

## 9M 2021 Results

Analyst & Investor  
presentation

October 29<sup>th</sup>, 2021



**MAPFRE**

Your trusted global insurance company

## Key highlights 9M 2021 > on track to meeting 2021 guidance

### COVID IMPACTS

- **Successful adaptation** of business model to new environment
- **Life Protection** and **Health claims** remain high in **Latin America**, but are expected to normalize in the coming quarters
- **Normalization of Auto** combined ratio, especially in developed markets, with improving trends in Homeowners and Health, which should continue in coming quarters

### PREMIUM GROWTH

- **Consolidation of solid growth trends** with excellent performance in Spain, Brazil, Mexico and MAPFRE RE

### PERFORMANCE

- **IBERIA >** strong underlying technical margins while outperforming the market in key segments
- **RE & Global Risks >** growth on the back of tariff increases, active investment portfolio management and resilient combined ratio despite several NatCat events
- **USA & BRAZIL >** resilient results, supported by restructuring efforts from previous years

### FINANCIAL STRENGTH

- **Strong capital and financial position**, supporting commitment to shareholders
- Solvency II ratio of  $\approx 195\%$
- **Strong dividend upstreaming** allowing for **interim dividend of 6 euro cents** to be paid on November 30th

## Key Figures > 9M 2021

	9M 2021	Δ	Δ at constant exchange rates
<b>Revenue</b>	<b>19,783</b>	<b>3.8%</b>	<b>6.8%</b>
Total written and accepted premiums	16,632	7.0%	10.3%
- Non-Life	13,291	6.8%	10.2%
- Life	3,341	7.4%	10.9%
<b>Non-Life Combined Ratio - MAPFRE S.A.</b>	<b>96.5%</b>	<b>1.3 p.p</b>	<b>95.8%</b>
Non-Life Loss Ratio	67.8%	1.5 p.p	
Non-Life Expense Ratio	28.7%	-0.2 p.p	28.0%
<b>Non-Life Combined Ratio - Insurance units</b>	<b>95.7%</b>	<b>2.7 p.p</b>	<b>94.8%</b>
<b>Attributable result</b>	<b>524.4</b>	<b>16.4%</b>	
<b>Adjusted attributable result</b>	<b>623.1</b>	<b>3.3%</b>	
<b>ROE <sup>(1)</sup></b>	<b>7.1%</b>	<b>1.1 p.p</b>	<b>8.6% +1.7p.p.</b>
<b>Balance sheet <sup>(1)</sup></b>			
Assets under management	56,695	2.7%	
Shareholders' equity	8,450	-1.0%	
	<b>6M 2021</b>	<b>Δ</b>	
<b>Solvency ratio <sup>(1)</sup></b>	<b>194.5%</b>	<b>1.6 p.p</b>	

(1) Variation calculated against data at December 31<sup>st</sup>, 2020

(2) Excluding 2020 goodwill and other intangible writedowns

# Adjusted attributable result

	9M 2020	9M 2021	Δ (mn)	Δ (%)	Q1 2021	Q2 2021	Q3 2021	Δ Q3 vs. Q2 (mn)
<b>Attributable result</b>	<b>450.4</b>	<b>524.4</b>	<b>74.0</b>	<b>16.4%</b>	<b>173.3</b>	<b>190.7</b>	<b>160.4</b>	<b>(30.3)</b>
<b>NatCat claims <sup>(1)</sup></b>	<b>(65.5)</b>	<b>(92.4)</b>	<b>(26.9)</b>		<b>0.0</b>	<b>0.0</b>	<b>(92.4)</b>	<b>(92.4)</b>
<i>Direct insurance operations</i>	(25.6)	0.0	25.6				0.0	0.0
<i>MAPFRE RE</i>	(39.9)	(92.4)	(52.5)				(92.4)	(92.4)
<b>COVID-related claims</b>	<b>(83.6)</b>	<b>(106.9)</b>	<b>(23.3)</b>		<b>(25.9)</b>	<b>(49.1)</b>	<b>(31.8)</b>	<b>17.3</b>
<i>Direct insurance (Life Protection LATAM) <sup>(2)</sup></i>	(26.6)	(91.9)	(65.3)		(23.0)	(38.2)	(30.6)	7.6
<i>MAPFRE RE</i>	(57.0)	(15.0)	42.0		(2.9)	(10.9)	(1.2)	9.7
<b>Attributable result (adjusted for NatCat and COVID claims)</b>	<b>599.5</b>	<b>723.7</b>	<b>124.2</b>	<b>20.7%</b>	<b>199.2</b>	<b>239.8</b>	<b>284.6</b>	<b>44.8</b>
<b>Financial Gains &amp; Losses</b>	<b>11.5</b>	<b>88.1</b>	<b>76.6</b>		<b>9.9</b>	<b>8.6</b>	<b>69.6</b>	<b>61.0</b>
<i>Real estate <sup>(3)</sup></i>	(6.8)	(2.8)	6.8			(2.8)	0.0	2.8
<i>Financial investments <sup>(4)</sup></i>	18.2	90.9	72.7		9.9	11.4	69.6	58.2
<b>Other <sup>(5)</sup></b>	<b>(15.0)</b>	<b>12.4</b>	<b>27.4</b>		<b>0.0</b>	<b>7.4</b>	<b>5.0</b>	<b>(2.4)</b>
<b>Attributable result (adjusted)</b>	<b>603.0</b>	<b>623.1</b>	<b>20.2</b>	<b>3.3%</b>	<b>189.3</b>	<b>223.8</b>	<b>210.0</b>	<b>(13.8)</b>
<i>of which: BANKIA MAPFRE VIDA <sup>(6)</sup></i>	31.5	31.8	0.2		11.4	0.0	20.4	20.4

(1) Puerto Rican earthquake in 2020; Storm Bernd in Germany and Central Europe in 2021

(2) Life Protection claims at insurance operations in LATAM, mainly Brazil, Mexico, Colombia and Peru

(3) Mainly sale at MAPFRE USA (€14 mn) as well as real estate provisions in Spain (-€20.5 mn) in 2020; real estate provisions (-€2.8 mn) in 2021

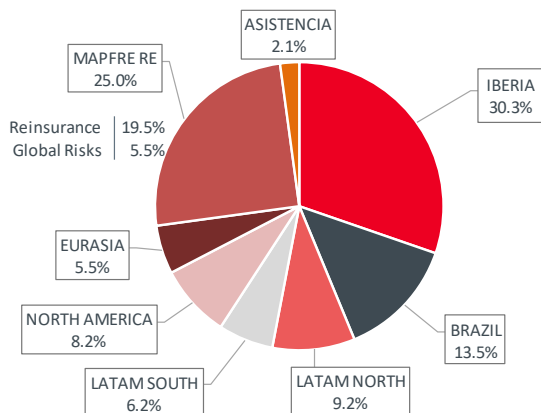
(4) Extraordinary financial gains & losses, net of writedowns, in actively managed financial investment portfolios in euro area (IBERIA & MAPFRE RE) and MAPFRE USA and other financial income & expenses

(5) Provision for restructuring (-€15 mn) in 6M 2020; in 2021, voluntary retirement scheme in IBERIA (-€56.3 mn), release of earnout provision in Spain (€27 mn), contribution of real estate to joint venture vehicle (€25.2 mn), sale of Rastreator & Preminen (€14 mn) and Industrial Re (€2.5 mn)

(6) Includes the result for MAPFRE's 51% stake in BANKIA MAPFRE VIDA for the first nine months of the year (€31.8 mn), after concluding that MAPFRE continues to maintain the ability to exercise control of the company, with the majority of voting rights on the Board of Directors and therefore should continue to recognize the attributable result

# Key figures > by business unit

## Premiums – Breakdown by business unit



	Premiums		Attributable result			Combined ratio	
	9M 2021	Δ %	9M 2021	Δ mn	Δ %	9M 2021	Δ p.p.
<b>IBERIA <sup>(1)</sup></b>	<b>5,704</b>	<b>7.4%</b>	<b>329.9</b>	<b>(3.9)</b>	<b>-1.2%</b>	<b>96.2%</b>	<b>3.7 p.p</b>
<b>BRAZIL</b>	<b>2,534</b>	<b>6.7%</b>	<b>50.1</b>	<b>(31.0)</b>	<b>-38.3%</b>	<b>87.3%</b>	<b>0.5 p.p</b>
<b>LATAM NORTH</b>	<b>1,741</b>	<b>44.5%</b>	<b>20.2</b>	<b>(34.5)</b>	<b>-63.0%</b>	<b>97.1%</b>	<b>6.8 p.p</b>
<b>LATAM SOUTH</b>	<b>1,162</b>	<b>6.8%</b>	<b>43.5</b>	<b>0.4</b>	<b>0.9%</b>	<b>93.2%</b>	<b>0.2 p.p</b>
<b>NORTH AMERICA</b>	<b>1,542</b>	<b>-6.2%</b>	<b>76.5</b>	<b>10.6</b>	<b>16.1%</b>	<b>97.8%</b>	<b>0.1 p.p</b>
<b>EURASIA</b>	<b>1,029</b>	<b>-8.4%</b>	<b>14.9</b>	<b>(16.5)</b>	<b>-52.6%</b>	<b>103.6%</b>	<b>4.8 p.p</b>
<b>TOTAL INSURANCE</b>	<b>13,711</b>	<b>7.6%</b>	<b>535.1</b>	<b>(74.9)</b>	<b>-12.3%</b>	<b>95.7%</b>	<b>2.7 p.p</b>
<b>MAPFRE RE</b>	<b>4,711</b>	<b>11.7%</b>	<b>95.4</b>	<b>115.4</b>	<b>577.2%</b>	<b>98.5%</b>	<b>-4.4 p.p</b>
Reinsurance	3,673	14.5%	69.5	95.2	370.1%	99.5%	-3.7 p.p
Global Risks	1,038	2.8%	25.9	20.1	351.2%	84.4%	-13.7 p.p
<b>ASISTENCIA</b>	<b>403</b>	<b>-18.4%</b>	<b>(1.8)</b>	<b>15.7</b>	<b>89.8%</b>	<b>103.3%</b>	<b>4.7 p.p</b>
<b>OTHER <sup>(2)</sup></b>	<b>(2,193)</b>	<b>-14.9%</b>	<b>(104.2)</b>	<b>17.7</b>	<b>14.5%</b>	<b>--</b>	<b>--</b>
<b>TOTAL</b>	<b>16,632</b>	<b>7.0%</b>	<b>524.4</b>	<b>74.0</b>	<b>16.4%</b>	<b>96.5%</b>	<b>1.3 p.p</b>

(1) Includes the result for MAPFRE's 51% stake in BANKIA MAPFRE VIDA for the first nine months of the year (€31.8mn), after concluding that MAPFRE continues to maintain the ability to exercise control of the company, with the majority of voting rights on the Board of Directors and therefore should continue to recognize the attributable result

(2) "Other" includes Corporate Areas and consolidation adjustments

# Key figures > Life business > insurance units

## Key figures

	9M 2021	Δ mn YoY	Δ YoY
<b>Life Premiums</b>	<b>3,341.2</b>	<b>230.6</b>	<b>7.4%</b>
<b>IBERIA</b>	<b>1,389.3</b>	<b>221.7</b>	<b>19.0%</b>
<b>BRAZIL</b>	<b>863.4</b>	<b>(39.8)</b>	<b>-4.4%</b>
<b>OTHER <sup>(1)</sup></b>	<b>1,088.6</b>	<b>48.7</b>	<b>4.7%</b>
<b>Life Attributable Result</b>	<b>100.0</b>	<b>(20.2)</b>	<b>-16.8%</b>
<b>IBERIA</b>	<b>119.7</b>	<b>29.1</b>	<b>32.1%</b>
<b>LATAM</b>	<b>(22.4)</b>	<b>(49.0)</b>	<b>-184.4%</b>
BRAZIL	(7.1)	(28.8)	-132.7%
LATAM NORTH	(6.6)	(12.4)	---
LATAM SOUTH	(8.7)	(7.8)	---
<b>OTHER <sup>(2)</sup></b>	<b>2.7</b>	<b>(0.2)</b>	<b>-6.8%</b>

## COVID claims – Life Protection – breakdown <sup>(3)</sup>

	Q1 2021	Q2 2021	Q3 2021	9M 2021	Δ mn YoY
<b>BRAZIL</b>	<b>(12.2)</b>	<b>(17.8)</b>	<b>(12.9)</b>	<b>(42.9)</b>	<b>(32.8)</b>
<b>LATAM NORTH</b>	<b>(6.9)</b>	<b>(15.7)</b>	<b>(3.7)</b>	<b>(26.3)</b>	<b>(15.7)</b>
<b>LATAM SOUTH</b>	<b>(4.0)</b>	<b>(4.7)</b>	<b>(14.1)</b>	<b>(22.7)</b>	<b>(16.8)</b>
<b>TOTAL LATAM</b>	<b>(23.0)</b>	<b>(38.2)</b>	<b>(30.6)</b>	<b>(91.9)</b>	<b>(65.3)</b>

(1) Mainly LATAM NORTH, EURASIA (Malta) and LATAM SOUTH

(2) Mainly EURASIA (Malta)

(3) After reinsurance, tax and minorities

# Assets under management

	Market value			Breakdown by Asset Class	
	12.31.2020	09.30.2021	% Δ	12.31.2020	09.30.2021
<b>Government fixed income</b>	<b>23.4</b>	<b>23.1</b>	<b>-1.1%</b>	<b>56.2%</b>	<b>51.0%</b>
<i>Spain</i>	12.8	12.4	-2.8%	34.0%	27.3%
<i>Italy</i>	2.4	2.8	16.5%	5.4%	6.1%
<i>Rest of Europe</i>	2.0	1.8	-12.1%	4.1%	3.9%
<i>United States</i>	1.5	1.6	2.4%	3.0%	3.4%
<i>Brazil</i>	2.2	2.2	-2.6%	5.6%	4.8%
<i>Rest of LATAM</i>	1.7	1.8	4.4%	3.4%	3.9%
<i>Other</i>	0.8	0.7	-14.4%	0.8%	1.3%
<b>Corporate fixed income</b>	<b>8.1</b>	<b>7.7</b>	<b>-5.2%</b>	<b>17.5%</b>	<b>17.0%</b>
<b>Real Estate*</b>	<b>2.2</b>	<b>2.3</b>	<b>4.6%</b>	<b>4.5%</b>	<b>5.2%</b>
<b>Equity</b>	<b>2.7</b>	<b>3.0</b>	<b>9.5%</b>	<b>5.2%</b>	<b>6.5%</b>
<b>Mutual Funds</b>	<b>1.4</b>	<b>1.7</b>	<b>20.4%</b>	<b>3.4%</b>	<b>3.8%</b>
<b>Cash</b>	<b>2.4</b>	<b>2.4</b>	<b>0.2%</b>	<b>4.7%</b>	<b>5.3%</b>
<b>Unit-Linked</b>	<b>2.5</b>	<b>2.8</b>	<b>12.6%</b>	<b>4.7%</b>	<b>5.5%</b>
<b>Other investments</b>	<b>2.1</b>	<b>2.3</b>	<b>9.9%</b>	<b>3.8%</b>	<b>5.7%</b>
<b>Total Investment Portfolio</b>	<b>44.9</b>	<b>45.4</b>	<b>1.1%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Pension Funds</b>	<b>5.8</b>	<b>6.2</b>	<b>6.9%</b>		
<b>Mutual Funds &amp; Other</b>	<b>4.5</b>	<b>5.2</b>	<b>14.0%</b>		
<b>Total AuM</b>	<b>55.2</b>	<b>56.7</b>	<b>2.7%</b>		

Figures do not include BANKIA MAPFRE VIDA portfolios, as the business is classified as held for sale

# Investment portfolios

## Euro area – fixed income portfolios – actively managed

		Market value (€bn)	Accounting Yield (%)	Market yield (%)	Modified duration (%)
NON-LIFE	12.31.2020	7.46	1.68	0.28	8.58
(IBERIA & MAPFRE RE)	09.30.2021	7.35	1.53	0.48	7.78
LIFE	12.31.2020	5.56	3.66	-0.01	7.10
(IBERIA)	09.30.2021	5.23	3.46	0.14	6.77

## Realized financial gains & losses – Euro area (€ mn) <sup>1</sup>

	Non-Life		Life		Total	
	9M 2020	9M 2021	9M 2020	9M 2021	9M 2020	9M 2021
IBERIA	6.1	33.2	7.4	3.0	13.5	36.2
MAPFRE RE	11.2	47.2	2.0	12.5	13.2	59.7
<b>TOTAL</b>	<b>17.3</b>	<b>80.4</b>	<b>9.4</b>	<b>15.5</b>	<b>26.7</b>	<b>95.9</b>

## Other main regions and units – fixed income portfolios

		Market value (€bn)	Accounting Yield (%)	Market yield (%)	Modified duration (%)
BRAZIL - MAPFRE SEGUROS	12.31.2020	1.40	6.16	4.81	3.09
	09.30.2021	1.28	6.64	7.88	3.35
LATAM NORTH	12.31.2020	0.84	5.93	5.23	3.60
	09.30.2021	1.03	5.40	5.21	3.36
LATAM SOUTH	12.31.2020	1.77	6.00	3.70	7.12
	09.30.2021	1.65	6.51	5.95	6.33
NORTH AMERICA	12.31.2020	1.99	2.63	1.11	5.23
	09.30.2021	1.99	2.53	1.50	5.29

- 1) Net of writedowns and other financial income & expenses, before taxes and non-controlling interests. Includes only actively managed available for sale portfolios in the Euro area.



# Shareholders' equity

## Change in shareholders' equity

	Δ Year to Date	Δ Quarter to Date
<b>Balance at beginning of period</b>	<b>8,536</b>	<b>8,506</b>
Result for the period	524	160
Dividends	-231	0
Net unrealized capital gains of AFS portfolio*	-397	-115
Currency conversion differences	113	-7
Other	-96	-94
<b>Balance at period end</b>	<b>8,450</b>	<b>8,450</b>

\*Net of shadow accounting adjustments

## Currency conversion differences

	09.30.2021	Δ	% Δ currency	Sensitivity to 1 pp move in currency
<b>Total</b>	<b>-1,803 **</b>	<b>113</b>	<b>-</b>	
<i>of which:</i>				
US dollar	425	124	5.4%	23
Brazilian real	-939	6	0.4%	15
Turkish lira	-357	-11	-11.8%	1
Mexican peso	-136	5	2.1%	2

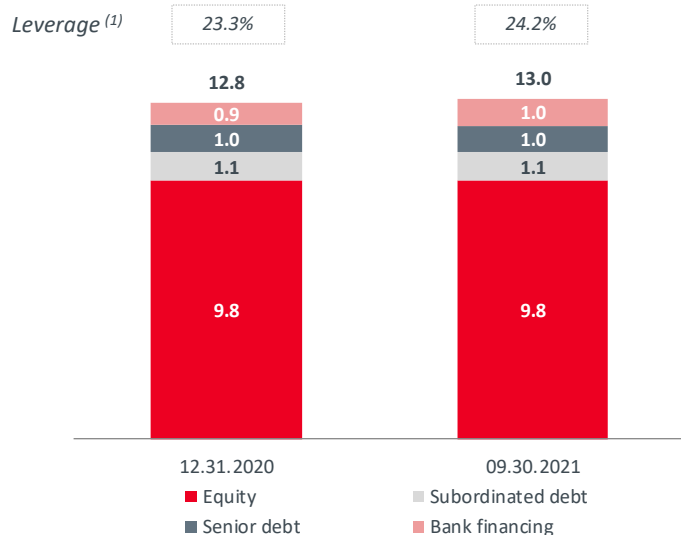
\*\*Currency conversion differences include -€538 mn of adjustments in Venezuelan and Argentine currencies (hyperinflationary economies)

## Change in net unrealized capital gains - AFS portfolio

	Δ Year to Date	Δ Quarter to Date
IBERIA	-136	-1
LATAM	-151	-41
NORTH AMERICA	-50	-22
MAPFRE RE	-57	-47
OTHERS	-3	-4
<b>MAPFRE S.A.</b>	<b>-397</b>	<b>-115</b>

# Capital position & credit metrics

## Capital structure (€ bn)



(1) Total Debt / (Total Equity + Total Debt)

## Solvency II position (€ mn)

Eligible Own Funds (EOF)	9,281
Solvency Capital Requirement (SCR)	4,772
<b>EOF-SCR</b>	<b>4,509</b>
<b>Solvency II ratio</b>	<b>194.5%</b>
<i>Fully loaded</i> <sup>(1)</sup>	181.6%

**06.30.2021**

(1) Excluding impacts of transitional measures for technical provisions and equity

## Closing remarks

IBERIA | Focused on transformation while outperforming the market with strong technical margins

USA | Successful streamlining and focus on the profitable Northeast region

LATAM | Business model successfully adapted to a challenging but improving situation

MAPFRE RE | Tariff increases and underwriting and investment approach contribute to profitability

BANKIA | The exit process is moving forward (expected Q4 2021)

OUTLOOK | On track to meeting 2021 guidance and returning to a sustainable dividend path

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## Upcoming events – H2 2021\*:

3 November	Post-results meetings – Spanish (9:30 CET)
3 November	Post-results meetings – English (15:00 CET)
22-24 November	BME Foro Latibex
20 January – 9 February	Blackout period
10 February	Results release

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# Terminology

Revenue	Top line figure which includes premiums, financial income, and revenue from non-insurance entities and other revenue
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
Corporate Areas and Consolidation Adjustments	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
Solvency II ratio	Eligible Own Funds (EOF) / Solvency Capital Requirement (SCR)
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))
Other investments	Includes interest rate swaps, investments in associates, accepted reinsurance deposits and others

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/corporate/institutional-investors/financial-information/>

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