



# Activity Update

**Analyst & Investor  
presentation**

**6M 2024**

 **MAPFRE**

July 26<sup>th</sup> 2024

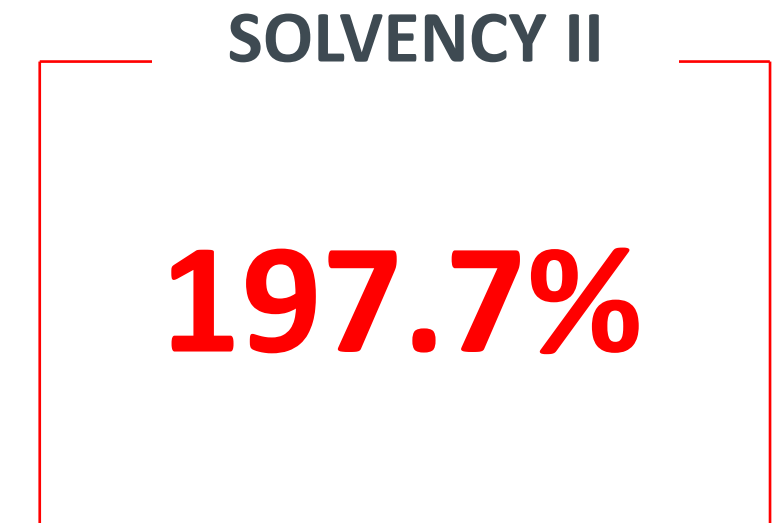
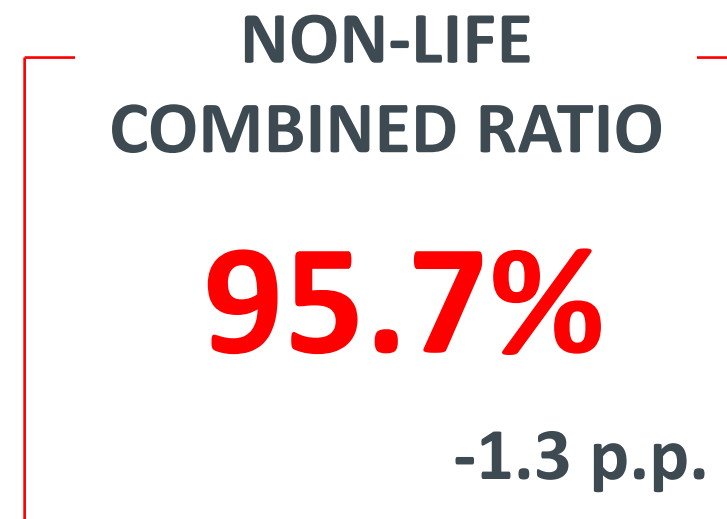
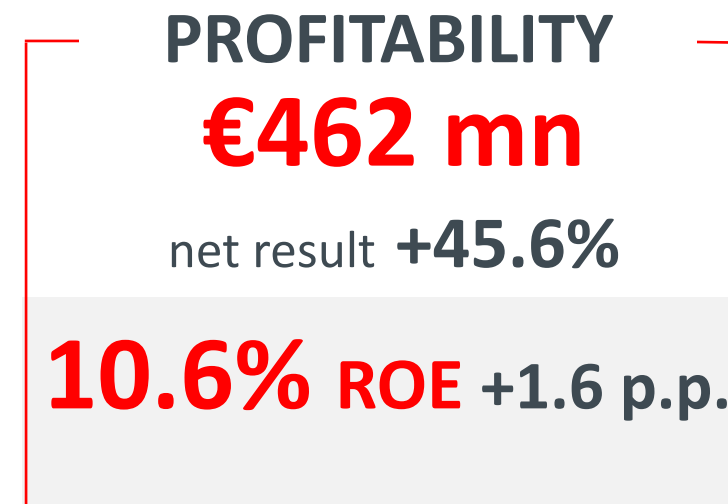
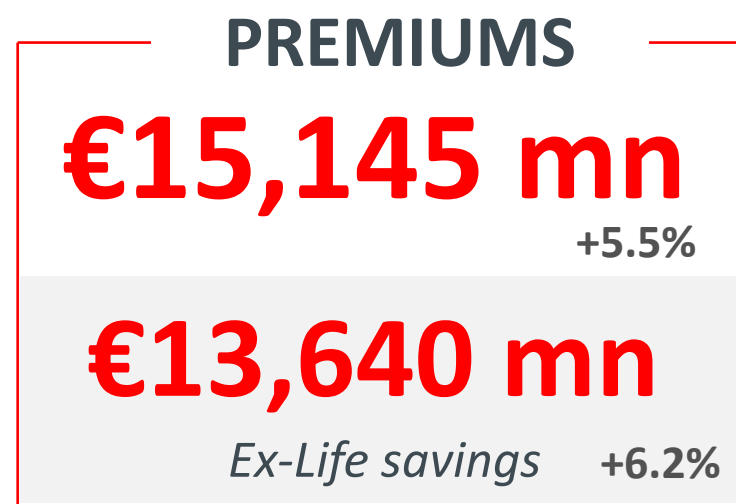
MAPFRE S.A. (MAPFRE) hereby informs that the figures and ratios in this activity presentation, unless stated otherwise, are homogenized local accounting figures obtained from the financial statements prepared by MAPFRE Group companies, presented under the accounting principles in force in each country. 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.

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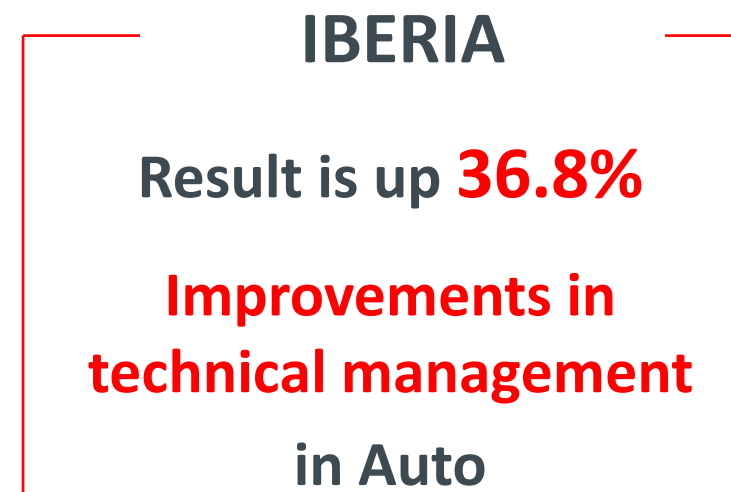
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Certain numerical figures included in the presentation have been rounded. Therefore, discrepancies in tables between totals and the sums of the amounts listed may occur due to such rounding.

## Profitable growth strategy is delivering



Data at March 2024, without transitional measures

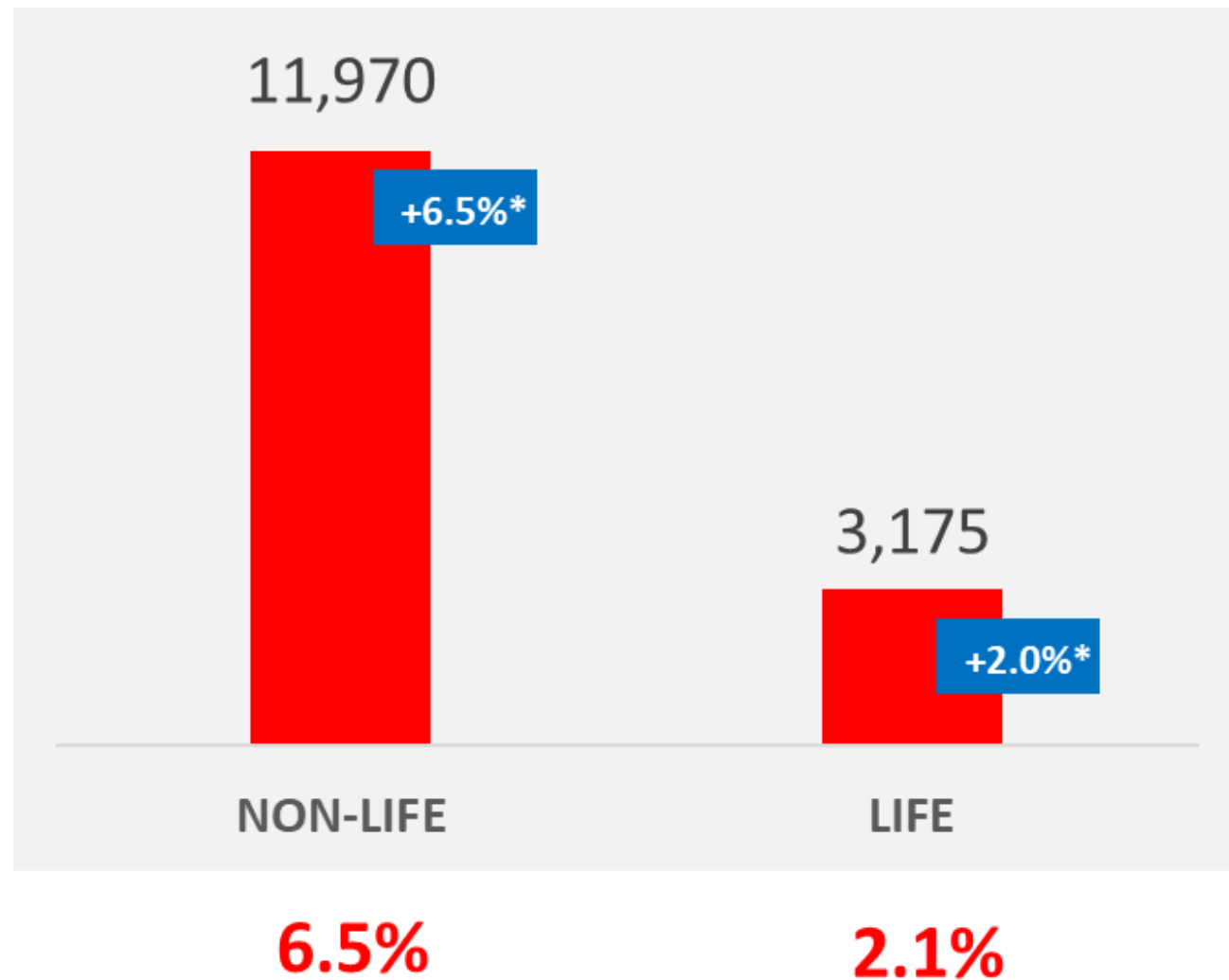


## PREMIUMS

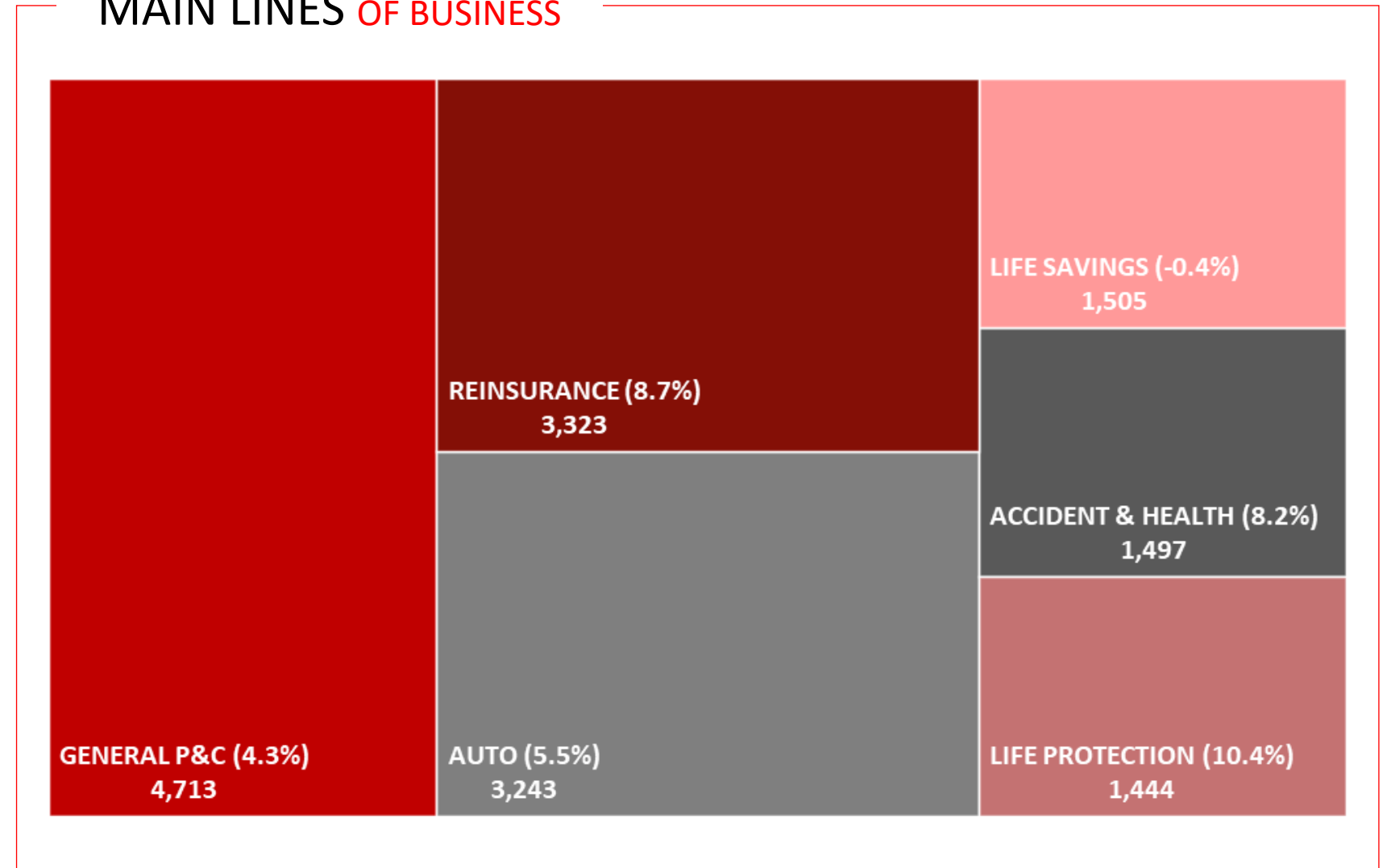
### TOTAL PREMIUMS

**€15,145M +5.5%**

**+5.5%\***



### MAIN LINES OF BUSINESS



# ACTIVITY UPDATE – 6M 2024

## KEY FIGURES AND RATIOS

### KEY FIGURES BY REGIONS AND BUSINESS UNITS

	Premiums		Net result		Non-Life Combined ratio	
	6M 2024	Δ %	6M 2024	Δ %	6M 2024	Δ %
<b>IBERIA</b>	<b>5,321.8</b>	<b>3.6%</b>	<b>167.9</b>	<b>36.8%</b>	<b>100.2%</b>	<b>1.3 p.p</b>
<i>BRAZIL</i>	<i>2,436.0</i>	<i>-0.6%</i>	<i>120.7</i>	<i>0.6%</i>	<i>77.0%</i>	<i>-1.7 p.p</i>
<i>OTHER LATAM</i>	<i>2,829.4</i>	<i>11.8%</i>	<i>82.0</i>	<i>12.9%</i>	<i>98.9%</i>	<i>-2.0 p.p</i>
<b>TOTAL LATAM</b>	<b>5,265.4</b>	<b>5.7%</b>	<b>202.7</b>	<b>5.2%</b>	<b>87.0%</b>	<b>-1.7 p.p</b>
<b>NORTH AMERICA</b>	<b>1,395.2</b>	<b>4.7%</b>	<b>40.8</b>	<b>331.3%</b>	<b>99.3%</b>	<b>-8.3 p.p</b>
<b>EMEA</b>	<b>753.6</b>	<b>11.9%</b>	<b>(7.9)</b>	<b>42.9%</b>	<b>113.3%</b>	<b>-1.3 p.p</b>
<b>TOTAL INSURANCE</b>	<b>12,735.9</b>	<b>5.0%</b>	<b>403.6</b>	<b>42.1%</b>	<b>96.1%</b>	<b>-1.5 p.p</b>
<i>REINSURANCE</i>	<i>3,323.1</i>	<i>8.7%</i>	<i>119.0</i>	<i>9.8%</i>	<i>95.7%</i>	<i>-0.3 p.p</i>
<i>GLOBAL RISKS</i>	<i>1,024.0</i>	<i>-3.6%</i>	<i>20.5</i>	<i>64.0%</i>	<i>86.7%</i>	<i>-5.4 p.p</i>
<b>TOTAL MAPFRE RE</b>	<b>4,347.1</b>	<b>5.5%</b>	<b>139.5</b>	<b>15.4%</b>	<b>95.1%</b>	<b>-0.6 p.p</b>
<b>ASSISTANCE (MAWDY)</b>	<b>102.5</b>	<b>-7.7%</b>	<b>3.1</b>	<b>90.7%</b>	<b>96.1%</b>	<b>-2.9 p.p</b>
<b>Holding expenses and other</b>	<b>(2,040.5)</b>	<b>-1.8%</b>	<b>(84.6)</b>	<b>5.5%</b>	<b>--</b>	<b>--</b>
<b>TOTAL</b>	<b>15,145.1</b>	<b>5.5%</b>	<b>461.6</b>	<b>45.6%</b>	<b>95.7%</b>	<b>-1.3 p.p</b>

### ROE (main markets/units)

6M 2024

BRAZIL	23.2%
TOTAL LATAM	17.0%
MAPFRE RE	12.2%
IBERIA	13.5%

### COMBINED RATIOS

	6M 2024	Δ %
Non-Life Loss ratio	68.2%	-1.8 p.p
Non-Life Expense ratio	27.5%	0.4 p.p
<b>Non-Life Combined ratio</b>	<b>95.7%</b>	<b>-1.3 p.p</b>
General P&C	83.2%	-2.7 p.p
Auto	104.8%	-1.5 p.p
Accident & Health	101.5%	1.2 p.p
<b>Life Protection Combined ratio</b>	<b>84.2%</b>	<b>1.3 p.p</b>

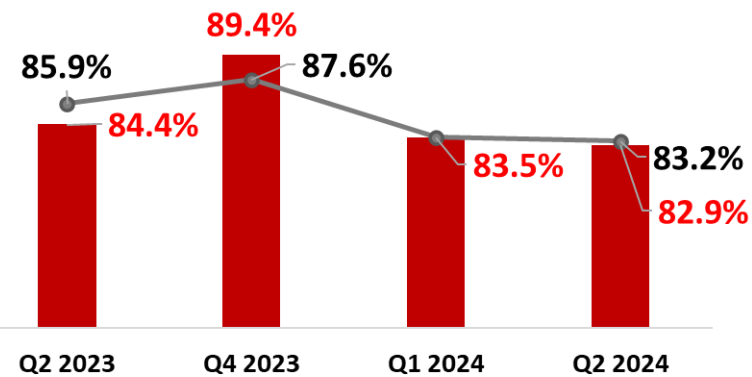
# ACTIVITY UPDATE – 6M 2024

## KEY FIGURES > GENERAL P&C

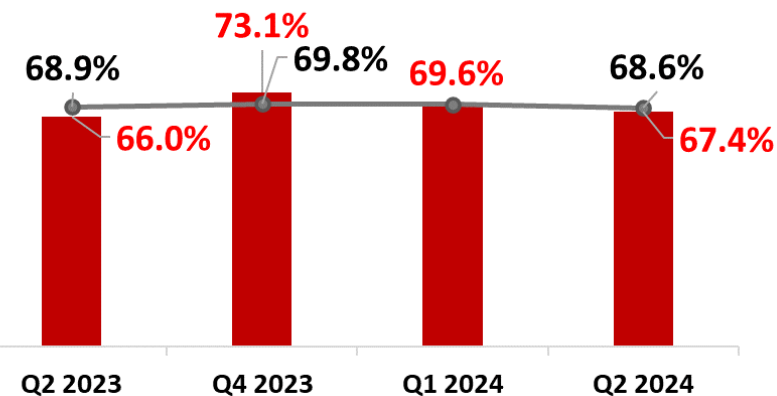
	Premiums			Attributable result		Combined ratio	
	6M 2023	6M 2024	Δ %	6M 2023	6M 2024	6M 2023	6M 2024
MAPFRE GROUP	4,519	4,713	4.3%	134.7	188.8	85.9%	83.2%
BRAZIL	1,377	1,348	-2.0%	75.8	70.2	68.9%	68.6%
IBERIA	1,441	1,541	6.9%	52.7	73.8	95.7%	94.9%
NORTH AMERICA	426	434	2.1%	1.9	20.9	108.8%	89.7%

### Combined Ratio

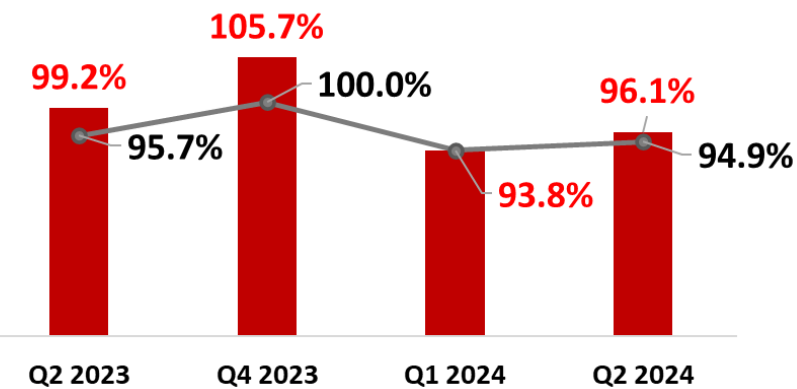
#### MAPFRE GROUP



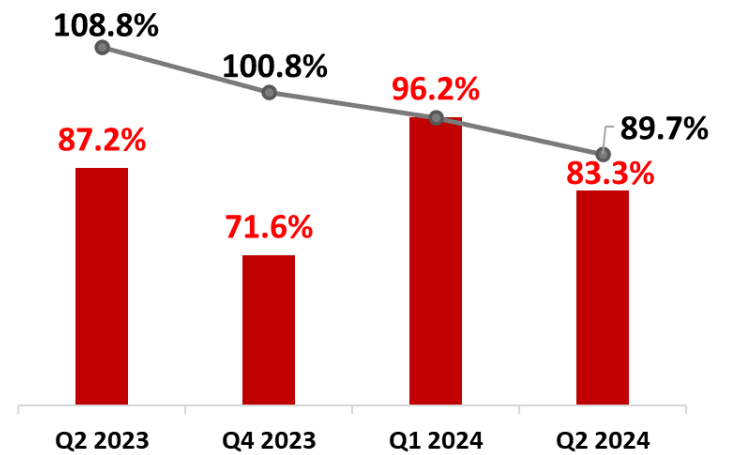
#### BRAZIL



#### IBERIA



#### NORTH AMERICA



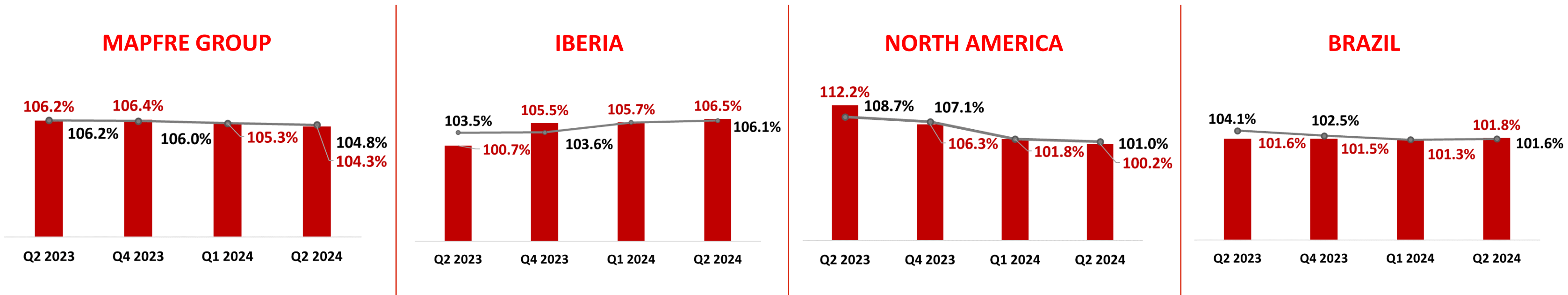
■ CoR quarterly    ● CoR accumulated

# ACTIVITY UPDATE – 6M 2024

## KEY FIGURES > AUTO

	Premiums			Insured units		Attributable result		Combined Ratio	
	6M 2023	6M 2024	Δ %	Units (mn)	Δ %	6M 2023	6M 2024	6M 2023	6M 2024
MAPFRE GROUP	3,074	3,243	5.5%	13.10	-6.3%	-36.1	-19.0	106.2%	104.8%
IBERIA	1,166	1,232	5.7%	6.02	-2.7%	-9.2	-28.8	103.5%	106.1%
NORTH AMERICA	771	831	7.9%	1.32	-5.6%	-23.6	16.3	108.7%	101.0%
BRAZIL	317	303	-4.4%	1.24	-1.0%	1.7	7.3	104.1%	101.6%

### Combined Ratio

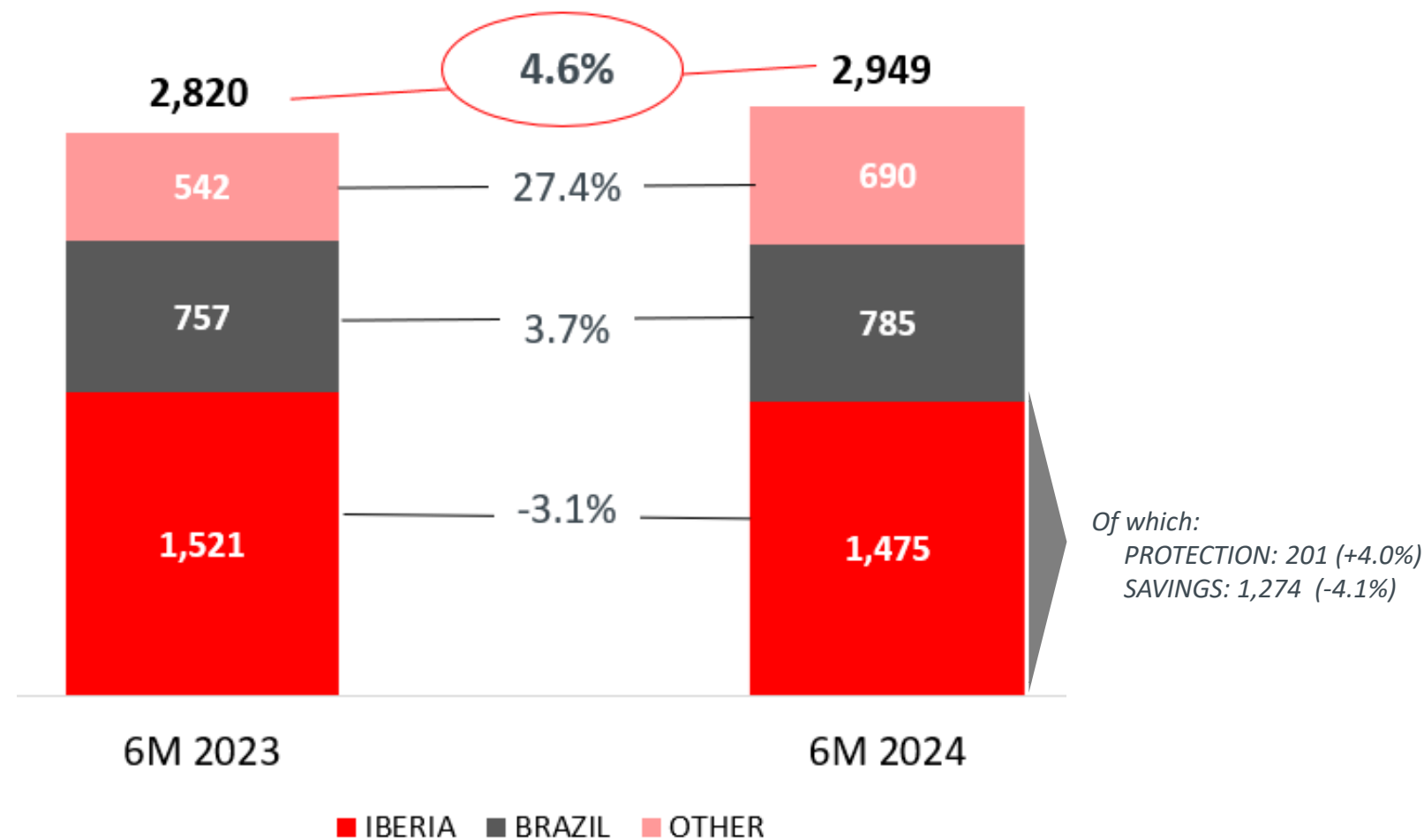


■ CoR quarterly    ● CoR accumulated

# ACTIVITY UPDATE – 6M 2024

## KEY FIGURES > LIFE BUSINESS

Premium growth > Insurance units



OTHER: Mainly OTHER LATAM AND EMEA (Malta)

Million euros

Life technical-financial result

	6M 2023	6M 2024	Δ YoY
<b>Total MAPFRE Group*</b>	<b>369.5</b>	<b>388.9</b>	<b>5.2%</b>
<b>Total Insurance Units</b>	<b>348.8</b>	<b>381.5</b>	<b>9.4%</b>
<i>of which:</i>			
IBERIA	100.8	147.9	46.8%
BRAZIL	192.4	182.3	-5.2%
OTHER	55.7	51.3	-7.9%

Life attributable result

	6M 2023	6M 2024	Δ YoY
<b>Total MAPFRE Group*</b>	<b>129.9</b>	<b>166.8</b>	<b>28.4%</b>

\*Includes reinsurance



# ACTIVITY UPDATE – 6M 2024

## CAPITAL POSITION & CREDIT METRICS

### Capital structure

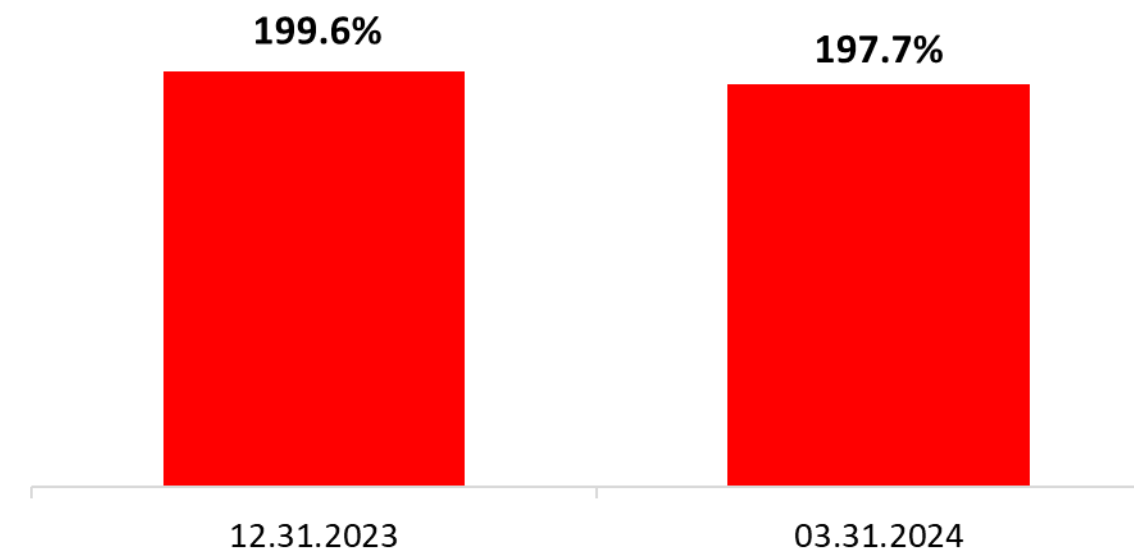
	12.31.2023	06.30.2024	%Δ YTD
<b>Total equity</b>	<b>9,214</b>	<b>9,214</b>	<b>0.0%</b>
<b>Total debt</b>	<b>2,701</b>	<b>2,717</b>	<b>0.6%</b>
Senior debt	864	858	-0.8%
Subordinated debt	1,628	1,619	-0.6%
Bank financing	208	241	15.5%
<b>Leverage ratio</b>	<b>22.7%</b>	<b>22.8%</b>	<b>0.1 p.p.</b>

### Evolution of Shareholders' Equity

<b>Balance at 12.31.2023</b>	<b>8,071</b>
Result for the period	462
Dividends	-277
Net unrealized capital gains of AFS portfolio*	-161
Currency conversion differences	-11
Other	6
<b>Balance at 06.30.2024</b>	<b>8,089</b>

Million euros  
\*Net of shadow accounting adjustments

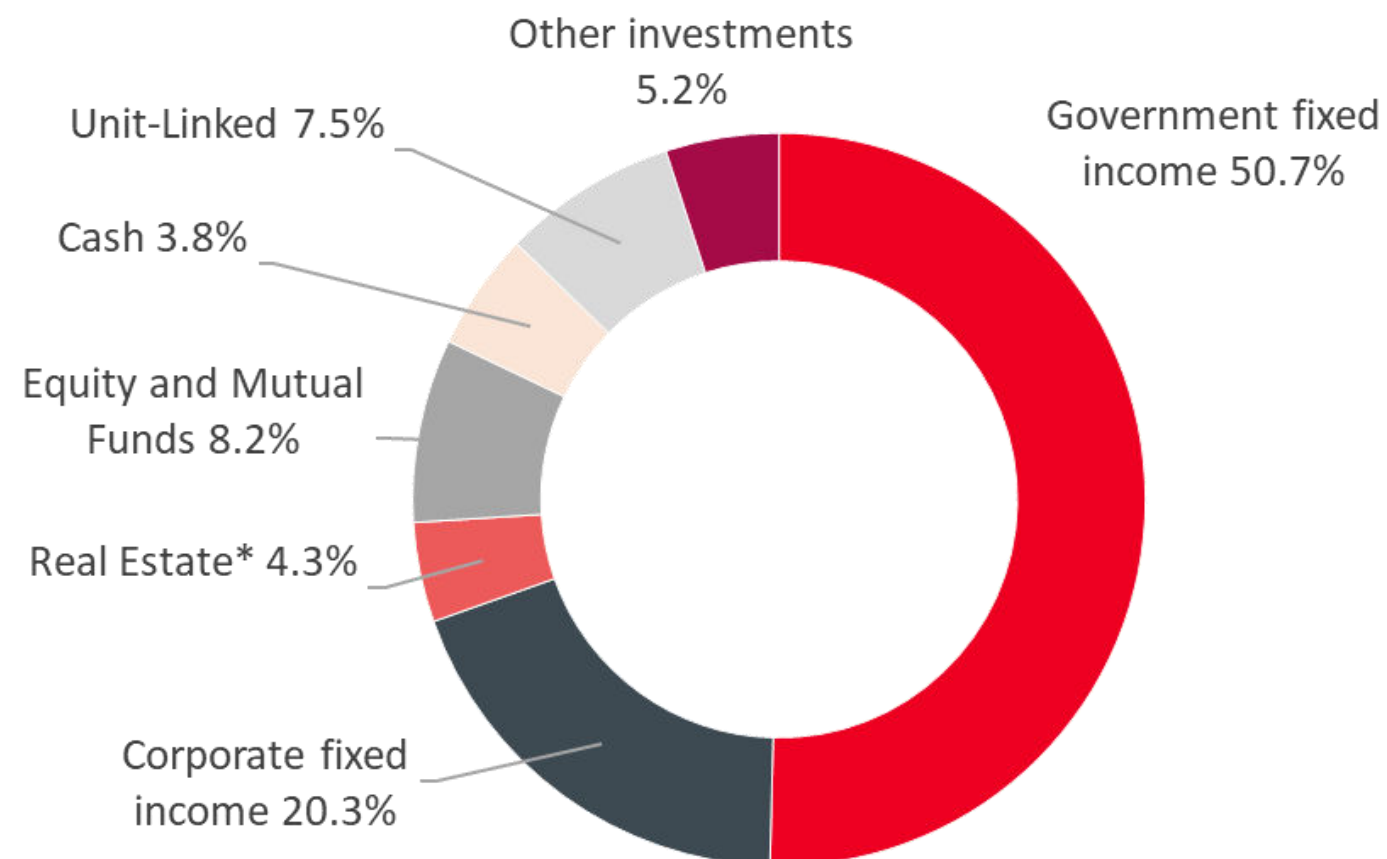
### Solvency II Ratio (%)



Solvency data at March 2024. These figures do not include the adjustment for transitional measures for technical provisions. If said adjustment were applied, the December 2023 and March 2024 Solvency II ratios would reach 208.2% and 205.2%, respectively.

# ACTIVITY UPDATE – 6M 2024

## ASSETS UNDER MANAGEMENT



	Market value	
	06.30.2024	% Δ
<b>Government fixed income</b>	<b>22.2</b>	<b>-2.1%</b>
<i>Spain</i>	9.5	-2.2%
<i>Italy</i>	2.3	0.3%
<i>Rest of Europe</i>	1.9	3.0%
<i>United States</i>	1.8	4.1%
<i>Brazil</i>	2.7	-19.8%
<i>Rest of LATAM</i>	3.0	12.4%
<i>Other</i>	1.0	-4.6%
<b>Corporate fixed income</b>	<b>8.9</b>	<b>8.6%</b>
<b>Real Estate*</b>	<b>1.9</b>	<b>3.8%</b>
<b>Equity and Mutual Funds</b>	<b>3.6</b>	<b>-2.3%</b>
<b>Cash</b>	<b>1.6</b>	<b>-21.1%</b>
<b>Unit-Linked</b>	<b>3.3</b>	<b>1.1%</b>
<b>Other investments</b>	<b>2.3</b>	<b>0.2%</b>
<b>Total Investment Portfolio</b>	<b>43.8</b>	<b>-0.4%</b>
<b>Pension Funds</b>	<b>6.7</b>	<b>5.0%</b>
<b>Mutual Funds &amp; Other</b>	<b>6.5</b>	<b>-1.6%</b>
<b>Total AuM</b>	<b>57.0</b>	<b>0.1%</b>

\* Measured at net book value; includes real estate for own use

Other investments: includes interest rate swaps, investments in associates, accepted reinsurance deposits and others

# ACTIVITY UPDATE – 6M 2024

## INVESTMENT PORTFOLIO

### Eurozone – Fixed income portfolios – Active management

		Market value (€bn)	Accounting Yield (%)	Market yield (%)	Modified duration (%)
IBERIA NON-LIFE*	12.31.2023	3.48	2.50	3.28	7.80
	06.30.2024	3.57	2.59	3.62	6.80
MAPFRE RE NON-LIFE	12.31.2023	4.16	2.54	3.80	3.40
	06.30.2024	4.30	2.71	4.05	3.00
IBERIA LIFE	12.31.2023	4.45	3.64	3.16	5.53
	06.30.2024	4.36	3.73	3.54	5.28

### Other main regions and units – Fixed income portfolios

		Market value (€bn)	Accounting Yield (%)	Market yield (%)	Modified duration (%)
BRAZIL**	12.31.2023	3.07	10.14	9.78	1.33
	06.30.2024	2.63	8.97	9.98	1.93
OTHER LATAM	12.31.2023	3.03	7.94	8.41	5.04
	06.30.2024	3.17	7.93	9.14	4.75
NORTH AMERICA	12.31.2023	1.80	2.82	5.42	4.21
	06.30.2024	1.75	2.82	5.45	4.31

\*IBERIA NON-LIFE portfolio includes Burial. Excluding this portfolio, to June 2024 duration would be approximately 2.4.

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

# ACTIVITY UPDATE – 6M 2024

## FINANCIAL INCOME

### Net Financial Income – Non-Life

	6M 2023	6M 2024	Δ %
IBERIA	69.1	82.3	19.1%
BRAZIL	44.4	44.1	-0.7%
OTHER LATAM	84.9	99.1	16.7%
NORTH AMERICA	47.0	46.9	-0.1%
EMEA	48.1	43.6	-9.3%
MAPFRE RE	61.2	76.8	25.5%
ASSISTANCE - MAWDY	0.6	0.8	-
CONS. ADJUST. & CORPORATE AREAS	3.9	7.2	-
<b>TOTAL</b>	<b>359.2</b>	<b>400.9</b>	<b>11.6%</b>

### Net realized gains and losses\*

	6M 2023	6M 2024
IBERIA	6.9	33.4
<i>Non-Life</i>	6.2	15.7
<i>Life</i>	0.7	33.2
NORTH AMERICA	4.2	0.4
MAPFRE RE	7.3	(0.9)
<b>TOTAL</b>	<b>18.4</b>	<b>32.8</b>

\*Realized gains and losses net of tax and minorities include provisions and gains from real estate

	IFRS 17&9			Homogenized local accounting		
	6M 2023	6M 2024	Δ%	6M 2023	6M 2024	Δ%
<b>Premiums</b>	-	-	-	14,350	15,145	5.5%
<b>Insurance revenue*</b>	11,993	12,712	6.0%	-	-	-
<b>Combined ratio</b>	96.1%	93.6%	-2.5 p.p	97.1%	95.7%	-1.3 p.p
<i>Loss ratio</i>	69.1%	66.2%	-2.9 p.p	70.0%	68.2%	-1.8 p.p
<i>Expense ratio</i>	27.0%	27.4%	0.3 p.p	27.1%	27.5%	0.4 p.p
<b>Net result</b>	300	494	64.5%	317	462	45.6%
	12M 2023	6M 2024	Δ%	12M 2023	6M 2024	Δ%
<b>Total assets</b>	54,947	54,619	-0.6%	62,998	64,712	2.7%
<b>Shareholders' equity</b>	8,467	8,540	0.9%	8,071	8,089	0.2%
<b>Technical provisions/ Insurance and reinsurance contract liabilities</b>	38,377	38,262	-0.3%	44,315	45,548	2.8%
<b>CSM</b>	2,600	2,513	-3.3%	-	-	-
<b>ROE</b>	8.3%	10.4%	2.1 p.p	9.0%	10.6%	1.6 p.p

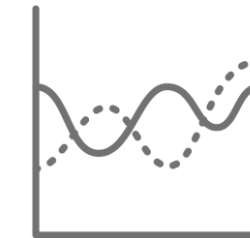
\*Includes insurance and accepted reinsurance revenue



The second quarter **confirms the trend** we are aiming for with the **Strategic Plan**



**Diversification** by geography and by business segment



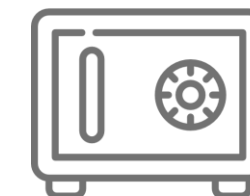
**Sustainable growth** premiums and net income



**LATAM** led by **Brazil** with a strong profit contribution **€203 mn**



**Auto business** on the path to returning to profitability



Very **strong performance** of financial income

# INVESTOR RELATIONS

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Corporate website: [www.mapfre.com](http://www.mapfre.com)

Financial documentation center: [www.mapfre.com/en/financial-information/](http://www.mapfre.com/en/financial-information/)

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## MAIN UPCOMING EVENTS H2\*:

29 Jul	Post-6M2024 results analyst and investor meeting (virtual)
4 Sept	Iberian Conference CaixaBank BPI (Madrid)
10 Sep	Global Financial Conference Barclays (New York)
25 Sep	Annual Financials CEO Conference BoAML (London)
2 Oct	ODDO-BBVA Iberian Forum (virtual)
8-28 Oct	Black-out period
29 Oct	9M 2024 Activity Update
12 Nov	UBS European Conference (London)
19-20 Nov	Latibex Forum (Madrid)

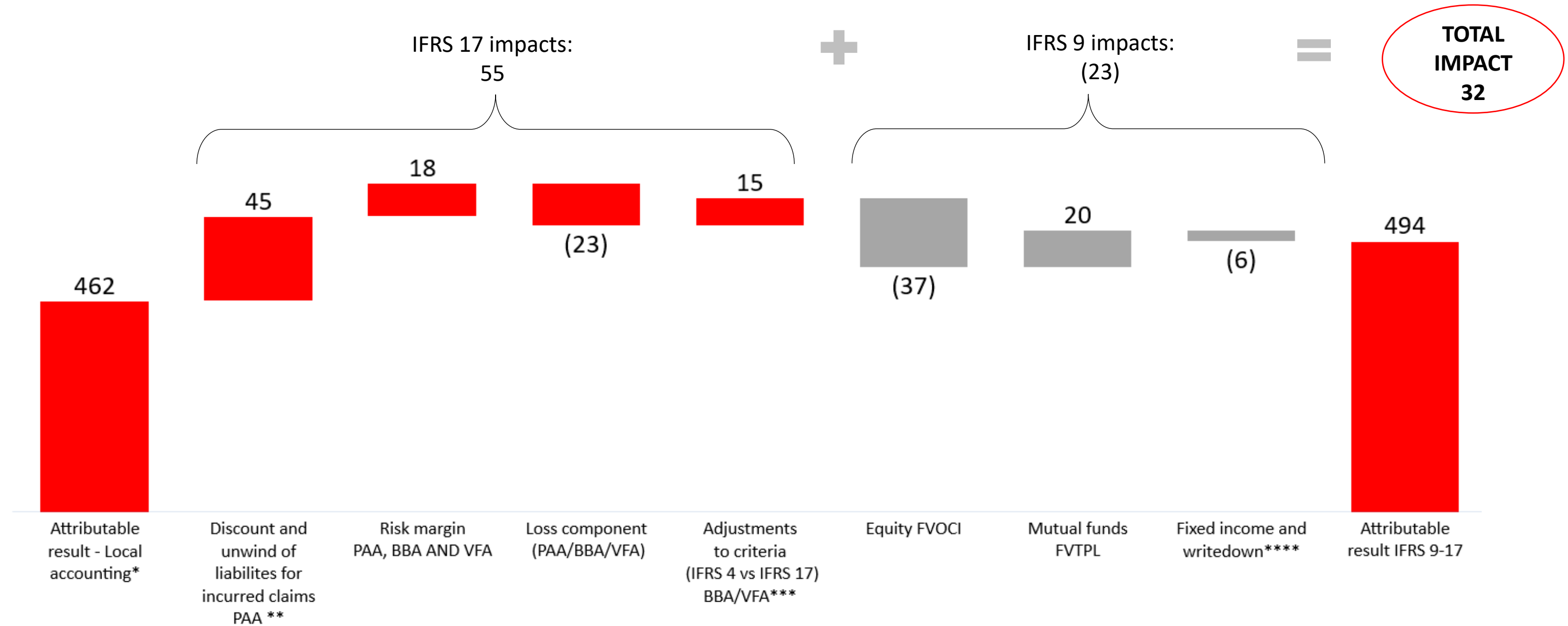
# Annex



	6M 2023	6M 2024
<b>I. INSURANCE REVENUE*</b>	<b>11,993</b>	<b>12,712</b>
<b>II. INSURANCE SERVICE EXPENSES</b>	<b>(10,522)</b>	<b>(10,885)</b>
1. Incurred claims and other insurance service expenses	(7,840)	(8,128)
2. Acquisition costs	(2,596)	(2,785)
3. Losses on onerous contract groups and reversals of those l	(29)	(29)
4. Changes in the liability for incurred claims	(57)	57
<b>RESULT FROM INSURANCE SERVICE</b>	<b>1,471</b>	<b>1,827</b>
<b>RESULT FROM REINSURANCE SERVICE</b>	<b>(954)</b>	<b>(976)</b>
<b>FINANCIAL RESULT</b>	<b>373</b>	<b>309</b>
From investments	699	1,045
From insurance contracts	(326)	(736)
<b>RESULT FROM OTHER INSURANCE REVENUE/EXPENSES</b>	<b>(32)</b>	<b>19</b>
<b>RESULT FROM OTHER ACTIVITIES</b>	<b>(58)</b>	<b>(95)</b>
Hyperinflation adjustments	(36)	(52)
Tax on profit	(197)	(242)
Non-controlling interests	(267)	(296)
<b>ATTRIBUTABLE RESULT</b>	<b>300</b>	<b>494</b>

\*Includes insurance and accepted reinsurance revenue

## RECONCILIATION P&L – June 2024



\* 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

## KEY FIGURES BY REGION AND BUSINESS UNIT

AREA / BUSINESS UNIT	Insurance revenue*			Attributable result		
	6M 2023	6M 2024	Δ %	6M 2023	6M 2024	Δ %
IBERIA	3,375.6	3,648.4	8.1%	112.7	185.9	64.9%
BRAZIL	2,339.8	2,420.9	3.5%	113.3	118.2	4.3%
OTHER LATAM	2,238.6	2,454.0	9.6%	61.1	92.6	51.5%
NORTH AMERICA	1,258.8	1,361.1	8.1%	(8.5)	43.5	611.7%
EMEA	567.8	602.1	6.0%	(14.5)	(23.4)	-61.0%
<b>TOTAL INSURANCE</b>	<b>9,780.5</b>	<b>10,486.5</b>	<b>7.2%</b>	<b>264.0</b>	<b>416.8</b>	<b>57.9%</b>
REINSURANCE	2,945.8	3,100.3	5.2%	112.9	134.2	18.8%
GLOBAL RISKS	800.6	881.4	10.1%	12.5	24.7	97.7%
ASSISTANCE - MAWDY	116.4	99.9	-14.2%	1.1	3.6	234.8%
Holding, eliminations and other	(1,650.6)	(1,856.5)	-12.5%	(90.3)	(85.2)	5.6%
<b>MAPFRE S.A.</b>	<b>11,992.8</b>	<b>12,711.6</b>	<b>6.0%</b>	<b>300.2</b>	<b>494.0</b>	<b>64.5%</b>

\*Includes insurance and accepted reinsurance revenue

## COMBINED RATIOS BY REGION IFRS 17&9 vs. LOCAL ACCOUNTING - June 2024

	Homogenized Local accounting	IFRS 17&9	Δ p.p.
IBERIA	100.2%	98.4%	-1.9 p.p.
BRAZIL	77.0%	76.7%	-0.3 p.p.
NORTH AMERICA	99.3%	97.4%	-1.9 p.p.
EMEA	113.3%	115.1%	1.8 p.p.
OTHER LATAM	98.9%	97.4%	-1.5 p.p.
REINSURANCE	95.7%	91.1%	-4.6 p.p.
GLOBAL RISKS	86.7%	77.4%	-9.3 p.p.
<b>GROUP TOTAL</b>	<b>95.7%</b>	<b>93.6%</b>	<b>-2.2 p.p.</b>

## BALANCE SHEET 06.30.2024 vs. 12.31.2023

ASSETS	12.31.2023	06.30.2024	%Δ
<b>A) INTANGIBLE ASSETS</b>	<b>2,680</b>	<b>2,603</b>	<b>-2.9%</b>
<b>B) PROPERTY, PLANT AND EQUIPMENT</b>	<b>1,184</b>	<b>1,195</b>	<b>0.9%</b>
<b>C) INVESTMENTS</b>	<b>40,937</b>	<b>40,960</b>	<b>0.1%</b>
I. Real estate investments	973	911	-6.4%
II. Financial investments			
1. At fair value with changes through P&L	15,073	14,917	-1.0%
2. At fair value with changes through OCI	21,682	21,848	0.8%
3. Amortized cost	1,296	1,301	0.4%
III. Investments accounted for using the equity metho	1,226	1,255	2.4%
V. Other investments	688	728	5.8%
<b>D) INSURANCE CONTRACT ASSETS</b>	<b>9</b>	<b>7</b>	<b>-22.3%</b>
<b>E) CEDED REINSURANCE CONTRACT ASSETS</b>	<b>5,938</b>	<b>5,865</b>	<b>-1.2%</b>
<b>F) OTHER</b>	<b>4,199</b>	<b>3,988</b>	<b>-5.0%</b>
<b>TOTAL ASSETS</b>	<b>54,947</b>	<b>54,619</b>	<b>-0.6%</b>

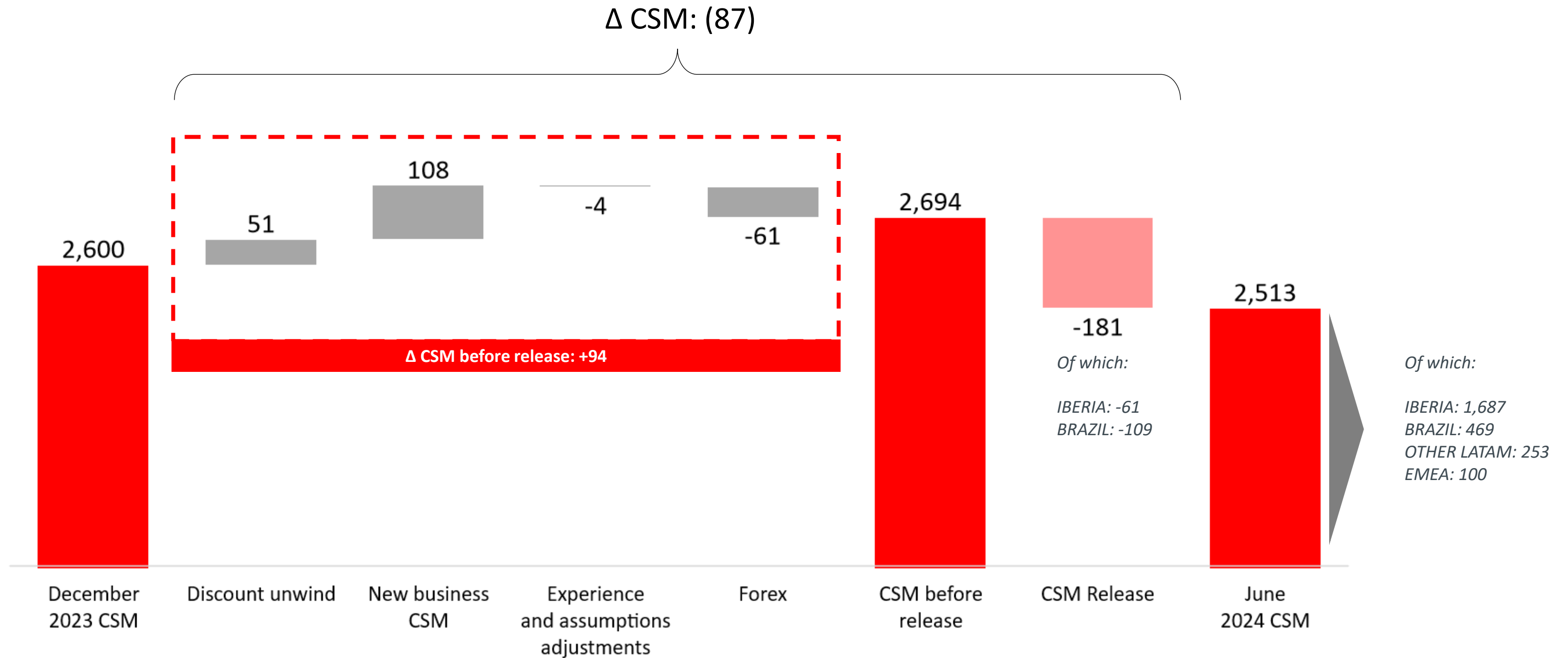
"F) Other" includes: Inventories, Deferred tax assets, Receivables, Cash, Accrual adjustments, Other assets and Non-current assets held for sale and from discontinued operations

EQUITY AND LIABILITIES	12.31.2023	06.30.2024	%Δ
<b>A) EQUITY</b>	<b>9,656</b>	<b>9,680</b>	<b>0.2%</b>
I. Equity attributable to the controlling company's shareholders	8,467	8,540	0.9%
II. Non-controlling interests	1,190	1,139	-4.2%
<b>B) SUBORDINATED LIABILITIES</b>	<b>1,628</b>	<b>1,619</b>	<b>-0.6%</b>
<b>C) INSURANCE CONTRACT LIABILITIES</b>	<b>38,362</b>	<b>38,246</b>	<b>-0.3%</b>
<b>D) CEDED REINSURANCE CONTRACT LIABILITIES</b>	<b>15</b>	<b>16</b>	<b>1.0%</b>
<b>E) PROVISIONS FOR RISKS AND EXPENSES</b>	<b>552</b>	<b>518</b>	<b>-6.3%</b>
<b>F) DEFERRED TAX LIABILITIES</b>	<b>236</b>	<b>211</b>	<b>-10.8%</b>
<b>G) DEBTS</b>	<b>4,338</b>	<b>4,195</b>	<b>-3.3%</b>
<b>H) OTHER</b>	<b>159</b>	<b>136</b>	<b>-14.5%</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>54,947</b>	<b>54,619</b>	<b>-0.6%</b>

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

## CHANGE IN SHAREHOLDERS' EQUITY – June 2024

<b>Balance at 31 December 2023</b>	<b>8,467</b>
Currency conversion differences	(75)
Change in market value of financial assets	(310)
Change in technical provision valuation	211
Other	(7)
<b>Total income and expenses recorded in OCI:</b>	<b>(181)</b>
Result	494
Dividends	(277)
Equity capital gains	23
Other	15
<b>Balance at 30 June 2024</b>	<b>8,540</b>



REGION	CSM 12.31.2023	06.30.2024		
		CSM 06.30.2024	CSM net of taxes	CSM net of non- controlling interest and taxes
IBERIA	1,686	1,687	1,267	1,251
BRAZIL	570	469	310	89
OTHER LATAM	250	253	176	174
EMEA	90	100	65	18
NORTH AMERICA	3	3	3	3
<b>TOTAL</b>	<b>2,600</b>	<b>2,513</b>	<b>1,820</b>	<b>1,534</b>



## 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  $\leq 1$  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

OCI: Other Comprehensive Income

FVTPL: Fair Value through P&L

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 net technical revenue / 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)
Other investments	Includes interest rate swaps, investments in associates, accepted reinsurance deposits and others

# TERMINOLOGY (II/II)

## IFRS 17&9

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 + Share in profits from equity-accounted companies + Other non-technical revenue + Positive exchange differences + Reversal of asset impairment + Revenue from other activities
Non-Life Expense Ratio	Administration expenses + Acquisition expenses, net of reinsurance commissions / Insurance revenue, net of reinsurance
Non-Life Loss Ratio	Claims, net of reinsurance / Insurance revenue, net of reinsurance
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://www.mapfre.com/media/shareholders/2024/2024-07-alternate-performance-measures.pdf>