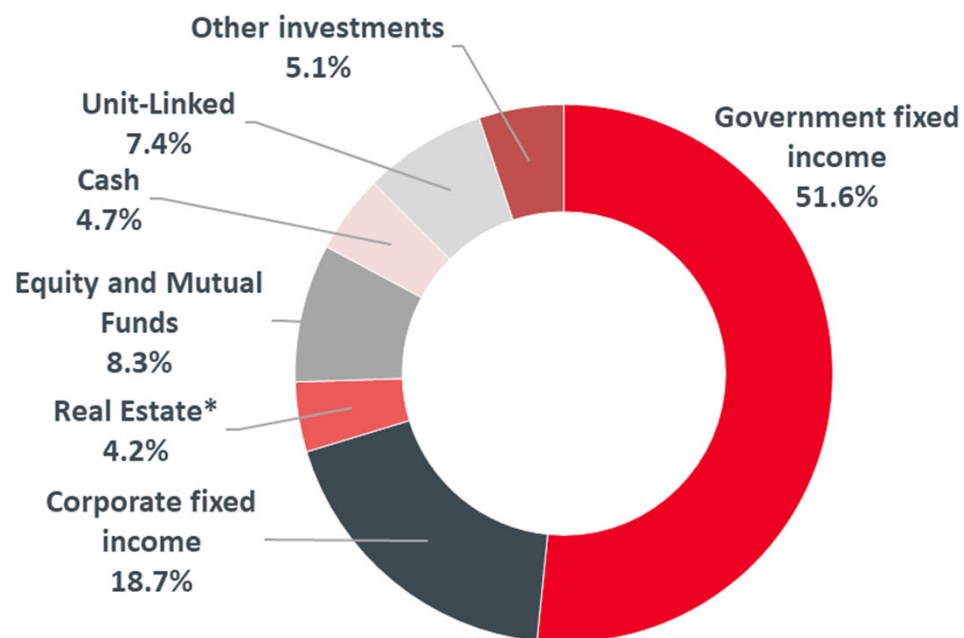
	2021	2022	2023
IBERIA	346	813**	345
<i>of which:</i>			
MAPFRE ESPAÑA	228	393	75
MAPFRE VIDA	118	421	270
INTERNATIONAL	219	150	201
<i>of which:</i>			
BRAZIL	85	57	140
OTHER LATAM	65	52	44
NORTH AMERICA	64	36	15
MAPFRE RE	54	24	86
Others	1	2	1
TOTAL	620	989	634

*Holding companies include MAPFRE S.A. and MAPFRE INTERNACIONAL

**In 2022 excess capital was upstreamed from IBERIA through extraordinary dividends: MAPFRE VIDA (€300 mn) and MAPFRE ESPAÑA (€155 mn)

ACTIVITY UPDATE – 12M 2023

ASSETS UNDER MANAGEMENT



Market value

	12.31.2023	% Δ
Government fixed income	22.7	14.6%
<i>Spain</i>	9.7	8.7%
<i>Italy</i>	2.5	2.7%
<i>Rest of Europe</i>	1.7	-6.8%
<i>United States</i>	1.7	73.3%
<i>Brazil</i>	3.3	22.4%
<i>Rest of LATAM</i>	2.6	31.2%
<i>Other</i>	1.1	22.3%
Corporate fixed income	8.2	10.7%
Real Estate*	1.8	-11.2%
Equity and Mutual Funds	3.7	-13.2%
Cash	2.1	-19.0%
Unit-Linked	3.2	6.7%
Other investments	2.3	-2.3%
Total Investment Portfolio	44.0	6.2%
Pension Funds	6.4	12.4%
Mutual Funds & Other	6.6	18.7%
Total AuM	56.9	8.2%

ACTIVITY UPDATE – 12M 2023

INVESTMENT PORTFOLIO

90 YEARS **MAPFRE**

Eurozone – Fixed income portfolios – Active management

		Market value (€bn)	Accounting Yield (%)	Market yield (%)	Modified duration (%)
IBERIA NON-LIFE*	12.31.2022	3.00	2.16	3.60	8.97
	12.31.2023	3.48	2.50	3.28	7.80
MAPFRE RE NON-LIFE	12.31.2022	3.26	1.87	4.04	3.46
	12.31.2023	4.16	2.54	3.80	3.40
IBERIA LIFE	12.31.2022	4.18	3.34	3.31	5.85
	12.31.2023	4.45	3.64	3.16	5.53

Other main regions and units – Fixed income portfolios

		Market value (€bn)	Accounting Yield (%)	Market yield (%)	Modified duration (%)
BRAZIL**	12.31.2022	2.53	11.08	11.80	1.53
	12.31.2023	3.07	10.14	9.78	1.33
OTHER LATAM	12.31.2022	2.50	8.18	9.52	3.88
	12.31.2023	3.03	7.94	8.41	5.04
NORTH AMERICA	12.31.2022	1.80	2.62	5.30	4.40
	12.31.2023	1.80	2.82	5.42	4.21

*IBERIA NON-LIFE portfolio includes Burial. Excluding this portfolio, to December 2023 duration would be approximately 3.2

**BRAZIL portfolio includes Brazil MAPFRE Seguros and Brazil BB MAPFRE

Net Financial Income – Non-Life

	2022	2023	Δ %
IBERIA	117	178	52%
BRAZIL	81	92	14%
OTHER LATAM	139	167	21%
NORTH AMERICA	126	95	-25%
EMEA	69	97	40%
MAPFRE RE	80	128	61%
ASSISTANCE - MAWDY	(1)	0	-139%
CONS. ADJUST. & CORPORATE AREAS	(4)	(66)	-
TOTAL	608	692	14%
<i>TOTAL w/o goodwill writedown</i>	<i>608</i>	<i>767</i>	<i>26%</i>

IFRS 17&9

MAIN KPIs

	IFRS 17&9			Local accounting*		
	2022	2023	%Δ	2022	2023	%Δ
Premiums	-	-	-	24,540	26,917	9.7%
Insurance revenue**	22,717	24,781	9.1%	-	-	-
Net result	564	677	20.2%	642	692	7.7%
Total assets	52,197	54,947	5.3%	59,626	62,998	5.7%
Shareholders' equity	7,797	8,467	8.6%	7,289	8,071	10.7%
Technical provisions/ Insurance contract liabilities	35,565	38,362	7.9%	41,197	44,315	7.6%
CSM	2,304	2,600	12.8%	-	-	-
Combined Ratio***	96.5%	96.6%	0.1 p.p.	98.0%	97.2%	-0.8 p.p.
ROE	7.0%	8.3%	1.3 p.p.	8.2%	9.0%	0.9 p.p.

*Homogenized local accounting

**Includes insurance and accepted reinsurance revenue

*** Calculation methodology:

- Local accounting: (Net operating expenses – other technical revenue + other technical expenses) + (Net incurred claims for the year+ Net variation in other technical provisions + Profit sharing and returned premiums)/ Net premiums earned
- IFRS 17&9: (Other fulfillment expenses + Acquisition expenses) + (Claims + Losses in onerous contract groups and reversals of these losses + Changes in liability for incurred claims + Reinsurance revenue)/(Insurance service revenue + Reinsurance service expenses)

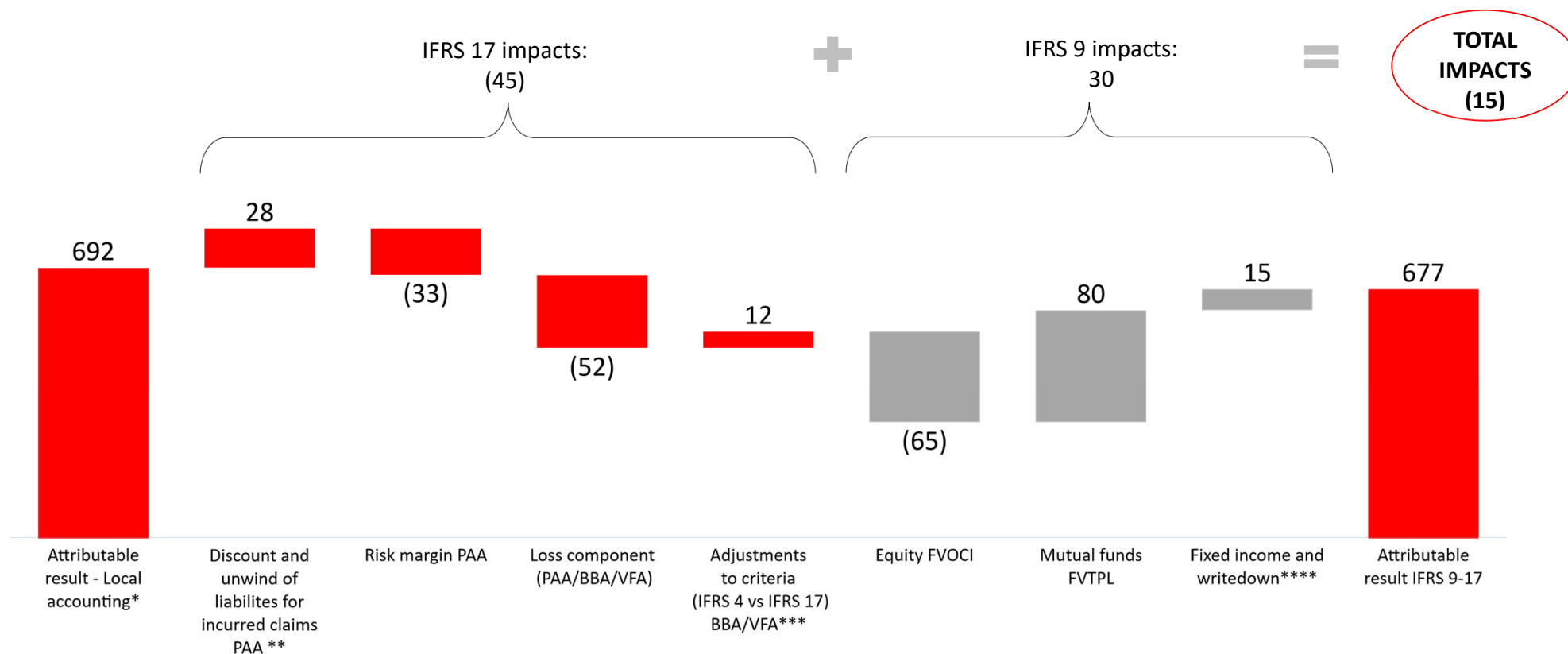
KEY FIGURES BY REGION AND BUSINESS UNIT

AREA / BUSINESS UNIT	Insurance revenue			Attributable result		
	2022	2023	Δ %	2022	2023	Δ %
IBERIA	6,517.4	6,978.1	7.1%	187.0	341.4	82.6%
BRAZIL	4,234.6	4,823.7	13.9%	138.6	227.5	64.2%
OTHER LATAM	4,202.6	4,451.0	5.9%	185.3	120.6	-34.9%
NORTH AMERICA	2,551.6	2,584.5	1.3%	(69.3)	(60.6)	12.6%
EMEA	1,139.5	1,179.1	3.5%	(73.2)	(39.4)	46.2%
TOTAL INSURANCE	18,645.7	20,016.3	7.4%	368.4	589.6	60.0%
REINSURANCE	6,953.2	8,016.8	15.3%	174.9	252.1	44.1%
ASSISTANCE - MAWDY	280.9	224.2	-20.2%	7.3	5.6	-22.2%
Holding, eliminations and other	(3,162.7)	(3,476.3)	-9.9%	13.0*	(170.1)	--
MAPFRE S.A.	22,717.2	24,781.0	9.1%	563.6	677.2	20.2%

* Figures include €152 million from overlay approach

IFRS 17&9

RECONCILIATION P&L – December 2023



* Homogenized local accounting

** Includes the discounting and unwind of insurance and reinsurance contract assets & liabilities, as well as the effect of interest rate movements on insurance and reinsurance contracts and the change in value of investments allocated to portfolios covering liabilities for incurred claims (LIC)

*** Includes CSM Release

****Reclassification to P&L of the change in valuation of fixed income that does not pass the SPPI test and change in the expected loss

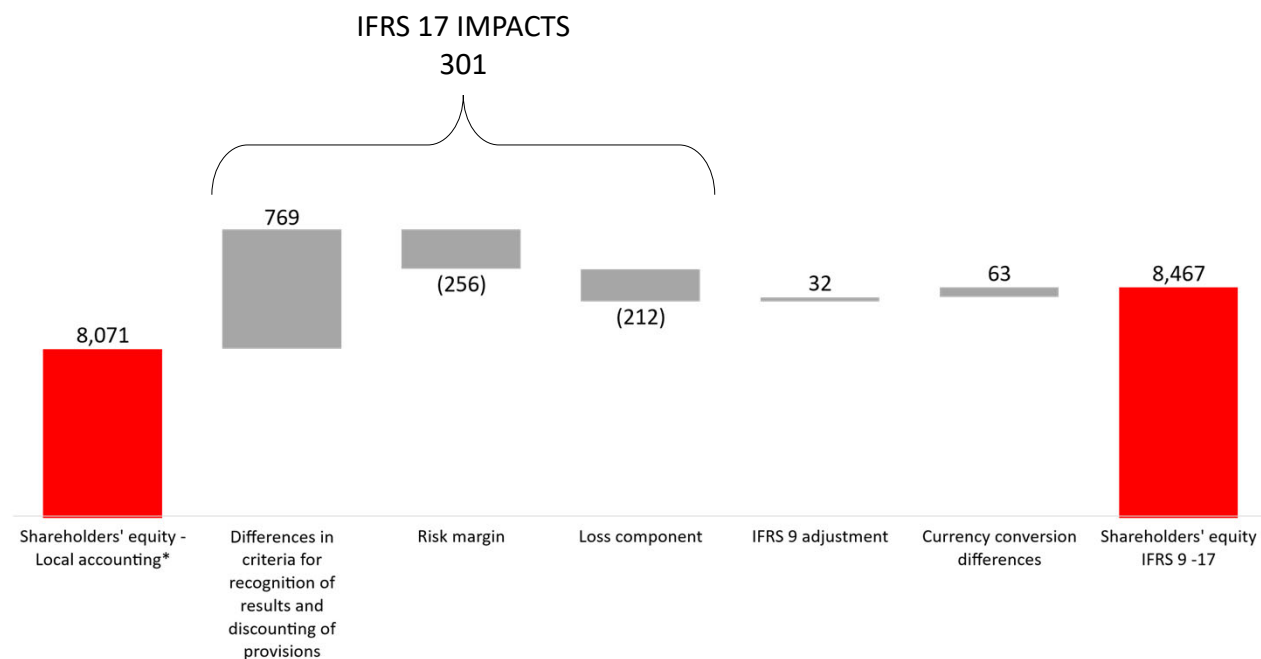
IFRS 17&9

SHAREHOLDERS' EQUITY – December 2023

Change in Shareholders' Equity

Balance at 1 January 2023	7,797
Currency conversion differences	64
Change in market value of financial assets	680
Change in technical provision valuation (Life Savings and Burial)	(320)
Other	10
Total income and expenses recorded in OCI:	434
Result	677
Dividends	(447)
Equity capital gains and Other	6
Balance at 31 December 2023	8,467

Reconciliation Shareholders' Equity



*Homogenized local accounting

LOSS COMPONENT & RISK MARGIN

Loss Component – Closing balance

	BBA		VFA		PAA ⁽¹⁾		TOTAL		Δ %
	2022	2023	2022	2023	2022	2023	2022	2023	
IBERIA	10	17	9	6	35	40	54	63	15.8%
BRAZIL	1	0	9	1	49	53	58	54	-7.9%
OTHER LATAM	17	86	1	0	4	5	22	92	314.7%
EMEA	2	(0)	--	--	44	54	46	54	17.3%
NORTH AMERICA	0	0	--	--	37	21	37	21	-43.3%
ASSISTANCE (MAWDY)	--	--	--	--	5	4	5	4	-20.6%
TOTAL	29	103	19	7	175	177	223	287	28.9%

The Risk Margin has been estimated using a confidence-interval-based approach, using Value at Risk (VaR) metrics for the probability distribution of the current value of future cash flows, in line with Solvency II capital requirements, and calibrating the target confidence interval as follows:

Non-Life: 62.5-67.5 percentile

Life: 82.5-87.5 percentile

Reinsurance: 85-90 percentile

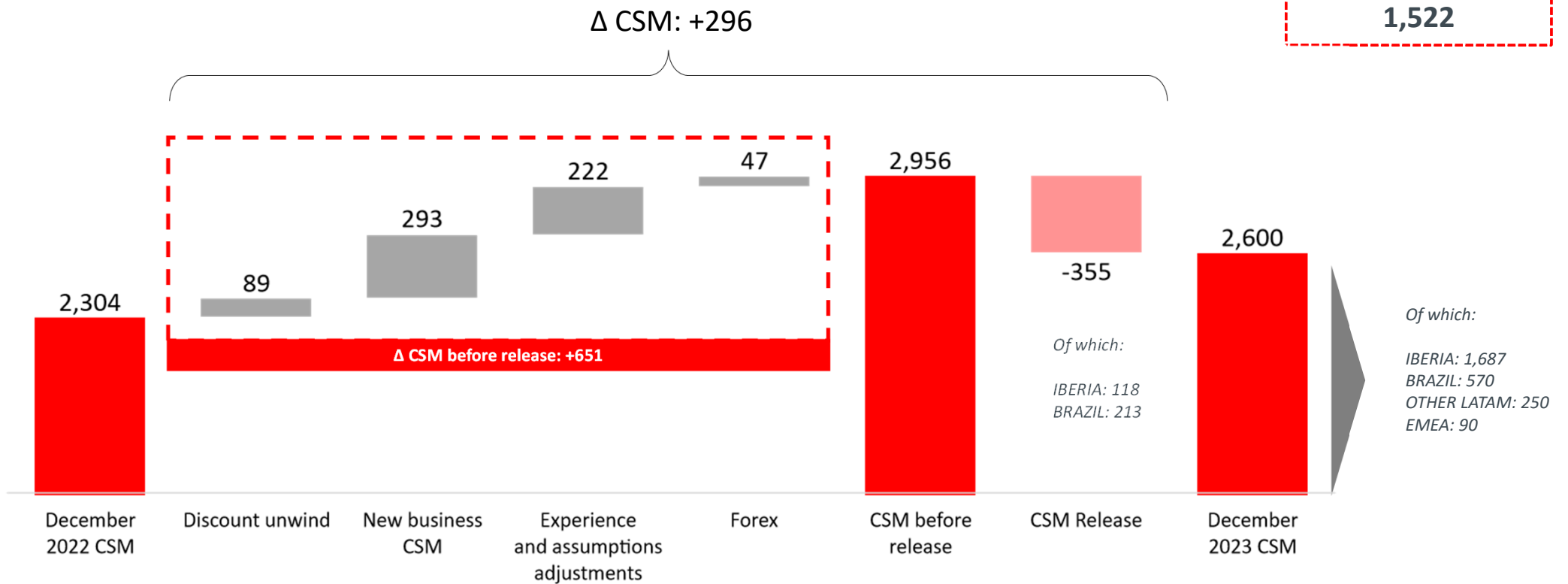
Risk Margin – Closing balance

	2022	2023	% Δ
BBA ⁽¹⁾	119	150	25.9%
VFA	47	63	34.5%
PAA ⁽¹⁾	329	391	18.7%
TOTAL	495	604	22.0%

⁽¹⁾ Net of ceded reinsurance

IFRS 17&9 CSM ROLL FORWARD

Dec. 2023 CSM
Net of tax and non-controlling interests
1,522



STRATEGIC PLAN

FINANCIAL TARGETS

GROWTH

EFFICIENCY AND PRODUCTIVITY

PEOPLE AND SUSTAINABILITY

PREMIUMS

Target:
5% - 6%

Average growth on a like for like basis

9.8% ✓
2023

COMBINED RATIO

Target:
≈ 96%

Average stripping out non-recurring & catastrophic items

97.2% ✗
2023

GENDER PAY GAP

Target:
+/-1%

0.9% gap ✓
2023

ROE

Target:
9% - 10%

Stripping out non-recurring & catastrophic items

9.9% ✓
2023

ESG INVESTMENTS

Target:
90% ESG-rated investment
Portfolio

96.6%* ✓
2023

*Managed by MAPFRE AM, Brazil and USA

STRATEGIC PLAN

REFERENCE FRAMEWORK

SOLVENCY II RATIO

Reference framework
175% - 225%

198.1% ✓

Sept. 2023 including transitionals*

PAYOUT

Reference framework
≥50%

67% ✓

2023

LEVERAGE RATIO

Reference framework
23% - 25%

22.7% ✓

2023

*Data at September 2023 including transitional measures. The ratio excluding transitional measures was 189.7%.

**FLEXIBILITY:
ADAPTING TO CHANGING
ENVIRONMENT**

**RETURN TO
PROFITABILITY IN AUTO**

**OPPORTUNITIES
FOR GROWTH**

INVESTOR RELATIONS

CONTACTS

90 YEARS **MAPFRE**

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UPCOMING EVENTS H1*:

20 Feb	Roadshow post-results (Madrid)
26 Feb	Roadshow post-results (London)
6-7 Mar	Roadshow post-results (Paris)
12 Mar	Morgan Stanley European Financials Conference (London)
15 Mar	AGM
18 Mar	Post-AGM meeting (Madrid)
19 Mar	Jefferies Pan-European Midcap Conference (London)
5-25 Apr	Black-out period
26 Apr	3M 2024 Activity Update
28 May	Foro Medcap (Madrid)
4-6 Jun	Goldman Sachs European Financials Conference (Madrid)

* Dates are subject to change

Annex

IFRS 17&9

BALANCE SHEET 12.31.2023 vs. 12.31.2022

ASSETS	12.31.2022	12.31.2023	%Δ
A) INTANGIBLE ASSETS	2,790	2,680	-3.9%
B) PROPERTY, PLANT AND EQUIPMENT	1,303	1,184	-9.1%
C) INVESTMENTS	37,626	40,937	8.8%
I. Real estate investments	981	973	-0.8%
II. Financial investments			
1. At fair value with changes through P&L	13,058	15,073	15.4%
2. At fair value with changes through OCI	20,303	21,682	6.8%
3. Amortized cost	1,267	1,296	2.3%
III. Other investments	2,017	1,914	-5.1%
D) INSURANCE CONTRACT ASSETS	6	9	51.5%
E) CEDED REINSURANCE CONTRACT ASSETS	5,667	5,938	4.8%
F) OTHER	4,806	4,199	-12.6%
TOTAL ASSETS	52,197	54,947	5.3%

"III. Other investments" includes: Investments accounted for by applying the equity method and Other investments

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

EQUITY AND LIABILITIES	12.31.2022	12.31.2023	%Δ
A) EQUITY	8,870	9,656	8.9%
I. Equity attributable to the controlling company's shareholders	7,797	8,467	8.6%
II. Non-controlling interests	1,073	1,190	10.9%
B) SUBORDINATED LIABILITIES	1,627	1,628	0.1%
C) INSURANCE CONTRACT LIABILITIES	35,565	38,362	7.9%
D) CEDED REINSURANCE CONTRACT LIABILITIES	14	15	7.0%
E) PROVISIONS FOR RISKS AND EXPENSES	522	552	5.8%
F) DEFERRED TAX LIABILITIES	325	236	-27.4%
G) DEBTS	5,161	4,338	-15.9%
H) OTHER	113	159	40.0%
TOTAL EQUITY AND LIABILITIES	52,197	54,947	5.3%

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

IFRS 17&9

BREAKDOWN OF CSM

REGION	12.31.2023			
	CSM 12.31.2022	CSM 12.31.2023	CSM net of taxes	CSM net of non- controlling interest and taxes
IBERIA	1,532	1,686	1,265	1,254
BRAZIL	456	570	337	96
OTHER LATAM	246	250	174	155
EMEA	68	90	59	15
NORTH AMERICA	2	3	2	2
TOTAL	2,304	2,600	1,837	1,522

	12M 2022	12M 2023	%Δ
I. INSURANCE REVENUE	22,717	24,781	9.1%
1. Release of liability for remaining coverage	22,544	24,579	9.0%
1.1 Claims and other expected insurance service expenses	1,025	1,099	7.3%
1.2 Changes in the non-financial risk adjustment	24	25	2.4%
1.3 Release of CSM	274	355	29.6%
1.4 Release of premium (PAA)	21,221	23,101	8.9%
2. Release of insurance acquisition expenses allocated to the period	173	202	16.2%
II. INSURANCE SERVICE EXPENSES	(20,405)	(22,346)	-9.5%
1. Incurred claims and other insurance service expenses	(15,571)	(16,121)	-3.5%
2. Acquisition costs	(4,915)	(5,358)	-9.0%
3. Losses on onerous contract groups and reversals of those losses	(88)	(84)	4.8%
4. Changes in the liability for incurred claims	169	(783)	--
RESULT FROM INSURANCE SERVICE	2,312	2,435	5.3%
RESULT FROM REINSURANCE SERVICE	(1,445)	(1,394)	3.5%
FINANCIAL RESULT	579	928	60.4%
RESULT FROM OTHER INSURANCE REVENUE/EXPENSES	(26)	(115)	--
RESULT FROM OTHER ACTIVITIES	(89)	(137)	-52.9%
Hyperinflation adjustments	(60)	(70)	-16.5%
Tax on profit	(296)	(381)	-28.6%
Non-controlling interests	(410)	(589)	-43.8%
ATTRIBUTABLE RESULT	564	677	20.2%

Annex: IFRS 17 – Valuation approaches

Building Block Approach (BBA)

General Assessment approach /Default approach

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

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

Variable Fee Approach (VFA)

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

Premium Allocation Approach (PAA)

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

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

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

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

Annex: IFRS 17 – Valuation approaches

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

PS: Profit sharing

FVTPL: Fair Value through P&L

OCI: Other Comprehensive Income

FVOCI: Fair Value through Other Comprehensive Income

TERMINOLOGY (I/II)

Local homogenized accounting

Revenue/ Total Consolidated Revenue	Premiums + Financial income from investments + Income from non-insurance companies and other income
Premiums/Written and Accepted premiums	Written premiums, direct insurance + premiums from accepted reinsurance
Premiums earned, net of ceded and retroceded reinsurance	Direct insurance written premiums + accepted reinsurance premiums + ceded reinsurance premiums + Variations in provisions unearned premiums and unexpired risks (Direct Ins.) + Variations in provisions unearned premiums and unexpired risks (Accepted Reins.) + Variations in provisions unearned premiums and unexpired risks (Ceded Reins.).
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) x 100
Leverage ratio	Total Debt / (Total Equity + Total Debt)

Alternative Performance Measures (APM) under local homogenized accounting used in this presentation 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/media/shareholders/2022/2022-03-22-alternate-performance-measures.pdf>

TERMINOLOGY (I/II)

IFRS

Income / Total Income / Consolidated Income / Total Consolidated Revenue	Insurance revenue + Reinsurance revenue + Insurance/Reinsurance finance revenue + Finance revenue not related to Insurance service + Reversal of financial asset impairment provision + Result from equity-accounted companies + Other non-technical revenue + Positive exchange differences + Reversal of asset impairment provision + Revenue from other activities
Non-Life Expense Ratio	Other fulfillment expenses + Acquisition expenses / Insurance service revenue + Reinsurance expenses
Non-Life Loss Ratio	Claims + Losses in onerous contract groups and reversals of these losses + Changes in liability for incurred claims + Reinsurance revenue / Insurance service revenue + Reinsurance expenses
Non-Life Combined ratio	Non Life expense ratio + claims ratio
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) x 100
Contractual Service Margin (CSM)	Component of the asset or liability for the group of insurance and reinsurance contracts that represents the unearned profit the entity will recognize as it provides services in the future. It makes it possible to assess the viability of the company in the short-medium term, since the volume of future profits generated by written contracts can be determined. It includes: CSM of Insurance contracts measured using the Building Block Approach (BBA) + CSM of insurance contracts measured using the Variable Fee Approach (VFA) - CSM of reinsurance contracts measured using the Building Block Approach (BBA)

Alternative Performance Measures (APM) under IFRS 17&9 used in this presentation 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://mapfre.com/media/shareholders/2023/2023-12-alternate-performance-measures.pdf>