

Spain-Based Mapfre S.A.'s Proposed Subordinated Tier 2 Notes Rated 'BBB'

June 1, 2026

PARIS (S&P Global Ratings) June 1, 2026--S&P Global Ratings today assigned its 'BBB' issue rating to the subordinated Tier 2 notes to be issued by Mapfre S.A. under its Euro Medium-Term Note (EMTN) program.

We rate the Tier 2 notes two notches below our long-term issuer credit rating (ICR) on the non-operating holding company Mapfre S.A. (A-/Positive/--). In this case we deduct:

- One notch to reflect the notes' subordination to Mapfre's senior creditors; and
- One notch to reflect payment risk arising from the mandatory deferral of the interest payment feature.

The notes have a maturity of 11 years. In accordance with our hybrid capital criteria, we classify the notes as having intermediate equity content at issuance. For insurance companies, hybrid instruments with intermediate equity content may be included in our consolidated risk-based capital analysis--total adjusted capital--subject to regulatory eligibility, up to a maximum of 30% of capital. Once the remaining tenor falls below 10 years--after the first year--the notes will no longer qualify as intermediate equity content. At that point, we would reclassify the notes as debt-funded capital in our model, until one year before final maturity, subject to regulatory eligibility, up to a maximum of 20% of capital. We do not expect this change to affect the amount we include in our total adjusted capital metric, as there is enough headroom in both cases.

The rating, treatment as intermediate equity content, and inclusion in total adjusted capital are subject to our receipt and review of the notes' final terms.

We understand that Mapfre intends to use the net proceeds for general corporate purposes, including refinancing of outstanding debt instruments. We understand Mapfre has the option to redeem the notes prior to the first call date in the case of a tax event, a capital disqualification event, a rating methodology event or a "clean-up" event.

Our assessment on existing instruments for which we had already assigned intermediate equity content remains unchanged.

Mapfre group's Solvency II ratio was 206.8% as of end of March 2026, substantially higher than the point of mandatory deferral, i.e., the breach of any regulatory capital requirement, notably 100% of the solvency capital requirement (SCR). In our view, we currently adequately capture the payment risk associated with its hybrid instruments. We will monitor the group's SCR coverage to assess whether it remains the case. An unexpected deterioration in the group's regulatory

Primary Contact

Simon Virmaux, CFA

Paris
33-1-4075-2519
simon.virmaux
@spglobal.com

Secondary Contact

Jean Paul Huby Klein

Frankfurt
49-693-399-9198
jeanpaul.hubyklein
@spglobal.com

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solventy position, or increased sensitivity to stress, if not accompanied by a change in the ICR, could lead us to lower the ratings on the notes. We would increase the notching between the issue rating and the ICR on Mapfre to reflect the heightened payment risk and ensure a measured transition to default.

The proposed notes will have no impact on our assessment of the funding structure of the group. We anticipate the group's financial leverage ratio will remain between 20% and 25% for our forecast period. We expect the group's fixed-charge coverage ratio will remain greater than 4.0x, supported by the group's diverse and stable earnings.

Related Criteria

- [General Criteria: Hybrid Capital: Methodology And Assumptions](#), Oct. 13, 2025
- [Criteria | Insurance | General: Insurer Risk-Based Capital Adequacy--Methodology And Assumptions](#), Nov. 15, 2023
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [Criteria | Insurance | General: Insurers Rating Methodology](#), July 1, 2019
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [General Criteria: Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions](#), Nov. 19, 2013
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- [Global Multiline Insurers' Earnings Are Almost As Good As It Gets](#), May 13, 2026
- [Mapfre S.A.](#), March 30, 2026
- [Mapfre S.A.'s Proposed Senior Unsecured Notes Rated 'A-'](#), Jan. 12, 2026
- [Mapfre Group Outlook Revised To Positive On Improving Capital And Earnings; Ratings Affirmed](#), July 18, 2025

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at <https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria> for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352>. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings referenced herein can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

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