



Investor &
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- José Luis Jiménez Guajardo-Fajardo, MAPFRE S.A., CFO
- Felipe Navarro López de Chicheri, MAPFRE S.A., Deputy General Manager – Finance Area

Presentation

Felipe Navarro López de Chicheri

Good morning, and welcome to Mapfre's Full Year 2025 activity update. This is Felipe Navarro, Deputy General Manager of the Finance area. We are pleased to have here with us Antonio Huertas, the Group Executive Chairman. He will make a few opening remarks and will give an overview of business trends and developments. Following to that, Jose Luis Jimenez, the group CFO will give us a brief overview of the IFRS figures and will discuss the main financials under local accounting. I will walk you us through the balance sheet and capital related topics.

Before we begin, just few reminders. Interpretation services are available both here and online, so feel free to choose the language you prefer, either English or Spanish. At the end of the presentation we will open up the Q&A. Questions can be made in either language.

I will now hand the floor over to Antonio Huertas.

Antonio Huertas Mejías

Thank you, Felipe. Hello everyone and thank you for your time today. Both of you here in person or those connected online. Firstly, I must express the Board of Directors' satisfaction with the result we have just presented. As you have seen, 2025 was an excellent year for Mapfre. It was a year in which we exceeded our main business targets with significant improvements in our main technical ratios as well as achieving significant strategic advances.

In terms of net attributable profit, we had another record year with EUR1.08billion, representing an increase of almost 20%. But, we must remember that gross profit exceeded EUR2.4 billion, also representing spectacular improvement of 20%. Premiums also reached an all time high, exceeding EUR29 billion, also up 20%. And we cannot forget to mention that total income, including financial income, exceeded EUR34 billion for the first time.

We have once again outperformed all the financial targets that we updated and presented in the last AGM, despite the fact that the international economic environment has affected our growth in euros. In this context, exchange rate depreciations have negatively impacted our business volumes, especially those currencies that have the greatest weight in our accounts, such as the Brazilian Real, the US dollar, the Turkish Lira and other Latin American currencies. Premiums grew by 3.6% in euros, but at constant exchange rates, this figure would more than double reaching almost 8%.

Non-life, which is three quarters of our business, continues to benefit from technical improvements, growing 6% at constant exchange rates or 1.5% in euros to over EUR22 billion. Life business is also up nearly 15% at constant exchange rates, almost 12% in euros at over EUR6.6 billion.

The non-life combined ratio, now it stands at an excellent 92.2%, representing a decrease of more than 2 points. This is the best combined ratio our Group has achieved in the last 15 years. The technical improvement has been impressive with all geographical areas and all businesses showing a significant reduction in their combined ratio. Particularly notable is the sharp reduction in the claim ratio to 65%.

ROE stands at a healthy 12.4%, excluding non-cash one-offs in the third quarter, profit would have exceeded EUR 1.1 billion and ROE would have been over 13%. Our capital base remains strong despite

market volatility, with shareholders equity up over 5% during the year, just shy of EUR9 billion and the solvency ratio was 210% at the end of September.

These excellent results have enabled us to propose a final dividend of EUR11 cents per share, fulfilling our commitment for another year to pay out at least 50% of our profits.

Next, the following slide, allow me to comment on the key data from our most relevant activities with which show excellent underlying trends. Starting with insurance operations in the different regions. IBERIA has delivered an excellent technical and commercial performance and has once again achieved outstanding results, thanks to a solid and well diversified business. Net profit was EUR450 million, up 23%, with significant contributions from both Life and Non-life businesses. Technical management continues to improve in all areas. The Motor business has experienced a clear changing trend, once again becoming a significant contributor to the result, with a result up over EUR100 million and the combined ratio that has fallen by almost 7 points to 98.5%. General Non-life and Accident & Health businesses are also solid, with both combined ratios around 94%.

LATAM also showed solid underlying results with a net profit of EUR365 million. The combined ratio stands at 84.6% with most countries well below 100%. BRAZIL remains a key driver of profitability, supported by high financial income and solid technical margins. Net profit reached a record level of around EUR270 million, an increase of 5%.

NORTH AMERICA also posted record results of nearly EUR140 million, up 42%. The operational improvements implemented in recent years have paid off and combined ratios in the US are now the best ever.

Finally, MAPFRE RE recorded a profit of EUR381 million, up 17% with a combined ratio of 91.2%, indicating that both Reinsurance and Global Risks has performed excellently with historic results. It's true that it has not have been a particularly intense year in terms of major catastrophes, but the frequency of weather events is not decreasing globally, and the increase of secondary perils in the industry is significant. In our case, our technical rigor in underwriting and risk selection, our diversified business model and appropriate retrocession program have helped us to achieve these magnificent results. In addition, reserves remain close to the upper end of our confidence interval.

We are extremely satisfied with this year's historical results and the board of directors has proposed a final dividend of EUR11 cents, representing a 15.8% increase to be approved at the AGM on March 13th. This is the highest dividend paid ever and the fifth consecutive increase in three years, bringing the total dividend against 2025 to EUR18 cents, up 12.5%. Total dividends reached EUR 554 million with a payout of 51.4%. The average dividend yield for 2025 was 4.6%. Over the last five years Mapfre has paid out EUR2.3 billion to its shareholders fully in cash.

Now, I will now hand the floor over to Jose Luis.

Jose Luis Jimenez

Thank you, Antonio. Before moving into the details of the local figures, I would like to briefly comment on the main KPIs under IFRS compared to local GAAP which are very aligned.

Insurance revenue which reached a little over EUR26 billion is up over 3%. At constant exchange rates, growth is 7.6%.

The net result stands at EUR1,133 million under IFRS; EUR54 million higher than local GAAP. IFRS 17 had a EUR43 million positive impact. The impact of discounting and the risk margin offset a negative impact from the loss component which mainly affected the live business in Colombia during the year. IFRS 9 had a positive EUR11 million impact, the positive impact of mutual fund valuation booked in P&L offset the realized gains on equity recorded under OCI.

Shareholders' equity amounts to EUR9.4 billion, and return on equity was 12.4%, with similar trends under local GAAP. The gross CSM was EUR2.6 billion, up almost 4% and was EUR1.6 billion after taxes and minorities mainly from the contribution of new business. The 90% combined ratio under IFRS is below the local figure, mainly due to the discount factor, we had a 1.4 point impact.

I will now discuss the key trends by region. In IBERIA, total premiums are growing over 10% with solid momentum across most business lines. Non-Life is up 5% while Life has increased over 23%, supported by remarkable performance in savings. The combined ratio has improved more than 3 points reaching 95.8%. The return on equity is now over 2 points to 13.6%. Profitability in LATAM has been excellent with a return on equity of nearly 16%, despite some one-off and currency depreciations.

BRAZIL reached a record high result posting a return on equity of close 28%. With improved technical ratios and strong investment returns. The Non-Life combined ratio remains outstanding at 72%. In euros, premiums are down 10% with almost 7-point drag from exchange rates. The decline reflects a slowdown in lending linked products due to higher interest rates.

In the rest of LATAM, premiums are over 5% in euros with a strong local currency growth in key markets like Mexico, Colombia and Peru. The combined ratio has improved in most countries standing at 98.8% for the region. The net result was EUR97 billion with two relevant negative impacts. EUR37 million in Mexico from the change to VAT treatment for insurance companies and EUR57 million in Colombia due to the 23% minimum wage increase, mainly affecting annuities reference to inflation. Overall, trends across the region are still strong and we are confident that the region will continue to prove resilient, as we have been successfully operating in these markets for years.

In NORTH AMERICA, premiums are down over 4% in euros due to the US dollar depreciation. In a record profit year, the combined ratio is down to 95.4%, improving 3 points. In EMEA, losses in Germany and Italy are down. The region is reporting its third consecutive quarter of positive numbers with a EUR 16 million profit compared to EUR30 million in losses last year with an 8 point reduction in the combined ratio.

Regarding MAPFRE RE, in terms of growth, premiums are in line with last year. The Non-Group reinsurance business around 14% at constant exchange rates. In terms of profitability, it has been a good year after a very quiet hurricane season. There was a partial release of reserve in the fourth quarter. Some of this prudence was applied to claims on a case-by-case basis. The combined ratio includes around 2.5 points of total additional reserve prudence at year end. There has also been a one-off tax impact for around EUR45 million in the fourth quarter due to a prudent approach related to doubling position in some Latin American countries.

MAWDY continues to contribute positively with a net result of nearly EUR6 million.

Finally, I would like to comment that the net hyperinflation adjustments are down from EUR60 million last year to EUR31 million, mainly from the case of Argentina.

General P&C lines continue to benefit from disciplined technical management, solid market presence and diversification. Premiums are down affected by the Brazilian real and the US dollar. The combined ratio remains excellent at 80%. In IBERIA, premiums are up 7% with a strong performance in key segments with commercial lines growing 10%. The combined ratio stands at 94%, thanks to diversification, a prudent underwriting approach and comprehensive reinsurance protection.

In BRAZIL, premiums declined 8.5% in euros mainly due to the currency depreciation. Furthermore, Agricultural insurance remain affected by high interest rates while other retail and industrial lines are experiencing notable growth. The combined ratio was stable at 63% supported by Agro.

In NORTH AMERICA, premiums are impacted by dollar depreciation while the combined ratio has improved more than 5 points to 79%, supported by prior year tariff increases as well as lower weather related claims.

Regarding Motor, the fourth quarter result confirms the positive trends with significant advance in profitability in most markets. The combined ratio is below 100% with a 5-point improvement year- on-year.

In IBERIA, the combined ratio was 98.5% improving 7 points. Premiums are growing 3% with average premium up 7.5% compared to the market at 6%. In BRAZIL, premiums are down mainly due to the currency depreciation. The combined ratio remains stable in line with higher interest rates. In NORTH AMERICA, premiums also declined due to weaker currency. Profit amounts to EUR72 million, up more than 80% with the combined ratio down more than 3 points.

Regarding other regions, in OTHER LATAM, almost all units reported combined ratios below 100%. In EMEA, the combined ratio is also down 11 points from 122% to 111%, driven by an over 20-point reduction in Germany.

In conclusion, technical management remains strong with measures continued to deliver.

On the Life Business, premiums are up 12% with strong trends in IBERIA and OTHER LATAM. The Life Business continued to be very profitable, adding almost EUR200 million to the group results. In IBERIA, premiums are growing 24% due to strong performance in savings. The Protection business is up over 4% in line with previous trends. The net result was EUR132 million, down year-on-year, largely driven by lower financial gains. In BRAZIL, premiums are down 13%, impacted by the currency as well as the high interest rates environment, which affect lending and related life protection products demand. Earnings remain strong, up 5% with a combined ratio of 82%, down 2 points year-on-year. Regarding other markets, volumes were up 18% led by OTHER LATAM, with noteworthy performance in Mexico growing 40%. The loss in OTHER largely reflects the increase in the minimum wage in Colombia.

And now, I will hand the floor over to Felipe to discuss the main balance sheet items.

Felipe Navarro López de Chicheri

Thank you very much, Jose Luis. Shareholders' equity stands strong at over EUR8.9 billion, up more than 5% at year-end, on the back of the excellent result that we're presenting. The improved valuation of the investment portfolio offsets negative conversion differences, mainly from the US dollar, which is now down nearly 12%.

Leverage is below 21%. At the beginning of the year, we completed a dual tranche of six and 10-year senior transactions, for a total of EUR1 billion, with 3.125% and 3.625% coupons. Leverage would increase temporarily, but still acceptable levels, until we repay the upcoming senior bond maturity in May. We don't expect any other major changes in our capital structure in the near future.

Our strong balance sheet is supported by strong cash flow generation within Mapfre Group. In 2025, EUR900 million was upstreamed from subsidiaries, EUR200 million higher than the previous year. IBERIA remains the most important contributor, with EUR348 million. LATAM contributed EUR300 million, including an extraordinary dividend of EUR80 million in BRAZIL, corresponding to 2026, which was upstreamed to avoid fiscal changes that have taken effect this year. NORTH AMERICA contributed over EUR70 million. MAPFRE RE upstreamed almost EUR150 million this year. In conclusion, our sources of cash generation are solid and well diversified.

Total assets under management stand at almost EUR65 billion, growing 9% year-on-year. Third-party assets now reach over EUR16 billion, up 20%. In Spain, we remain among the top non-bank asset managers. We maintain our commitment to being a benchmark in financing planning. In 2025, Mapfre was among the top five largest players in pension plans, leading growth with a rate of 8%.

As for mutual funds, growth has been outstanding, reaching 32% year-on-year. BRAZIL was the main contributor to this expansion, nearly doubling assets under management throughout our local asset manager. In Spain, our own channel delivered double-digit growth, with an increase of 16%, while the bancassurance channel posted a 39% increase.

Our own investment portfolio amounts to EUR48.4 billion, with asset allocation stable throughout the year. It remains defensive, with a focus on quality, diversification, and high liquidity, and with a low exposure to alternative assets.

Regarding the euro area, investment portfolios yields are up over 50 basis points at MAPFRE RE, while in IBERIA yields and duration are slightly down. In other markets, Brazilian portfolio yields increased over 230 basis points during the year, reaching 12.7%. In NORTH AMERICA, yields are also up around 25 basis points to over 3.2%. Realized gains and losses are very stable, around EUR43 million, as is Non-Life financial income.

I would like to comment on a few exceptional items. In IBERIA, there was a prudent accelerated amortization of intangibles, which had a EUR24 million impact, and in NORTH AMERICA, there was a reclassification of premium finance fees, in line with market practice, with around EUR20 million impact. Financial income continues to be a tailwind, and our portfolios are well-positioned to face market volatility.

I will now hand the floor over to Antonio to make a few closing remarks.

Antonio Huertas Mejías

Thank you, Felipe. The close of 2025 marks the end of the second year of our 2024-2026 strategic plan. We have continued to implement strategy focusing on growth and results. Mapfre has continued enhancing technical excellence, improving productivity and leveraging its potential across all markets, while transforming our business. Referring to our financial commitments, we are very pleased with our achievements in the current plan. Over the last two years, average growth has been 3.1%, but at constant exchange rates it would have been 7%, meaning we would have met our targets. Our average ROE target for the period is 11% to 12%, excluding extraordinary items, and we reached over 13% at the year-end.

Combined ratio performance was also excellent in 2025 at 92.2%, well below the targeted range. These financial figures are on the local accounting, but we are very much in line with IFRS metrics.

We remain highly committed to sustainability, having achieved notable improvements. We are now carbon-neutral in 13 countries, an improvement from 10 in 2024. Over 93% of our portfolio is now ESG rated. Additionally, women now occupy 35.4% of top management positions globally. We have strengthened our underlying profits in all geography and products. Those excellent results are mainly due to our geographical diversification. Results in BRAZIL, NORTH AMERICA and MAPFRE RE have been outstanding, reaching historic highs. And IBERIA has returned to normalized results, maintaining its position as the group's leading contributor.

In addition, in terms of business development, Mapfre continues to occupy leading positions in our main markets. The technical work carried out after the pandemic has borne fruit. We have reduced the combined ratio by more than 5 points since 2023 with improvements in technical management and disciplined underwriting, and we have increased prudence in our reserves. In addition to all this, improving efficiency remains a strategic pillar. We maintain a strict cost control despite inflation with a stable expense ratio.

Finally, it's worth highlighting the strength of our balance sheet, which has allowed us over the years to absorb extraordinary events without a significant impact on the final results. To conclude, I would like to comment on our general expectations for 2026. First, despite a complex macroeconomic context, Mapfre will continue to demonstrate its ability to navigate these circumstances successfully. This year, we will focus more on growth especially in those segments where profitability has already reached acceptable levels, including Motor. In addition, the impact of currencies is expected to be more benign than in 2025.

We believe that our new brand identity launched this year will also help the business to develop. Our ambition is now also being rolled out with a new global, modern and digitally connected brand. This new corporate identity strengthens our positioning in the markets, bringing us closer to our customers and other stakeholders. Despite our excellent ratios and profitability levels, we believe that we can still grow profitably, thanks to our diversified business model and the effect of the entire transformation process we are undergoing. Financial income should also continue to be a favorable factor and the portfolios are well positioned to cope with possible interest rate declines.

In conclusion, we are optimistic about Mapfre's performance in 2026 as well we are prepared to face the challenges posed by global uncertainty and the competitive insurance and Reinsurance market. The dividends announced today reinforces our confidence in the future of our firm commitment to continue creating value for our shareholders.

I will now leave the floor to Felipe to start the Q&A session.

Q&A

Felipe Navarro López de Chicheri

Thank you very much, Antonio. Although most of you are already familiar with the process, let me quickly remind you of the details of the Q&A session. Those of you that are here in person can raise your hand and we will give you the floor. Please introduce yourselves before asking your questions. It is possible to ask questions both in Spanish or English at your convenience. For those of you connected online, you can use the Q&A tool at the bottom of your screen and we will try to answer them as time allows. I remind you that the IR team will be available for any pending questions

after the call.

And before that, I would like to apologize because of the information that we provided on the CNMV that was a little bit late this morning due to a technical issue with the connection with -- to the CNMV. I mean, this is something that was out of our possibilities. So it is something that we could not do anything else. I would like to start with the floor in the room.

I'm switching over to Spanish now. Remember that if you are in this room and you would like to ask a question, just raise your hand and please state your name.

Maria Paz Ojeda (Banco Sabadell)

Can you hear me? Great. Maria Paz Ojeda from Banco Sabadell. Well, first of all, congratulations on your performance. It's really been outstanding for the past 18 months. I have three questions. First, about the Colombia regulation changes and those in Mexico too, what do you foresee for 2026, and the future years, because these changes, I'm sure would affect your pricing, right? So any possibilities to raise premiums or prices to offset that VAT-related cost increase and the new salaries? As for the business in NORTH AMERICA, well, that 78% combined ratio in homeowners sounds spectacular, and I understand it is supported by milder weather with fewer claims. So what do you think the additional impact would be if a standard amount of weather events were to take place?

And also, do you have any information on Fern storm that blew over the whole East Coast in January. And also, could you give us some flavor on the lawsuit or the differences in opinion with the AAA club vis-a-vis the contract renewal. And another question, we see that most of the targets, both for combined ratio and return on equity are being met easily in your strategic plan and it finishes next year. So, what's your perspective on whether you can be more ambitious in your targets in the medium-long term?

Antonio Huertas Mejías

Okay, Paz, we'll start dealing with the one-offs in Mexico and Colombia, and then Jose Luis will deal with the rest of your questions. Yes. Certainly, these one-offs are not your usual run-of-the-mill one-offs you come up with as part of our business like extreme weather events or similar circumstances leading to potential impairments or not. These circumstances are entirely out of our management sphere which occurred in November in Mexico and in December 29th in Colombia. In Mexico, we have a long-standing dispute with the Mexican tax administration, which demanded a legal review of VAT for insurance. And finally, the photo finish was that the industry negotiated with the Mexican government to get retroactive action to only 2025 and of course, from 2026 on. Mapfre has already provisioned the total impact expected for 2025 and the expected impact for 2026 for the timeframe for which we haven't had time for premium adjustments. But as soon as possible when we start dealing with renewals, after the second quarter we will have full view of the total impact. And we will have fully transferred this to our clients. The total impact is calculated in over \$1 billion for the Mexican insurance industry. And for us, it's a limited impact, but it's still part of that price transfer that we couldn't do in 2025.

And as for the case in Colombia, the increase in minimum wage, 23% unexpected increase that affects only some specific product of life annuities. And they're already in runoff in Colombia for Mapfre. So we don't need to do much. We already have provisions to deal with this one-off from the new rates, which are after all indexed to the minimum wage. But I insist it's a runoff portfolio. So, it won't have a huge impact. Well, the impact was relevant for the industry, particularly for a very specific product, as I said.

And then quickly, Paz, the AAA agency. We know that in late 2026, our 20-year agreement with AAA would come to an end. We knew that 20 years ago, and we've done our best to continue to be exclusive

distributors for AAA. From now on, we will not be exclusive since AAA is opening an insurance company panel, the distribution capacity for AAA is very relevant, but we have a lot of capacity beyond AAA to deal with this new circumstances that affect Northeast, mostly in Massachusetts. The fact that they've been less than compliant during the past year is truly non-relevant. And I'm sure we will come to an agreement so that this last year of the contract will be as smooth as possible. And then we have another agreement with another AAA, a joint venture we have in Washington and Oregon which is totally unrelated because we're talking about federated separate institutions, our joint venture for Auto and homeowner is growing as expected, and there's nothing to report there.

Jose Luis Jiménez Guajardo-Fajardo

As for the storms, and the US, Maria Paz, we're not aware that there are any material things to report. This is just business as usual in the United States. Right now, their temperatures are minus 10, minus 20 Celsius, so nothing new to report, we're provisioning for it. Maybe this time of the year, some weather events might affect California, too. But we -- only time will tell. We just know that the January storms have not had any material effects, and nothing that is not usual in that considering the geography.

About the performance of our strategic plan, we're more than pleased. We're over complying. It's been years of work to come to this point, and we're in a very healthy situation. However, it's too soon to tell. We will have to wait until the AGM to see if there are changes in the targets or not.

Felipe Navarro López de Chicheri

I will go over one of the questions that came in online about AI. Apparently, a news has broken about an intermediary who was coming to an agreement with ChatGPT, and changes in the distribution considering AI. Do we consider that this agreement between Tuio and ChatGPT might become a credible disruption in the insurance distribution market? And what we see the general impact of AI on our business? So in sum, how could AI affect the business and what consequences could it have on the general P&C insurance business?

Antonio Huertas Mejías

Yes, maybe a few thoughts on the matter. Certainly, we've been following the news with great interest. It does not come as a surprise because the benefits of AI for the present and the near future of all businesses are very clear. We just need to continue to integrate AI into our distribution initiatives. But that's valid, not only for the insurance business, I guess, many of us have been using AI to prepare a holiday or to compare pricing in other products. So AI is likely to change our lives, most likely for the better. Just for simplification purposes, I mean, price comparative tables were already out there before AI. A new technology has enabled to compare prices for a long time. Obviously, AI can make things better and quicker. But dealing with distribution, well, Mapfre is a multichannel group that works and will continue to work with all sorts of distributors. We're connected to many Insurtechs that have tested different models. Well, they don't go directly into insurance because our installed capacities are beyond their means.

But anything enabling financial and insurance inclusion, particularly in markets not served by traditional mediation are welcome. A large part of the world population, even European and Spanish population don't have access to simple products just because they don't understand products that seems so simple, that it might look like they don't deserve too much explanation; this can accelerate the inclusion of products like life protection, or the insurance of household content and basic risks. Mapfre has been using AI for some time now. Two years ago, we were the first company as far as we know to generate our own manifesto to communicate our intention to work on AI and make that connection transparent.

We contemplate a people-focused AI with the same values and principles we have stood for in our face-to-face relationship with clients to make sure that our clients will always have a consultant, an intermediary, a professional expert to walk them side-by-side and generate trust in the product. So long live technology, and we welcome any company that can give greater access to citizens to generate better financial and insurance inclusion.

Jose Luis Jiménez Guajardo-Fajardo

If I may, Antonio, we've been reading about stock performance of companies and some reports seem exaggerated. A company in Spain with the turnover of EUR15 million shaking long-established companies like Allianz or Generali or Mapfre 2 or 3% doesn't seem to make a lot of sense. Maybe if we think back -- remember the Lemonade case in the US, it felt very disruptive only five years ago, and look where we are now in terms of balance sheet and return on equity. I do understand that it's loud news and the industry has grown impressively in the past year, but that's all there is.

Felipe Navarro López de Chicheri

And an extension of this question. Do we expect to start selling small ticket products customized to the new possibilities, AI yield of simpler products, for instance?

Antonio Huertas Mejías

Well, we cannot answer that at this point. We -- like I said, we are working with several AI suppliers. We're just getting to know artificial intelligence, and we're using it for both back office and front office to offer our clients solutions that will truly have an impact on their real lives. Only in Spain, the last year over 6 million users in Spain benefited from AI solutions to facilitate connectivity.

And well, in Brazil and the United States and other countries, we have very interesting projects to keep growing that accessibility. But AI product distribution seems a little bit more distant in the future when there's real capacity to do so in the future, we will consider it. But so far, our model remains based on being close to the ground and relying on experts because insurance products are very complicated, even the most traditional products like Auto. We don't want to cheapen those products as they're enormously complicated in technical terms and in terms of third-party liability.

Felipe Navarro López de Chicheri

Well, thank you. I think this answers Ivan Bokhmat's, Maksym Mishyn, and David Barma's questions online. Back to the room. Do we have any hands raised? We do.

Juan Pablo López (Banco Santander)

Hello. Juan Pablo Lopez from Santander. Two questions. The first one about your solvency ratio, which continues to do better and up 8 percentage points throughout the year within your target range. So two questions. One, about the dividend. The dividend seems to keep growing with payout of 51%. Have you, at any point, considered paying out more considering your extraordinary capital position?

And second, about potential M&As, we've seen some news in Portugal, a company that might potentially go public, a bank that went dual track, they tried to go public and then finally got sold. If there were that possibility for that dual track, would you be at all interested?

And could you update, or are you willing to update your position on M&A? And then about Reinsurance, you come from a particularly good quarter, particularly in Non-Life. So have you released any provisions? PBT was particularly solid, and then on tax or the tax line was a little bit high this quarter. I understand there are one-offs and catch-ups. Can you share some light on that?

Jose Luis Jimenez Guajardo-Fajardo

Well, yes, about our solvency ratio, we're pretty pleased we're within the range of 175% to 225% established by the Board. We're approaching the top of the bracket like the rest of the sector, and we're still feeling comfortable. About the dividend, well, today, we announced a dividend of EURO.18, the highest paid by this company so far, and that stands for 12.5% above last year's number, and it's the fifth dividend raise in the past three years.

The message the Board has always conveyed is that -- if the business does better, so will the dividend. And I believe we have maintained our promise. So, the outlook is positive, and I believe that for this year, well, this year is looking good. Certainly, last year, we had some headwinds on the side of currencies and these one-offs we've been mentioning in Colombia and Mexico, that should not be recurrent. In Mexico no reason to do so. And in the case of Colombia, this was certainly a one-off. There's always been a slight scale when it comes to raising salaries. But this time, well since there were Congressional and Presidential elections, there was a public policy decision made to raise the minimum salary above what seems reasonable levels.

Felipe Navarro López de Chicheri

And I can say something maybe about the company, which is now going to trade in the Brazilian stock market. Mapfre is not going to invest a minority stake in a company that's going through an IPO -- it's not part of our core strategy. And then as for any M&A activity, our objectives are still the same as we've said over and over, we want more potential for distribution in Spain.

We want to deploy a bit more capital in Europe. And one of our goals is definitely Germany, but we won't be opening in up any more markets or companies. And in LatAm, we're always looking for opportunities in Brazil and Mexico, and in Brazil, anything that doesn't, of course, impinge upon our agreement with Banco do Brasil. And in the US, if we find something that could complement a single-state company, for instance, that could be complementary to our current business in the US.

And as for the Reinsurance topic, it's true that there is that tax impact of 45 million, but that is because of an interpretation on the risk of double taxation, how that could affect Reinsurance, so we provisioned that 45 million from a purely prudential perspective. As for the reserves, you're right that there has been some release of provisions in the fourth quarter because of two basic effects. First, as we said throughout the year, we have been preparing for a hurricane season, which looked like it was going to be delayed, but in the end, it was almost non-existent. And so it didn't affect our insured areas and so we've released those provisions in a standard way.

And then we strengthened provisions relative to some case-by-case claims. What we do at the end of the year is check and see how our case-by-case claims have evolved, and we provision accordingly. So the releases are not that significant in terms of MAPFRE RE's figures. Still has very solid reserves with an impact of about 2.5 points in the combined ratio because of the reinforcement of these reserves and with amazing results in 2025.

Felipe Navarro López de Chicheri

And now if you want, we can read out a question that has come in from the people who are following this online, they're asking from Barclays, how do we expect to benefit from the reform of Solvency II?

Jose Luis Jimenez Guajardo-Fajardo

Well, I think like most of the European insurance sector, the reforms, which will come into force, if everything goes according to plan in June of 2027, will have a positive impact for most insurers. In our case, we're estimating initially that it could be between 3 and 5 additional points of Solvency.

Felipe Navarro López de Chicheri

Thank you very much, Jose Luis. Another small question, which I might perhaps answer myself, if I may, because it's about Malta. They're asking about the estimated impact of storm Harry on Malta and Italy, and there probably will be some claims.

Felipe Navarro López de Chicheri

Well, Malta is a country that has constantly been affected by these types of storms with winds, which are practically hurricane force winds and the company has sufficient financial resilience to cover such claims, and it's basically claims related to property and real estate insurance near to the coast.

As for the impact from Malta for the whole group, it's really not going to have any effect because Malta's figures are solid enough to cover all this on its own. As for Italy, mostly there's an Auto portfolio, Auto affected by the storm, or cars affected by -- or vehicles affected by the storm were very few. So we don't expect it to have a significant impact.

Questions from the room? Paco?

Francisco Riquel (Alantra)

Yes, I'm Francisco Riquel from Alantra. Antonio, you said that the priority for 2026 is to grow premiums, again, particularly in the Auto business. The number of policies has continued to drop in the main markets, Spain, Brazil, the US. How compatible is that with growing premiums profitably, because in the case of Spain, your combined ratio for Auto is still 98.5%, which is in the high end of your range. Do you think you can grow and still continue to improve profitability, and how?

And the second question about Brazil, the yield curve anticipates a fall of 500 basis points in two years. You've reduced the tenor of your portfolio to 1.5 years. So -- but how sustainable is Brazil's profitability in general?

Antonio Huertas Mejías

Okay. Paco, let me start with the part about growth. I don't know if going back to growth is the right way to put it. It's about bolstering the growth, because we've always had growth in policies, in customers, not in every market, but definitely in premiums. It's true that we have seen less growth in euros in the consolidated accounts. But in local currency, except for Brazil, all the other markets grew even above inflation, which is no longer a major concern, right now and with our forecast, we don't expect it to be for the next two or three years.

Growing the number of customers is the biggest challenge, but that is our focus, always customer selection and risk selection processes as well as the market pricing we do to adjust the price to the risk we're taking on is our standard business. Auto, of course, is the business that was under more pressure in the last four years because of impairment in that line, also Health, because of sector inflation, not the general inflation, but sector inflation were significant, and it probably is still somewhat high. We know of the pressures that are present in markets because car manufacturers are exposed to that with the inflow of Chinese cars at much lower prices, and electric EV, which are very welcome and very necessary, also have much higher prices than their equivalent combustion engine cars. So that means that there's prices -- that there's rising prices for insurance as well.

But we don't contemplate seeing combined ratios in Spain or in other mature markets, like the ones we had back in the day. We trust that the combination of good customer selection, combining all their policies and other insurance needs, and their Mapfre brands make us feel that with reasonable technical profit, we can offer solutions that will make it worth their while to be in Mapfre, if they have two cars, for instance, plus health insurance plus property insurance and some life insurance products means we can be very good at pricing, the techniques we have to predict future claim rates for those customers also means that we can be very competitive and therefore, see higher growth rates for auto in a very competitive market like Spain or Brazil or the US.

But in general, we're satisfied. We made some tough decisions with some fleet business and some group business to improve that combined ratio, which will nevertheless continue to improve based on our forecast, based on our pricing calculations we'll continue to improve slightly. In the rest of the world with a high interest rate environment, you can have combined ratios around 100%, even a bit higher without any problem. But we are quite optimistic with regards to the growth of that segment, and we maintain our guidance in the strategic plan, although we are, of course, saying that for constant euros. But we do expect some tailwinds this next year with currency exchange, and that both the dollar and the real and the Mexican peso might begin to recover, and that could also help drive our growth in current Euros..

Jose Luis Jiménez Guajardo-Fajardo

And as for Brazil, you were asking what's going to happen with the yield curve. It's already discounting lower rates probably around 2, 3 points for the next 12 months. And I would start by focusing on Brazil's excellent performance last year, even though it wasn't easy, because of the currency depreciation effect. But remember that at some point, even the US administration levied 50% tariff on Brazil imports when it's a net exporting, commodity exporting economy to the US and other markets. But I think that very negative context last year has, I think, turned around quite quickly. I would say that probably Latin America in general and Brazil especially could be some of the economies that will benefit the most during this year.

And I think it's what we're seeing in the forecasts and reports of most of the major investment banks that are betting on Latin America in the current fiscal year. Lower interest rates in Brazil would be a very positive outcome for us. Of course, maybe our investment portfolio instead of having a book yield of 15%, might see that come down a couple of points. But the important thing is the growth of our business, particularly protection insurance, which is linked to credit. It's very difficult to sell credit when rates, imagine EURIBOR was 15% here, very few people would ask for loans. But as rates come down, gradually, I think that will definitely drive sales. It's what we're seeing already. Our relationship with our partner, the Banco do Brasil is excellent, our own business there is also growing very well, and we're seeing a recovery in commodity prices as well. So I think overall, this year for Brazil should be a positive year. And I think we've answered all the questions, right? Except Francisco, maybe if you want to add anything? No?

Felipe Navarro López de Chicheri

Thank you very much. I'm going to group some questions that have come in about the business in Spain. JB Capital, Max is asking about the impact of the storms we've had this first quarter in Spain, also asking about the target for the combined ratio in IBERIA, now that it's already improved and whether we will achieve a combined ratio group target with the Auto business in IBERIA? And what kind of average premium hike are we implementing, and what do we expect from our policy portfolio? Do we expect it to grow or not?

Antonio Huertas Mejías

Okay. The storms are, of course, extremely unfortunate because they're happening as one after another in some parts of the country. But luckily, in Spain, we do have one of the best systems for managing storm damage anywhere in the world since we have full coverage for everyone through the insurance compensation consortium when damage is caused by wind or flooding. And we've received about 40,000 claims in the last weeks to do with these storms and the number will continue to grow since there have been new storms, coming in non-stop, although perhaps not as extreme, and they are unfortunately causing a lot of disruption in people's lives, and particularly in rural areas, Mapfre is already responding personally to everything that is to do with water damage covered by our policies and our internal numbers are not that significant and will not really have a material impact on our P&L with the information we have so far.

But again, a lot of it is going to be covered by the consortium, which as we saw in the Valencia floods worked exemplary with over EUR5 billion in damages insured, covered in just a year and a bit, very successfully by the consortium and with no impact on the P&L of the sector. These were contributions that we have made to the consortium over the years and which were then paid out to cover those claims. And with the flood, we've not had to raise premiums to our clients because there was enough fund in that consortium pool to cover everything, and the same will happen now.

Jose Luis Jiménez Guajardo-Fajardo

As for the other questions Felipe summarized. I would say that, in general, for the group or for Spain, the ambition is to grow and to grow in euros. And last year at the group level, we had this foreign currency effect, but often in the currency markets, there's always a sort of regression to the mean as we're seeing in this year so far. And in Spain, the Life and the Non-Life segments, are going to grow, but not at any price, of course, as we said in the strategic plan, we seek profitable growth.

And so in the last few years, what we did was to adjust our portfolio sharply to go back to profitability. So, reducing the combined ratio of 7 points in Auto in Spain was the great achievement of this last year. And so, our ambition to grow will focus on both the digital channels, but also the offices, and we have different levers we can use to have a positive result this year. As we said at the beginning, there's the whole rebranding, and how that could boost the business but also the over 3,000 offices. It's the second largest distribution network of the financial sector in Spain, and also, a new commercial structure, which was launched on January 1st, as well, which was a major challenge in order to help simplify and improve the efficiency for clients.

And you were asking also about the Life Savings business. Yes, the strong growth, the over EUR3 billion in premiums we've seen in Spain, will it continue? Well, we're doing everything we can to become a major actor in financial planning. And our ambition is still to grow. And to do that, apart from this network, we have over 10,000 professionals ready to advise and sell financial products, both insurers and the asset management side. And in 2026, we feel fairly optimistic.

It's true that most of our competitors, which are banks are not really competing very aggressively in this segment, and we are very close to the customers, and we think that just like in Non-Life, a personal touch and knowing your customer is particularly important, which doesn't mean we can't use digital channels and applications, but things are perfectly compatible in hybrid models, but ultimately, like everything in life, what really matters is the human touch and having someone who knows you, who knows what you need, and who can help you do the best financial planning for your own personal needs. So we are ambitious with growth in that area. And in 2026, we expect to exceed the targets of 2025.

Felipe Navarro López de Chicheri

Thank you. I think that was a pretty good answer for the questions from August Marcan from UBS, Max from JB Capital and from Youdish Chicooree from Autonomous Research. And now, we're going to move to the Reinsurance sector. There's lots of questions with respect to 2026. What do we think will be the trend for premiums? I think we've already explained about the releasing of provisions in the year and especially how we have seen renewals in this first part of the year and what we expect for next year and an obvious question, which is, how much have we saved or how -- have the savings we've achieved in our reinsurance program affected our results?

Antonio Huertas Mejías

Yes, the early year campaign just ended, we have two, January and June. As for Mapfre's reinsurance protections, well, most of it is bought midyear and become effective in July. And then MAPFRE RE retrocessions and Group provisions are mostly placed in January. And yes, as expected, the market has grown very substantially for the past three years, a circumstance, that Mapfre seized to make a capital increase, and considering a benign performance of the weather, if we can call it that, we still have weather events, but perhaps in areas that have lower insuring and reinsuring effect, has led prices to hit their ceiling this year.

So, this year reduction, an incipient reduction is observed, not a very relevant one because it allows us to accommodate for new coverage and grow Mapfre's appetite with the possibility to increase retention and integrate reinstatement and purchases for second or third events at practically no cost. Of course, this situation generates more tension in reinsurers, because they need to seek new clients and fight over the existing ones with more competitive pricing, and that will entail small reductions in pricing and, of course, make our -- or generate more competitiveness amongst our reinsurance businesses. But we have a solid footprint in different markets, and we have enough commercial products that have greater possibilities for reinsurance. As a matter of fact, we have nearly automatic coverage programs facilitated by MAPFRE RE to enhance business insurance, and it actually boosts our growth.

As we have seen in the past, we haven't reached -- well, we haven't hit rock bottom in price terms. If large events take place next year, we will go back to previous numbers. And if we have to carry that out to clients or final consumers, we will do so with more thorough and complete products. And of course, we will work harder on our relationship with clients, but we do not see any threats on the horizon for the immediate performance of MAPFRE RE and GLOBAL RISKS, which may be more exposed to price reductions in certain businesses. We still have plenty of room to grow in terms of market share in several areas.

Felipe Navarro López de Chicheri

Thank you. I believe that with this, we've answered Carlos Peixoto, Max Mishin and August Marcan on MAPFRE RE. We also have questions about Colombia. Is Mapfre affected by the project to increase tax

withholdings to non-residents in Colombia? We have a question about Mexico. Is there any impact that carries over to next year? I think we already talked about the non-deductibility of VAT in Auto and Health claims. But anything to say, Jose Luis?

Jose Luis Jimenez Guajardo-Fajardo

Just a reminder, in Mexico, the impact was EUR37 million. What we did was take in the last quarter of the year the impact recorded in 2025 and the possible impact in 2026 to try to move ahead of the impact. We are aware that the legislation in Colombia is subject to an appeal in the constitutional court, and we still don't know whether this will have an impact in the case of Colombia or on our business in Colombia.

Felipe Navarro López de Chicheri

Any further questions? I can't see any raised hands in the room. There seem to be none. We do have a question online, and it's a frequent question coming from Max, JB Capital about the expected combined ratio in BRAZIL for -- in 2026 and midterm. Well, the foundation is excellent, isn't it? Right, Jose Luis?

Jose Luis Jiménez Guajardo-Fajardo

Well, we always say that things need to get worse for a little bit, but they haven't and during the last 3 years it has been improving consistently. We could expect combined ratios to go up a little bit, but at a very positive level for us. Just a few points up will not affect us significantly. Certainly, during the past couple of years, we've had an absence of great disasters in Brazil. Our portfolio is highly diversified per region per crop, and we're not expecting any major events. And if that trend continues, the ratio will be positive and very profitable.

Felipe Navarro López de Chicheri

And about premiums, because we do see that premiums are more deeply affected by interest rates. How do we see them evolving?

Jose Luis Jiménez Guajardo-Fajardo

Well, as we said during the presentation, we're talking about insurance policies indexed to loans. So a reduction in the interest rate for this kind of activity would be very positive. We cannot quantify the price elasticity between the reduction in interest rates and the increase in premiums, but in Brazil, we've seen years where SELIC remained around 2.5%, with strong growth, and years where we've reached 15%, which is the highest real interest rate in the world as the Chair said during the presentation. As rates go down, well, we know that this would foster investment. And the agricultural sector in Brazil, which is such a relevant one, and with that reduction of tariffs and the foreign policy applied by United States, I think this places the industry in a very positive position.

We don't know how long it will take, but it is looking good. Also, this year, Presidential elections are scheduled in Brazil, and that will probably bring a new boost to the agricultural business in Brazil.

Felipe Navarro López de Chicheri

A question from David Barma from Bank of America. Average premium and performance throughout the year and a possible reacceleration on Q4. And does that show a change in market conditions? Or is it rather a matter of product mix and seasonality affecting the fourth quarter? And in more general terms, they ask about pricing expectations for 2026.

Jose Luis Jiménez Guajardo-Fajardo

I understand the question is about Spain, right, particularly the Auto business. Well, policy price is generated on a client-by-client basis based on risk profile. We're not a single channel company. Many of our clients are very satisfied with the service quality they are getting and price is not a deal breaker. Probably pricing will go above inflation to cover costs, but we do not expect any significant peaks in pricing this year now that the industry has gone back to balance, but we will continue to enhance the combined ratio as we've said a number of times.

Felipe Navarro López de Chicheri

Thank you, Jose Luis. And about local currency premiums in the US. This growth we're beginning to experience, will it be supported by the number of policies or average premiums? Question by Carlos Peixoto.

Jose Luis Jiménez Guajardo-Fajardo

Well, the United States has a clear target of profitable growth. Well currency fluctuations can obviously give or take, but the trend we've been observing in the past few months is expected to be maintained in the near future.

Felipe Navarro López de Chicheri

Thank you, Jose Luis. And one last question from Alessia Magni from Barclays via the app. Alessia asks, whether we expect any pressure on combined ratios in any of our markets in 2026? And maybe looking forward into the future, what can we expect for 2027?

Jose Luis Jiménez Guajardo-Fajardo

Well, that's one very good question with a very difficult answer.

Pressure, there will always be pressure on the combined ratio, right? Plenty of factors out there. It depends on competitors and the type of business. In reinsurance, as we said, well, there have been several years with fewer disasters, weather events, and that has led to a small adjustment in prices. But that could change in a matter of hours, if anything serious happens. In other markets, at least in general, we've seen some serious ups and downs in Brazil, US, Spain, Germany, even Italy. But those tariffs have been gradually adapted to the actual cost of claims, and combined ratios are stable. I cannot foresee any extra pressure anywhere, all things being equal. I mean, we will probably run on inertia.

Antonio Huertas Mejías

In any case, the diversification of the Mappfre model causes general insurance and damages insurance will affect our competitors more than it will affect us. And maybe our combined ratio could go up, but we still have margin in the Auto business, for instance where we're slightly below 100%. And I'm sure that as interest ratios go down, there will be pressure to reduce the technical ratio to maintain margins. That diversification means that, while we are not optimistic enough to expect a combined ratio of 92%, which is not sustainable over the medium to long term, a slightly higher combined ratio is more than acceptable. There are exceptional circumstances like the agriculture insurance in Brazil that has an exceptional and non-sustainable combined ratio. I'm sure droughts will take place in the future, but also we expect to grow in volume because this is a year where fewest policies have been acquired in Brazil, because of the incentives that the Brazilian government used to grant agriculturiers were removed.

These subsidies actually kept agriculturiers from getting insurance. I'm sure the premiums will go back up, and the combined ratio will go slightly up. But all in all, the general bottom line will remain above expected.

Felipe Navarro López de Chicheri

We don't have any further questions online. Would you like to make any wrap-up comments?

Antonio Huertas Mejías

Well, I'd just like to thank you for following this presentation. It's been an excellent year, having seen the best combined ratio ever. We say over the last 15 years, but actually, it's the best ever since we have records as an international group. And that, I think, shows the consistency of our model. And of course, growth is always going to be the hardest thing to maintain, as you pointed out in your questions, but that's what we're focused on. And our outlook is to continue to grow organically. But of course, we could also take advantage of some M&A opportunities if they develop, continuing with our traditional model of adding new distribution networks, banking networks to our distribution model through alliances and agreements also add additional capabilities that could help, but always, again, open to any M&A opportunity that might develop to integrate businesses that might be complementary to ours, but always in a consistent way and making sure that it's going to add value for our shareholders medium term.

We're not planning to broaden our footprint, that's clear. And the M&A priorities Felipe described are the same. But with -- but knowing we have enough financial capabilities and support from the shareholders to continue to grow in the future. But mostly the priority is to open up new distribution networks through new agreements and alliances in bancassurance or even through retail distribution like here in Spain with Carrefour which will now distribute Mapfre products in our main market -- our home markets. So anyway, that's it for 2025, the AGM on March 13th. In 2026, the prospects look really good, and we're working already to give you an update on our guidance during that General Shareholders' Meeting and also some indications of our new strategic plan in the medium term, which will start in 2027.

So anyway, I just encourage you that starting February 19th, there's going to be a new beautiful exhibition in the Mapfre Foundation next door here, Anders Zorn, which is -- who is an amazing Swedish painter, unknown in Spain, but who was known as the Swedish Sorolla, and was extraordinarily important in genre painting of the 19th century in Sweden. And to those of you who are in phone or online you do not have the chance to stay now for a drink and some appetizers, but the rest of you are definitely invited to join us. And thank you for being here and for helping us be better every year. Thank you.

Felipe Navarro López de Chicheri

Thank you very much, Antonio. I remind you that all the documents are posted on our website and and in the CNMV's website. Thank you.

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