



CONSOLIDATED
ANNUAL ACCOUNTS
AND MANAGEMENT
REPORT
2023



Auditor's Report on MAPFRE, S.A. and subsidiaries

(Together with the annual accounts and consolidated Management Report MAPFRE, S.A. and subsidiaries for the year ended 31 December 2023)

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)



KPMG Auditores, S.L.
Paseo de la Castellana, 259 C
28046 Madrid

Independent Auditor's Report on the Consolidated Annual Accounts

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the Shareholders of MAPFRE, S.A.

REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

Opinion

We have audited the consolidated annual accounts of MAPFRE, S.A. ("the Parent") and subsidiaries (the "Group"), which comprise the balance sheet at December 31, 2023, the income statement, the statement of comprehensive income, the statement of changes in equity, the cash flow statement and the notes to the financial statements, all consolidated, for the year then ended.

In our opinion, the accompanying consolidated annual accounts give a true and fair view, in all material respects, of the equity and financial position of the Group as at 31 December 2023 and of its financial performance and cash flows, all consolidated, for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

Basis for Opinion

We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the consolidated annual accounts in Spain pursuant to the legislation regulating the audit of accounts. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, have affected the required independence such that this has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated annual accounts of the current period. These matters were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Transition to IFRS-EU 17 and IFRS-EU 9

See note 2.5 of the notes to the consolidated annual accounts

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>The year beginning 1 January 2023 is the MAPFRE Group's first year of application of International Financial Reporting Standards 17 and 9 (IFRS 17 and IFRS 9), which significantly modify the accounting criteria for the recognition and measurement of insurance contracts and the classification and measurement of the Group's financial instruments.</p> <p>As part of the initial application of these standards, comparative information at 1 January 2022 (transition balance sheet) needs to be prepared and the financial statements for 2022 need to be restated.</p> <p>The transition to IFRS 17 and IFRS 9 has a significant impact on equity and is a complex process that requires the application of judgements, assumptions and estimates by the directors. The preparation of comparative information has therefore been considered a key matter.</p>	<p>As part of our audit approach, we obtained an understanding of the process and key controls established by management in the transition.</p> <p>In addition, we performed substantive procedures with the collaboration of our actuarial specialists, which basically consisted of the following:</p> <ul style="list-style-type: none">– Assessing whether the Group's new accounting policies are in line with the new IFRS 17 and IFRS 9 standards, including the methodology used by the Group to determine the CSM (contractual service margin) on transition.– Evaluating the reasonableness of the models and key assumptions used to determine the fulfilment cash flows for the liability for insurance contracts.– We performed actuarial recalculations of the fulfilment cash flows for the liability for remaining coverage and for incurred claims, as well as of the CSM on transition, for a sample of contract groups selected on the basis of our risk assessment, having previously performed procedures on the completeness and accuracy of the databases used in these calculations and of the assumptions used.– Assessing the correct classification and measurement of financial instruments under IFRS 9 for a representative sample of financial instruments. <p>We also assessed the appropriateness of the disclosures in the consolidated annual accounts regarding the transition, considering the requirements of IFRS-EU.</p>



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Measurement of the liability for remaining coverage not measured using the premium allocation approach (PAA) (17,228.3 million of Euros)
See notes 5.14 and 6.12 of the notes to the consolidated annual accounts.

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>The liability for remaining coverage of contracts not measured using the premium allocation approach (PAA) includes the present value of the fulfilment cash flows relating to allocated future service, as well as the contractual service margin and the risk adjustment.</p> <p>The calculation of the present value of fulfilment cash flows relating to future service is subject to estimates that include the determination of assumptions involving a high degree of judgement. In particular, the use of inappropriate assumptions in actuarial calculations may result in significant impacts on the consolidated annual accounts and has therefore been considered a key audit matter.</p>	<p>Our audit approach included testing the design and implementation of the key controls established by the Group for measuring the liability for remaining coverage.</p> <p>Our substantive procedures, which were carried out in collaboration with our actuarial specialists, basically consisted of the following:</p> <ul style="list-style-type: none"> – Testing the completeness and accuracy of the databases used in determining the assumptions, as well as on actuarial calculations. – Assessing the methodology and reasonableness of the actuarial models and assumptions used in the calculations of the present value of future cash flows. – Performing an independent estimate of the present value of future fulfilment cash flows used for a sample of contract groups selected on the basis of our risk assessment. <p>We also assessed the adequacy of the disclosures in the consolidated annual accounts with regard to the liability for remaining coverage not measured using the premium allocation approach, considering the requirements of IFRS-EU.</p>

Measurement of liability for incurred claims using the premium allocation approach (PAA) (12,254.1 million of Euros)

See notes 5.14 and 6.12 of the notes to the consolidated annual accounts.

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>The Group recognises the liability for incurred claims measured using the premium allocation approach (PAA) to cover the estimated cost of claims occurring up to the reporting date. Estimating this liability, specifically the present value of future cash flows, is complex and requires actuarial methods and calculations based on judgement and significant assumptions, particularly for those contract groups where the claim settlement period can be very long, such as in automobile, public liability, fires, aviation and transport.</p> <p>Actuarial projection methods, based on both historical information and assumptions on future developments, are used to measure the present value of future cash flows of the liability for incurred claims. These estimates include assumptions related to the amount of the expected settlement and claim payment patterns. Due to their nature, there is a significant degree of uncertainty, and a change in assumptions could significantly impact the consolidated annual accounts. Therefore, this has been considered a key audit matter.</p>	<p>Our audit procedures included testing the design and implementation of the key controls established by the Group for estimating the liability for incurred claims, including controls on the definition of key assumptions and on the integrity and accuracy of the databases used when estimating these liabilities.</p> <p>Our substantive procedures in relation to the future cash flows of the liability for incurred claims, which were carried out in collaboration with our actuarial specialists and for a representative sample of contract groups selected based on our assessment of risks and their significance, consisted primarily of the following:</p> <ul style="list-style-type: none"> – We tested the completeness and accuracy of the databases used in the actuarial calculations. – Based on our knowledge and experience in the sector, we assessed the reasonableness of the actuarial models and assumptions used to calculate the present value of the future cash flows of the liability for incurred claims. – We estimated the future cash flows of the liability for incurred claims for a sample and, based on our experience, we determined a range for assessing their reasonableness. <p>We also assessed the appropriateness of the disclosures in the consolidated annual accounts with regard to the liability for incurred claims associated with the premium allocation approach, considering the requirements of IFRS-EU.</p>

Valuation of financial instruments not quoted on active markets and recognized at fair value (12,306.1 million of Euros)

See notes 5.5 and 6.4 of the notes to the consolidated annual accounts.

Key audit matter	How the issue was addressed in our audit
<p>The classification of the financial instruments in the different existing portfolios in the applicable financial standards (IFRS 9) determines the criteria to be applied in their subsequent valuation.</p> <p>The majority of the MAPFRE Group's financial instruments are valued using market prices in active markets. Nonetheless, where there is no quoted price in an active market, the fair value of financial instruments is determined using valuation techniques that consider factors such as non-observable market inputs or complex valuation models that require a high degree of judgement. Changes in the assumptions considered, market events or new regulations can also have a significant impact on valuation.</p> <p>We have considered that there is a significant inherent risk associated with the valuation of financial instruments accounted for at fair value and that are classified hierarchically for valuation purposes by the Group as financial instruments at level 3 (use of some significant input information that is not based on observable market data) and level 2 (significant input information based on directly or indirectly observable market data), in both cases, by the use of complex valuation models, which has been considered a key audit matter .</p>	<p>Our audit approach included assessing the key controls linked to the processes of valuing financial instrument portfolios and performing substantive testing thereon.</p> <p>In collaboration with our specialists in financial instruments, we selected representative samples of the population of the Group's financial instruments, for which its adequate valuation was evaluated, through the performance of various substantive procedures, which included the recalculation of fair value and the evaluation of the reasonableness of the data used for the valuation models, especially those not directly observable in the market.</p> <p>Additionally, we assessed whether the information disclosed in the consolidated annual accounts on financial instruments adequately reflects the Group's exposure to the risk of valuing financial instruments, and whether it complies with the disclosure requirements of IFRS-EU.</p>

Valuation of goodwill and portfolio acquisition costs (1,775.1 million of Euros)

See notes 5.1 and 6.1 of the notes to the consolidated annual accounts

Key audit matter	How the issue was addressed in our audit
<p>The Group has recognised significant goodwill and portfolio acquisition costs from the acquisition of entities or businesses.</p> <p>Valuing these assets requires determination of the cash-generating units (CGUs), the calculation of carrying amount of each CGU, the estimation of the recoverable amount and the identification of facts that may determine the existence of impairment indicators in subsequent closings. Determining the recoverable amount of each CGU includes among other issues, financial projections that consider assumptions about macroeconomic developments, internal circumstances of the entity and competitors, discount rates or future business performance.</p> <p>The Group performs at least on an annual basis for goodwill, or when indications of impairment are identified for both goodwill and registered portfolio acquisition costs, an evaluation to determine if there is impairment in these assets. In this sense, our assessment has focused mainly on goodwill and portfolio acquisition costs of the most significance and those whose estimated recoverable value is closer to the carrying amount of the net assets or may be affected by current macroeconomic conditions.</p> <p>Given the complexity of the estimates and the use of assumptions that, in general, include uncertainty and judgment, we consider that the valuation of goodwill and portfolio acquisition costs has a significant inherent risk associated and, therefore, has been considered as a key audit matter.</p>	<p>Our audit procedures included testing the design and implementation of key controls established by the Group in the process of identifying CGUs, evaluating impairment indicators, having financial projections approved by the Board of Directors and defining the assumptions and calculation methods used to estimate the recoverable amount of CGUs.</p> <p>Based on our knowledge and experience, we assessed the reasonableness of the methods used by the Group to estimate the recoverable amounts of CGUs, considering IFRS-EU and best market practices.</p> <p>Our substantive procedures, which were performed for a sample of CGUs, including the most relevant ones, have consisted, basically, in the following:</p> <ul style="list-style-type: none"> – Evaluating the existence of goodwill and portfolio acquisition cost impairment indicators considering external and internal factors such as macroeconomic indicators, sector expectations, the financial performance of CGUs and management's expectations. – In collaboration with our valuation specialists, analysing the discount and growth rates used by the Group to estimate the recoverable amount of CGUs. – Assessing the reasonableness of the financial projections prepared by management, comparing them to the historical financial information of the CGUs, to business plans approved by the Group and to market expectations in the sectors in which they operate. – Performing a sensitivity analysis of the key assumptions and financial projections used to estimate the recoverable amount of CGUs. <p>We also assessed the adequacy of the information disclosed in the annual accounts on goodwill and portfolio acquisition costs, considering the requirements of IFRS-EU.</p>



(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Other Information. Consolidated Management Report

Other information solely comprises the 2023 consolidated Management Report, the preparation of which is the responsibility of the Parent's Directors and which does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not encompass the consolidated Management Report. Our responsibility regarding the information contained in the consolidated Management Report, in conformity with prevailing audit regulations in Spain, entails:

- a) Checking only that the consolidated non-financial information statement, certain information included in the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.
- b) Assessing and reporting on the consistency of the remaining information included in the consolidated Management Report with the consolidated financial statements, based on the knowledge of the Group obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the consolidated Management Report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described in the preceding paragraphs, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the consolidated Management Report is consistent with that disclosed in the consolidated annual accounts for 2023 and its content and presentation are in accordance with applicable regulations.

Directors' and Audit and Compliance Committee's Responsibility for the Consolidated Annual Accounts

The Parent's directors are responsible for the preparation of the accompanying consolidated annual accounts in such a way that they give a true and fair view of the consolidated equity, consolidated financial position and consolidated financial performance of the Group in accordance with IFRS-EU and other provisions of the financial reporting framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts, the Parent's directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Parent's audit and compliance committee is responsible for overseeing the preparation and presentation of the consolidated annual accounts.



(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts_

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these consolidated annual accounts.

As part of an audit in accordance with prevailing legislation regulating the audit of accounts in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's directors.
- Conclude on the appropriateness of the Parent's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.



(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

We communicate with the audit and compliance committee of the Parent regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Parent's audit and compliance committee with a statement that we have complied with the applicable ethical requirements, including those regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the audit and compliance committee of the Parent, we determine those that were of most significance in the audit of the consolidated annual accounts of the current period and which are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of MAPFRE, S.A. and subsidiaries for the 2023 financial year, which include the XHTML file containing the consolidated financial statements for the year, and the XBRL files as labeled by the entity, which will form part of the annual financial report.

The directors of MAPFRE, S.A. are responsible for submitting the annual financial report for the 2023 financial year, in accordance with the formatting and mark-up requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation). In this respect, they have incorporated the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration by reference in the consolidated management report.

Our responsibility consists of examining the digital files prepared by the directors of the parent company, in accordance with prevailing audit regulations in Spain. These standards require that we plan and perform our audit procedures to obtain reasonable assurance about whether the contents of the consolidated financial statements included in the aforementioned digital files correspond in their entirety to those of the consolidated financial statements that we have audited, and whether the consolidated financial statements and the aforementioned files have been formatted and marked up, in all material respects, in accordance with the ESEF Regulation.

In our opinion, the digital files examined correspond in their entirety to the audited consolidated financial statements, which are presented and have been marked up, in all material respects, in accordance with the ESEF Regulation.



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Additional Report to the Audit and Compliance Committee of the Parent_____

The opinion expressed in this report is consistent with our additional report to the Parent's audit and compliance committee dated 13 February 2024.

Contract Period _____

We were appointed as auditor of the Group by the shareholders at the ordinary general meeting on 12 March 2021 for a period of 3 years, from the year ended 31 December 2021.

Previously, we had been appointed as auditors by the shareholders of MAPFRE, S.A. for a period of 3 years, and have been auditing uninterrupted the Group's consolidated Annual Accounts since the year ended 31 December 2015.

KPMG Auditores, S.L.
On the Spanish Official
Register of Auditors ("ROAC") with No. S0702

(Signed on original in Spanish)

Ángel Crespo Rodrigo
On the Spanish Official
Register of Auditors ("ROAC") with No. 21.033
13 February 2024

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CONSOLIDATED MANAGEMENT REPORT

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**CONSOLIDATED ANNUAL ACCOUNTS
AND
CONSOLIDATED MANAGEMENT REPORT**

2023

MAPFRE S.A.

CONSOLIDATED ANNUAL ACCOUNTS

2023

MAPFRE S.A.

A) CONSOLIDATED BALANCE SHEET AS ON DECEMBER 31, 2023 AND 2022

ASSETS		NOTES	December 31, 2023	December 31, 2022 (*)
A)	INTANGIBLE ASSETS	6.1	2,680.1	2,789.5
I.	Goodwill		1,353.7	1,445.6
II.	Other intangible assets		1,326.4	1,343.9
B)	PROPERTY, PLANT AND EQUIPMENT	6.2	1,183.9	1,301.9
I.	Real estate for own use		978.2	1,084.7
II.	Other property, plant and equipment		205.7	217.2
C)	INVESTMENTS		40,937.3	37,626.3
I.	Real estate investments	6.2	973.0	980.8
II.	Financial investments		—	—
	1. Fair value with changes through P&L	6.4	15,072.8	13,058.3
	2. Fair value with changes through OCI	6.4	21,681.9	20,303.2
	3. Amortized cost	6.4	1,295.9	1,266.9
III.	Investments accounted for using the equity method	6.4	1,225.8	886.7
IV.	Hedging derivatives		—	—
V.	Other investments		687.9	1,130.4
D)	INSURANCE CONTRACT ASSETS	6.12	9.0	6.1
I.	Measurement under BBA for Assets for remaining coverage		10.7	6.1
II.	Measurement under BBA for Assets for incurred claims		(1.7)	—
III.	Measurement under VFA for Assets for remaining coverage		—	—
IV.	Measurement under VFA for Assets for incurred claims		—	—
V.	Measurement under PAA for Assets for remaining coverage		—	—
VI.	Measurement under PAA for Assets for incurred claims		—	—
E)	CEDED REINSURANCE CONTRACT ASSETS	6.12	5,938.1	5,666.7
I.	Measurement under BBA for Assets for remaining coverage		—	—
II.	Measurement under BBA for Assets for incurred claims		—	3.5
III.	Measurement under PAA for Assets for remaining coverage		1,375.9	1,329.1
IV.	Measurement under PAA for Assets for incurred claims		4,562.2	4,334.1
F)	INVENTORIES		56.4	53.4
G)	DEFERRED TAX ASSETS	6.16	397.3	591.4
H)	RECEIVABLES		1,281.2	1,193.8
I.	Tax credits		—	—
	1. Tax credits on profits		402.1	306.5
	2. Other tax credits		112.8	141.0
II.	Corporate and other receivables	6.5	766.3	746.3
III.	Shareholders, called capital		—	—
I)	CASH		2,086.0	2,574.6
J)	ACCRUAL ADJUSTMENTS		202.3	228.0
K)	OTHER ASSETS		105.8	116.5
L)	NON-CURRENT ASSETS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS	6.8	69.7	49.1
TOTAL ASSETS			54,947.1	52,197.3

Figures in millions of euros

(*) Restated figures

A) CONSOLIDATED BALANCE SHEET AS ON DECEMBER 31, 2023 AND 2022

EQUITY AND LIABILITIES		NOTES	December 31, 2023	December 31, 2022 (*)
A) EQUITY			9,656.3	8,869.7
I. Paid-up capital	6.9		308.0	308.0
II. Share premium	6.9		1,506.7	1,506.7
III. Reserves			7,957.2	7,986.4
IV. Interim dividend	4.2		(184.8)	(184.8)
V. Treasury stock	6.9		(31.7)	(41.4)
VI. Result for the period attributable to controlling company	4.1		677.2	563.6
VII. Other equity instruments			—	0.3
VIII. Valuation change adjustments	6.9		(412.1)	(923.4)
IX. Currency conversion differences	6.18		(1,353.9)	(1,418.3)
Equity attributable to the controlling company's shareholders			8,466.6	7,797.1
Non-controlling interests			1,189.7	1,072.6
B) SUBORDINATED LIABILITIES	6.10		1,628.4	1,627.0
C) INSURANCE CONTRACT LIABILITIES	6.12		38,361.7	35,564.7
I. Measurement under BBA for Liabilities for remaining coverage			10,806.6	9,000.6
II. Measurement under BBA for Liabilities for incurred claims			357.6	323.7
III. Measurement under VFA for Liabilities for remaining coverage			8,666.1	8,535.0
IV. Measurement under VFA for Liabilities for incurred claims			182.1	182.6
V. Measurement under PAA for Liabilities for remaining coverage			5,502.7	5,539.6
VI. Measurement under PAA for Liabilities for incurred claims			12,846.6	11,983.2
D) CEDED REINSURANCE CONTRACT LIABILITIES	6.12		15.5	14.5
I. Measurement under BBA for Liabilities for remaining coverage			19.2	14.5
II. Measurement under BBA for Liabilities for incurred claims			(3.7)	—
III. Measurement under PAA for Liabilities for remaining coverage			—	—
IV. Measurement under PAA for Liabilities for incurred claims			—	—
E) PROVISIONS FOR RISKS AND EXPENSES	6.13		552.4	522.2
F) DEFERRED TAX LIABILITIES	6.16		236.0	324.8
G) DEBTS			4,338.0	5,161.0
I. Issue of debentures and other trading securities	6.11		864.2	863.5
II. Due to credit institutions	6.11		250.6	444.2
III. Other financial liabilities	6.11		1,233.4	2,047.0
IV. Derivatives for hedging			—	—
V. Tax liabilities			—	—
1. Tax liabilities on profits			226.6	153.3
2. Other tax liabilities			288.0	288.0
VI. Other debts			1,475.2	1,365.0
H) ACCRUAL ADJUSTMENTS			127.1	101.7
I) LIABILITIES LINKED TO NON-CURRENT ASSETS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS	6.8		31.7	11.7
TOTAL EQUITY AND LIABILITIES			54,947.1	52,197.3

Figures in millions of euros

(*) Restated figures

B) CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME FOR YEARS ENDING DECEMBER 31, 2023 AND 2022

B.1) CONSOLIDATED INCOME STATEMENT

ITEM	NOTES	2023	2022 (*)
I. INSURANCE REVENUE (+)	6.12	24,781.0	22,717.2
1 Release of liability for remaining coverage	6.12	24,579.4	22,543.7
2 Release of insurance acquisition expenses allocated to the period	6.12	201.6	173.5
II. INSURANCE SERVICE EXPENSES (-)	6.12	(22,346.3)	(20,405.4)
1 Incurred claims and other insurance service expenses		(16,120.9)	(15,571.4)
2 Acquisition expenses		(5,358.3)	(4,914.8)
3 Losses on onerous contract groups and reversals of those losses		(84.2)	(88.5)
4 Changes in liability for incurred claims		(782.9)	169.3
RESULT FROM INSURANCE SERVICE (A)		2,434.7	2,311.8
III. REINSURANCE REVENUE (+)	6.12	2,866.1	2,630.8
IV. REINSURANCE SERVICE EXPENSES (-)	6.12	(4,259.7)	(4,075.5)
RESULT FROM REINSURANCE SERVICE (B)		(1,393.6)	(1,444.7)
RESULT FROM REINSURANCE AND INSURANCE SERVICE (A)+(B)		1,041.1	867.1
V. INSURANCE AND REINSURANCE SERVICE FINANCE REVENUE/EXPENSES			-
1 Insurance finance revenue/expenses	6.12	(1,533.0)	42.4
2 Reinsurance finance revenue/expenses	6.12	95.4	93.8
FINANCIAL RESULT FROM INSURANCE AND REINSURANCE CONTRACTS (C)	6.12	(1,437.6)	136.2
VI. FINANCE REVENUE/EXPENSES NOT RELATED TO INSURANCE SERVICE			-
1 Finance revenue not related to insurance service (+)	6.14	3,125.8	1,579.8
2 Finance expenses not related to insurance service (-)	6.14	(776.5)	(1,147.2)
3 Result from equity-accounted companies			
a) Share in profits from equity-accounted companies		81.8	16.8
b) Share in losses from equity-accounted companies		(49.5)	(1.6)
4 Reversal of financial asset impairment provision (+)	6.6	21.5	21.9
5 Allowance to the financial asset impairment provision (-)	6.6	(37.2)	(27.2)
FINANCIAL RESULT NOT RELATED TO INSURANCE SERVICE (D)		2,365.9	442.5
FINANCIAL RESULT (C)+(D)	6.12	928.3	578.7
VII. OTHER INSURANCE REVENUE/EXPENSES			
1 Other non-technical revenue (+)		88.0	82.9
2 Other non-technical expenses (-)		(142.9)	(171.9)
3 Positive exchange differences (+)		1,485.9	1,736.2
4 Negative exchange differences (-)		(1,467.0)	(1,676.8)
5 Reversal of asset impairment provision (+)	6.6	1.4	3.0
6 Allowance to the asset impairment provision (-)	6.6	(80.0)	-
RESULT FROM OTHER INSURANCE REVENUE/EXPENSES		(114.6)	(26.6)
VIII. OTHER ACTIVITIES			-
1 Operating revenue (+)		606.8	527.2
2 Operating expenses (-)		(698.0)	(600.5)
3 Revenue from fixed assets and investments (+)		30.5	41.8
4 Expenses from fixed assets and investments (-)		(10.5)	(9.2)
5 Net financial income (+)		(61.2)	(64.0)
6 Negative consolidation differences (+)		-	-
7 Result from equity-accounted companies			
a) Share in profits from equity-accounted companies		9.5	14.7
b) Share in losses from equity-accounted companies		(8.5)	(2.6)
8 Positive exchange differences (+)		-	-
9 Negative exchange differences (-)		-	-
10 Reversal of asset impairment provision (+)	6.6	3.3	2.7
11 Allowance to the asset impairment provision (-)	6.6	(8.8)	(22.7)
12 Result from disposal of non-current assets held for sale, not included in discontinued activities		-	23.5
RESULT FROM OTHER ACTIVITIES		(136.9)	(89.1)
IX. RESULT FROM RESTATEMENT OF FINANCIAL STATEMENTS	3.3	(70.2)	(60.3)
X. RESULT BEFORE TAX FROM ONGOING OPERATIONS	6.16	1,647.7	1,269.8
XI. TAX ON PROFIT FROM ONGOING OPERATIONS	6.16	(381.1)	(296.3)
XII. RESULT AFTER TAX FROM ONGOING OPERATIONS		1,266.6	973.5
XIII. RESULT AFTER TAX FROM DISCONTINUED OPERATIONS		-	-
XIV. RESULT FOR THE PERIOD		1,266.6	973.5
1 Attributable to non-controlling interests		589.4	410.1
2 Attributable to the controlling company		677.2	563.6

Figures in millions of euros

(*) Restated figures

B.2) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

ITEM	NOTES	2023	2022 (*)
A) CONSOLIDATED RESULT FOR THE YEAR		1,266.6	973.5
B) OTHER COMPREHENSIVE INCOME – PROFITS (LOSSES) RECOGNIZED IN RESERVES		59.1	–
C) OTHER COMPREHENSIVE INCOME – HEADINGS THAT CAN BE SUBSEQUENTLY RECLASSIFIED TO RESULTS		466.6	(502.6)
1. Financial assets at fair value with changes through OCI			
a) Valuation gains (losses)		989.4	(4,195.2)
b) Amounts transferred to P&L		(9.3)	(91.2)
c) Amounts transferred to reserves		(59.1)	–
d) Other reclassifications		32.4	(6.3)
2. Currency conversion differences			
a) Valuation gains (losses)		76.2	422.8
b) Amounts transferred to P&L		0.7	0.2
c) Other reclassifications		–	–
3. Insurance/Reinsurance contracts			
a) Valuation gains (losses)		(436.4)	3,016.1
b) Amounts transferred to P&L		–	0.7
c) Other reclassifications		(1.8)	–
4. Equity-accounted entities			
a) Valuation gains (losses)		13.4	20.7
b) Amounts transferred to P&L		–	–
c) Other reclassifications		(0.1)	–
5. Other recognized revenue and expenses		(1.0)	1.7
6. Tax on profits		(137.8)	327.9
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B+C)		1,792.3	470.9
1. Attributable to the controlling company		1,170.8	4.6
2. Attributable to non-controlling interests		621.5	466.3

Figures in millions of euros

(*) Restated figures

C) CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS ON DECEMBER 31, 2023 AND 2022

ITEM	NOTES	EQUITY ATTRIBUTABLE TO THE CONTROLLING COMPANY								NON-CONTROLLING INTERESTS	TOTAL EQUITY	
		SHARE CAPITAL	SHARE PREMIUM	RESERVES	INTERIM DIVIDEND	TREASURY STOCK	RESULT ATTRIBUTABLE TO CONTROLLING COMPANY	OTHER EQUITY INSTRUMENTS	VALUATION CHANGE ADJUSTMENTS			CURRENCY CONVERSION DIFFERENCES
OPENING BALANCE AS ON JANUARY 1, 2022 (Restated figures)		308.0	1,506.7	7,102.4	(184.8)	(62.9)	765.2	-	805.3	(1,776.3)	1,203.0	9,666.6
1	Changes in accounting policies	-	-	595.7	-	-	-	-	(811.6)	-	(27.1)	(243.0)
2	Correction of errors	-	-	-	-	-	-	-	-	-	-	-
ADJUSTED OPENING BALANCE		308.0	1,506.7	7,698.1	(184.8)	(62.9)	765.2	-	(6.3)	(1,776.3)	1,175.9	9,423.6
I. TOTAL COMPREHENSIVE REVENUE (EXPENSES)		-	-	-	-	-	563.6	-	(917.1)	358.1	466.3	470.9
TRANSACTIONS WITH THE CONTROLLING COMPANY'S SHAREHOLDERS AND NON-CONTROLLING INTERESTS		-	-	(265.4)	(184.8)	21.5	-	0.3	-	-	(563.5)	(991.9)
1	Capital increases (decreases)	-	-	-	-	-	-	-	-	-	30.0	30.0
2	Dividend distribution	-	-	(261.7)	(184.8)	-	-	-	-	-	(421.7)	(868.2)
3	Increases (decreases) from business combinations	-	-	-	-	-	-	-	-	-	(81.7)	(81.7)
4	Transactions with treasury stock or shares	-	-	(3.7)	-	21.5	-	0.3	-	-	-	18.1
5	Other transactions with the controlling company's shareholders and non-controlling interests	-	-	-	-	-	-	-	-	-	(90.1)	(90.1)
III. OTHER VARIATIONS IN EQUITY		-	-	553.7	184.8	-	(765.2)	-	-	-	(6.1)	(32.8)
1	Transfers between equity items	-	-	580.4	184.8	-	(765.2)	-	-	-	-	-
2	Other variations	-	-	(26.7)	-	-	-	-	-	-	(6.1)	(32.8)
CLOSING BALANCE AS ON DECEMBER 31, 2022 (Restated figures)		308.0	1,506.7	7,986.4	(184.8)	(41.4)	563.6	0.3	(923.4)	(1,418.3)	1,072.6	8,869.7

Figures in millions of euros

EQUITY ATTRIBUTABLE TO THE CONTROLLING COMPANY												
ITEM	NOTES	SHAREHOLDERS' EQUITY							NON-CONTROLLING INTERESTS		TOTAL EQUITY	
		SHARE CAPITAL	SHARE PREMIUM	RESERVES	INTERIM DIVIDEND	TREASURY STOCK	RESULT ATTRIBUTABLE TO CONTROLLING COMPANY	OTHER EQUITY INSTRUMENTS	VALUATION CHANGE ADJUSTMENTS	CURRENCY CONVERSION DIFFERENCES		
OPENING BALANCE AS ON JANUARY 1, 2023												
1	Changes in accounting policies	308.0	1,506.7	7,986.4	(184.8)	(41.4)	563.6	0.3	(923.4)	(1,418.3)	1,072.6	8,869.7
2	Correction of errors	-	-	(145.0)	-	-	-	-	141.2	-	-	(3.8)
ADJUSTED OPENING BALANCE												
		308.0	1,506.7	7,841.4	(184.8)	(41.4)	563.6	0.3	(782.2)	(1,418.3)	1,072.6	8,865.9
I. TOTAL COMPREHENSIVE REVENUE (EXPENSES)												
		-	-	59.1	-	-	677.2	-	370.1	64.4	621.5	1,792.3
II. TRANSACTIONS WITH THE CONTROLLING COMPANY'S SHAREHOLDERS AND NON-CONTROLLING INTERESTS												
1	Capital increases (decreases)	-	-	-	-	9.7	-	(0.3)	-	-	(504.4)	(942.4)
2	Dividend distribution	-	-	(261.7)	(184.8)	-	-	-	-	-	7.3	7.3
3	Increases (decreases) from business combinations	-	-	-	-	-	-	-	-	-	(517.9)	(964.4)
4	Transactions with treasury stock or shares	-	-	-	-	-	-	-	-	-	10.3	10.3
5	Other transactions with the controlling company's shareholders and non-controlling interests	-	-	(0.9)	-	9.7	-	(0.3)	-	-	-	8.5
		-	-	-	-	-	-	-	-	-	(4.1)	(4.1)
III. OTHER VARIATIONS IN EQUITY												
		-	-	319.3	184.8	-	(563.6)	-	-	-	-	(59.5)
1	Transfers between equity items	-	-	378.8	184.8	-	(563.6)	-	-	-	-	-
2	Other variations	-	-	(59.5)	-	-	-	-	-	-	-	(59.5)
CLOSING BALANCE AS ON DECEMBER 31, 2023												
		308.0	1,506.7	7,957.2	(184.8)	(31.7)	677.2	-	(412.1)	(1,353.9)	1,189.7	9,656.3
Figures in millions of euros												

Figures in millions of euros

D) CONSOLIDATED CASH FLOW STATEMENT FOR YEARS ENDING DECEMBER 31, 2023 AND 2022

ITEM	NOTES	2023	2022 (*)
1. Insurance activity:		2,283.5	1,324.4
Cash received from insurance activity		29,504.1	25,277.0
Cash paid from insurance activity		(27,220.6)	(23,952.6)
2. Other operating activity:		(271.4)	(370.8)
Cash received from other operating activity		636.3	743.2
Cash payments from other operating activity		(907.7)	(1,114.0)
3. Income tax received (paid)		(395.4)	(376.9)
NET CASH FLOWS FROM OPERATING ACTIVITY		1,616.7	576.7
1. Investment activity collections:		17,047.2	24,799.6
Property, plant and equipment		13.7	2.6
Real estate investments		151.1	225.5
Intangible fixed assets		-	-
Financial instruments		13,859.6	21,458.4
Shareholdings		2,162.0	2,063.4
Controlled companies and other business units		15.1	233.7
Interest collected		704.7	654.8
Dividends collected		121.3	115.6
Other proceeds related to investment activity		19.7	45.6
2. Investment activity payments:		(17,720.8)	(24,998.1)
Property, plant and equipment		(67.3)	(66.8)
Real estate investments		(15.1)	(40.3)
Intangible fixed assets		(150.6)	(162.7)
Financial instruments		(15,679.5)	(22,162.8)
Shareholdings		(1,527.1)	(2,468.8)
Controlled companies and other business units		(173.9)	(47.4)
Other payments related to investment activity		(107.3)	(49.3)
NET CASH FLOWS FROM INVESTMENT ACTIVITY		(673.6)	(198.5)
1. Financing activity collections:		391.2	1,151.8
Subordinated liabilities		-	500.0
Equity instrument issue and capital increase collections		48.5	30.0
Sale of treasury stock		8.9	17.8
Other financing activity collections		333.8	604.0
2. Financing activity payments:		(1,672.3)	(1,876.0)
Dividends paid to shareholders		(964.4)	(876.4)
Interest paid		(96.8)	(79.9)
Subordinated liabilities		-	-
Payments for return of shareholder contributions		-	(16.8)
Purchase of treasury stock		-	-
Other finance activity payments		(611.1)	(902.9)
NET CASH FLOW FROM FINANCING ACTIVITY		(1,281.1)	(724.2)
Conversion differences in cash flow and cash balances		(150.6)	33.0
NET INCREASE (DECREASE) IN CASH FLOW		(488.6)	(313.0)
OPENING CASH BALANCE		2,574.6	2,887.6
CLOSING CASH BALANCE		2,086.0	2,574.6

Figures in millions of euros

E) FINANCIAL INFORMATION BY SEGMENT - CONSOLIDATED INCOME STATEMENT FOR YEAR ENDING DECEMBER 31, 2023

ITEM	IBERIA	BRAZIL	MEXICO	LATAM SOUTH CENTRAL	NORTH AMERICA
I. INSURANCE REVENUE (+)	6,978.2	4,823.7	1,376.8	3,074.2	2,584.4
1 Release of liability for remaining coverage	6,967.0	4,639.3	1,376.5	3,073.7	2,584.4
2 Release of insurance acquisition expenses allocated to the period	11.2	184.4	0.3	0.5	-
II. INSURANCE SERVICE EXPENSES (-)	(6,563.2)	(3,365.8)	(1,721.0)	(2,713.5)	(2,284.9)
1 Incurred claims and other insurance service expenses	(5,269.3)	(2,139.1)	(666.2)	(2,017.3)	(1,890.9)
2 Acquisition costs	(1,101.8)	(1,401.7)	(283.7)	(633.8)	(563.1)
3 Losses on onerous contract groups and reversals of those losses	(19.9)	1.5	(3.4)	(63.8)	15.2
4 Changes in liability for incurred claims	(172.2)	173.5	(767.7)	1.4	153.9
RESULT FROM INSURANCE SERVICE (A)	415.0	1,457.9	(344.2)	360.7	299.5
III. REINSURANCE REVENUE (+)	793.0	352.2	931.5	665.1	248.1
IV. REINSURANCE SERVICE EXPENSES (-)	(971.0)	(971.3)	(564.9)	(1,087.4)	(596.7)
RESULT FROM REINSURANCE SERVICE (B)	(178.0)	(619.1)	366.6	(422.3)	(348.6)
RESULT FROM REINSURANCE AND INSURANCE SERVICE (A)+(B)	237.0	838.8	22.4	(61.6)	(49.1)
V. INSURANCE AND REINSURANCE SERVICE FINANCE REVENUE/EXPENSES					
1 Insurance finance revenue/expenses	(852.4)	(244.1)	21.4	(140.6)	(45.7)
2 Reinsurance finance revenue/expenses	14.8	72.1	(36.3)	20.3	15.5
FINANCIAL RESULT FROM INSURANCE AND REINSURANCE CONTRACTS (C)	(837.6)	(172.0)	(14.9)	(120.3)	(30.2)
VI. FINANCE REVENUE/EXPENSES NOT RELATED TO INSURANCE SERVICE					
1 Finance revenue not related to insurance service (+)	1,578.4	386.2	99.7	358.9	116.0
2 Finance expenses not related to insurance service (-)	(537.0)	(79.2)	(24.0)	(30.0)	(12.7)
3 Result from equity-accounted companies	-	-	-	-	-
a) Share in profits from equity-accounted companies	16.8	-	-	-	-
b) Share in losses from equity-accounted companies	(12.6)	-	-	-	-
4 Reversal of financial asset impairment provision (+)	17.7	0.9	-	0.1	-
5 Allowance to the financial asset impairment provision (-)	(18.5)	(0.7)	-	(6.2)	(1.8)
FINANCIAL RESULT NOT RELATED TO INSURANCE SERVICE (D)	1,044.8	307.2	75.7	322.8	101.5
FINANCIAL RESULT (C)+(D)	207.2	135.2	60.8	202.5	71.3
VII. OTHER INSURANCE REVENUE/EXPENSES					
1 Other non-technical revenue (+)	80.5	(2.0)	-	5.3	2.8
2 Other non-technical expenses (-)	(132.6)	(1.2)	(0.6)	(1.9)	(1.1)
3 Positive exchange differences (+)	17.3	-	0.4	51.0	-
4 Negative exchange differences (-)	(19.4)	(1.0)	(18.6)	(63.2)	-
5 Reversal of asset impairment provision (+)	-	-	-	-	-
6 Allowance to the asset impairment provision (-)	-	-	-	-	(75.0)
RESULT FROM OTHER INSURANCE REVENUE/EXPENSES	(54.2)	(4.2)	(18.8)	(8.8)	(73.3)
VIII. OTHER ACTIVITIES					
1 Operating revenue (+)	241.9	10.9	9.1	38.9	3.8
2 Operating expenses (-)	(201.9)	(23.5)	(9.6)	(33.7)	(5.9)
3 Revenue from fixed assets and investments (+)	3.1	18.8	-	0.6	-
4 Expenses from fixed assets and investments (-)	(1.9)	(0.6)	-	(0.1)	-
5 Net financial income (+)	9.9	3.0	0.5	3.6	0.5
7 Result from equity-accounted companies	-	-	-	-	-
a) Share in profits from equity-accounted companies	2.6	-	-	-	-
b) Share in losses from equity-accounted companies	-	-	-	-	-
10 Reversal of asset impairment provision (+)	3.2	-	-	-	-
11 Allowance to the asset impairment provision (-)	(2.2)	(0.1)	-	-	(1.0)
12 Result from disposal of non-current assets held for sale, not included in discontinued activities	-	-	-	-	-
RESULT FROM OTHER ACTIVITIES	54.7	8.5	-	9.3	(2.6)
IX. RESULT FROM RESTATEMENT OF FINANCIAL STATEMENTS	-	-	-	(54.7)	-
X. RESULT BEFORE TAX FROM ONGOING OPERATIONS	444.7	978.3	64.4	86.7	(53.7)
XI. TAX ON PROFIT FROM ONGOING OPERATIONS	(77.0)	(230.4)	(15.4)	(3.4)	(6.7)
XII. RESULT AFTER TAX FROM ONGOING OPERATIONS	367.7	747.9	49.0	83.3	(60.4)
XIII. RESULT AFTER TAX FROM DISCONTINUED OPERATIONS	-	-	-	-	-
XIVX. RESULT FOR THE PERIOD	367.7	747.9	49.0	83.3	(60.4)
1 Attributable to non-controlling interests	(26.1)	(520.4)	-	(11.6)	-
2 Attributable to the controlling company	341.6	227.5	49.0	71.7	(60.4)

Figures in millions of euros

E) FINANCIAL INFORMATION BY SEGMENT - CONSOLIDATED INCOME STATEMENT FOR YEAR ENDING DECEMBER 31, 2023

ITEM	EMEA	ASISTEN CIA- MAWDY	GLOBAL RISKS	REINSUR ANCE	CORPORAT E AREAS AND CONSOLIDA TION ADJUSTME NTS	TOTAL
I. INSURANCE REVENUE (+)	1,179.1	224.2	1,655.4	6,361.3	(3,476.3)	24,781.0
1 Release of liability for remaining coverage	1,173.9	224.2	1,655.4	6,361.3	(3,476.3)	24,579.4
2 Release of insurance acquisition expenses allocated to the period	5.2	-	-	-	-	201.6
II. INSURANCE SERVICE EXPENSES (-)	(1,249.0)	(215.1)	(1,202.7)	(5,807.8)	2,776.5	(22,346.5)
1 Incurred claims and other insurance service expenses	(964.5)	(145.1)	(1,115.8)	(3,943.4)	2,030.5	(16,121.1)
2 Acquisition costs	(235.9)	(76.3)	(145.8)	(1,500.3)	584.1	(5,358.3)
3 Losses on onerous contract groups and reversals of those losses	(13.8)	-	-	-	-	(84.2)
4 Changes in liability for incurred claims	(34.8)	6.3	58.9	(364.1)	161.9	(782.9)
RESULT FROM INSURANCE SERVICE (A)	(69.9)	9.1	452.7	553.5	(699.8)	2,434.5
III. REINSURANCE REVENUE (+)	202.7	7.3	825.7	1,023.4	(2,182.8)	2,866.2
IV. REINSURANCE SERVICE EXPENSES (-)	(220.3)	(12.3)	(1,254.0)	(1,474.3)	2,892.6	(4,259.6)
RESULT FROM REINSURANCE SERVICE (B)	(17.6)	(5.0)	(428.3)	(450.9)	709.8	(1,393.4)
RESULT FROM REINSURANCE AND INSURANCE SERVICE (A)+(B)	(87.5)	4.1	24.4	102.6	10.0	1,041.1
V. INSURANCE AND REINSURANCE SERVICE FINANCE REVENUE/EXPENSES						
1 Insurance finance revenue/expenses	(203.8)	-	(10.4)	(102.2)	44.8	(1,533.0)
2 Reinsurance finance revenue/expenses	8.7	-	4.2	41.0	(44.8)	95.5
FINANCIAL RESULT FROM INSURANCE AND REINSURANCE CONTRACTS (C)	(195.1)	-	(6.2)	(61.2)	-	(1,437.5)
VI. FINANCE REVENUE/EXPENSES NOT RELATED TO INSURANCE SERVICE						
1 Finance revenue not related to insurance service (+)	299.1	1.1	21.1	329.8	(64.4)	3,125.9
2 Finance expenses not related to insurance service (-)	(65.7)	(0.2)	(1.3)	(73.8)	47.3	(776.6)
3 Result from equity-accounted companies	-	-	-	-	-	-
a) Share in profits from equity-accounted companies	0.1	-	-	-	64.9	81.8
b) Share in losses from equity-accounted companies	-	-	-	-	(36.9)	(49.5)
4 Reversal of financial asset impairment provision (+)	-	-	-	2.8	-	21.5
5 Allowance to the financial asset impairment provision (-)	(9.8)	-	-	(0.1)	-	(37.1)
FINANCIAL RESULT NOT RELATED TO INSURANCE SERVICE (D)	223.7	0.9	19.8	258.7	10.9	2,366.0
FINANCIAL RESULT (C)+(D)	28.6	0.9	13.6	197.5	10.9	928.5
VII. OTHER INSURANCE REVENUE/EXPENSES						
1 Other non-technical revenue (+)	1.6	-	-	-	(0.1)	88.1
2 Other non-technical expenses (-)	(5.5)	-	-	-	-	(142.9)
3 Positive exchange differences (+)	58.3	-	595.2	763.6	-	1,485.8
4 Negative exchange differences (-)	(4.1)	(0.7)	(595.2)	(764.9)	-	(1,467.1)
5 Reversal of asset impairment provision (+)	-	-	0.5	0.9	-	1.4
6 Allowance to the asset impairment provision (-)	-	-	-	(5.0)	-	(80.0)
RESULT FROM OTHER INSURANCE REVENUE/EXPENSES	50.3	(0.7)	0.5	(5.4)	(0.1)	(114.7)
VIII. OTHER ACTIVITIES						
1 Operating revenue (+)	3.8	258.0	-	-	40.6	606.8
2 Operating expenses (-)	(3.6)	(256.1)	-	-	(163.7)	(698.0)
3 Revenue from fixed assets and investments (+)	-	-	-	-	8.0	30.5
4 Expenses from fixed assets and investments (-)	-	-	-	-	(7.8)	(10.4)
5 Net financial income (+)	0.1	(0.2)	-	-	(78.8)	(61.2)
7 Result from equity-accounted companies	-	-	-	-	-	-
a) Share in profits from equity-accounted companies	-	-	-	-	6.8	9.4
b) Share in losses from equity-accounted companies	-	-	-	-	(8.5)	(8.5)
10 Reversal of asset impairment provision (+)	-	-	-	-	0.1	3.3
11 Allowance to the asset impairment provision (-)	-	(0.2)	-	-	(5.3)	(8.8)
12 Result from disposal of non-current assets held for sale, not	-	-	-	-	-	-
RESULT FROM OTHER ACTIVITIES	0.3	1.5	-	-	(208.6)	(136.9)
IX. RESULT FROM RESTATEMENT OF FINANCIAL STATEMENTS	(13.9)	(1.6)	-	-	-	(70.2)
X. RESULT BEFORE TAX FROM ONGOING OPERATIONS	(22.2)	4.2	38.5	294.7	(187.8)	1,647.8
XI. TAX ON PROFIT FROM ONGOING OPERATIONS	(7.4)	0.8	(9.6)	(71.4)	39.4	(381.1)
XII. RESULT AFTER TAX FROM ONGOING OPERATIONS	(29.6)	5.0	28.9	223.3	(148.4)	1,266.7
XIII. RESULT AFTER TAX FROM DISCONTINUED OPERATIONS	-	-	-	-	-	-
XIV. RESULT FOR THE PERIOD	(29.6)	5.0	28.9	223.3	(148.5)	1,266.6
1 Attributable to non-controlling interests	(9.8)	-	-	-	(21.5)	(589.4)
2 Attributable to the controlling company	(39.4)	5.0	28.9	223.3	(170.0)	677.2

Figures in millions of euros

E) FINANCIAL INFORMATION BY SEGMENT - CONSOLIDATED INCOME STATEMENT FOR YEAR ENDING DECEMBER 31, 2022

ITEM	IBERIA	BRAZIL	MEXICO	LATAM SOUTH CENTRAL	NORTH AMERICA
I. INSURANCE REVENUE (+)	6,517.4	4,234.6	1,272.1	2,930.6	2,551.7
1 Release of liability for remaining coverage	6,511.8	4,075.8	1,272.0	2,930.5	2,551.7
2 Release of insurance acquisition expenses allocated to the period	5.6	158.8	0.1	0.1	-
II. INSURANCE SERVICE EXPENSES (-)	(6,119.9)	(3,585.8)	(871.6)	(2,874.8)	(2,457.2)
1 Incurred claims and other insurance service expenses	(4,914.4)	(2,492.2)	(665.1)	(2,240.7)	(1,871.8)
2 Acquisition costs	(1,030.9)	(1,245.3)	(234.5)	(574.4)	(566.5)
3 Losses on onerous contract groups and reversals of those losses	(25.6)	(11.4)	0.4	(16.7)	(37.0)
4 Changes in liability for incurred claims	(149.0)	163.1	27.6	(43.0)	18.1
RESULT FROM INSURANCE SERVICE (A)	397.5	648.8	400.5	55.8	94.5
III. REINSURANCE REVENUE (+)	676.9	691.6	164.1	957.8	308.3
IV. REINSURANCE SERVICE EXPENSES (-)	(859.5)	(840.0)	(564.1)	(1,022.0)	(578.4)
RESULT FROM REINSURANCE SERVICE (B)	(182.6)	(148.4)	(400.0)	(64.2)	(270.1)
RESULT FROM REINSURANCE AND INSURANCE SERVICE (A)+(B)	214.9	500.4	0.5	(8.4)	(175.6)
V. INSURANCE AND REINSURANCE SERVICE FINANCE REVENUE/EXPENSES	-	-	-	-	-
1 Insurance finance revenue/expenses	50.7	(167.4)	11.2	(15.7)	58.3
2 Reinsurance finance revenue/expenses	(86.1)	102.6	(15.6)	8.4	(19.6)
FINANCIAL RESULT FROM INSURANCE AND REINSURANCE CONTRACTS (C)	(35.4)	(64.8)	(4.4)	(7.3)	38.7
VI. FINANCE REVENUE/EXPENSES NOT RELATED TO INSURANCE SERVICE	-	-	-	-	-
1 Finance revenue not related to insurance service (+)	576.5	280.5	69.9	256.3	65.9
2 Finance expenses not related to insurance service (-)	(454.5)	(76.4)	(31.5)	(30.1)	(10.4)
3 Result from equity-accounted companies	-	-	-	-	-
a) Share in profits from equity-accounted companies	17.2	-	-	-	-
b) Share in losses from equity-accounted companies	(11.6)	-	-	-	-
4 Reversal of financial asset impairment provision (+)	12.5	0.5	(1.3)	1.2	-
5 Allowance to the financial asset impairment provision (-)	(15.8)	(0.5)	-	(2.7)	-
FINANCIAL RESULT NOT RELATED TO INSURANCE SERVICE (D)	124.3	204.1	37.1	224.7	55.5
FINANCIAL RESULT (C)+(D)	88.9	139.3	32.7	217.4	94.2
VII. OTHER INSURANCE REVENUE/EXPENSES	-	-	-	-	-
1 Other non-technical revenue (+)	76.0	0.2	-	3.6	0.6
2 Other non-technical expenses (-)	(163.5)	-	(0.8)	(2.9)	(1.3)
3 Positive exchange differences (+)	26.1	3.9	9.1	64.2	-
4 Negative exchange differences (-)	(24.6)	-	(8.1)	(55.9)	(0.5)
5 Reversal of asset impairment provision (+)	-	-	-	-	-
6 Allowance to the asset impairment provision (-)	-	-	-	-	-
RESULT FROM OTHER INSURANCE REVENUE/EXPENSES	(86.0)	4.1	0.2	9.0	(1.2)
VIII. OTHER ACTIVITIES	-	-	-	-	-
1 Operating revenue (+)	361.4	13.0	6.7	39.7	3.9
2 Operating expenses (-)	(320.4)	(12.8)	(6.1)	(31.8)	(5.7)
3 Revenue from fixed assets and investments (+)	14.2	9.6	-	0.2	-
4 Expenses from fixed assets and investments (-)	(2.6)	(0.3)	-	-	-
5 Net financial income (+)	1.2	(1.2)	0.4	3.5	0.2
7 Result from equity-accounted companies	-	-	-	-	-
a) Share in profits from equity-accounted companies	2.9	-	-	-	-
b) Share in losses from equity-accounted companies	-	-	-	-	-
10 Reversal of asset impairment provision (+)	2.6	-	-	-	-
11 Allowance to the asset impairment provision (-)	(3.2)	-	-	-	-
Result from disposal of non-current assets held for sale, not included in discontinued activities	-	-	-	-	-
RESULT FROM OTHER ACTIVITIES	56.1	8.3	1.0	11.6	(1.6)
IX. RESULT FROM RESTATEMENT OF FINANCIAL STATEMENTS	-	-	-	(41.7)	-
X. RESULT BEFORE TAX FROM ONGOING OPERATIONS	273.9	652.1	34.4	187.9	(84.2)
XI. TAX ON PROFIT FROM ONGOING OPERATIONS	(56.6)	(165.2)	(6.6)	(22.4)	14.8
XII. RESULT AFTER TAX FROM ONGOING OPERATIONS	217.3	486.9	27.8	165.5	(69.4)
XIII. RESULT AFTER TAX FROM DISCONTINUED OPERATIONS	-	-	-	-	-
XIV. RESULT FOR THE PERIOD	217.3	486.9	27.8	165.5	(69.4)
1 Attributable to non-controlling interests	27.6	348.3	-	7.9	-
2 Attributable to the controlling company	189.7	138.6	27.9	157.3	(69.3)

Figures in millions of euros

E) FINANCIAL INFORMATION BY SEGMENT - CONSOLIDATED INCOME STATEMENT FOR YEAR ENDING DECEMBER 31, 2022

ITEM	EMEA	ASISTENCIA-MAWDY	GLOBAL RISKS	REINSURANCE	CORPORATE AREAS AND CONSOLIDATION ADJUSTMENTS	TOTAL
I. INSURANCE REVENUE (+)	1,139.6	280.9	1,527.7	5,425.5	(3,162.9)	22,717.
1 Release of liability for remaining coverage	1,130.6	280.9	1,527.7	5,425.5	(3,162.8)	22,543.
2 Release of insurance acquisition expenses allocated to the period	9.0	-	-	-	-	173.6
II. INSURANCE SERVICE EXPENSES (-)	(1,177.4)	(265.6)	(1,417.6)	(4,839.)	3,204.3	(20,405.)
1 Incurred claims and other insurance service expenses	(900.9)	(160.5)	(701.0)	(3,335.4)	1,710.6	(15,571.)
2 Acquisition costs	(264.9)	(99.9)	(121.0)	(1,338.8)	561.4	(4,914.8)
3 Losses on onerous contract groups and reversals of those losses	1.9	-	-	-	-	(88.4)
4 Changes in liability for incurred claims	(13.5)	(5.2)	(595.6)	(165.6)	932.4	169.3
RESULT FROM INSURANCE SERVICE (A)	(37.8)	15.3	110.1	585.7	41.4	2,311.8
III. REINSURANCE REVENUE (+)	175.3	9.7	1,095.4	879.5	(2,327.9)	2,630.7
IV. REINSURANCE SERVICE EXPENSES (-)	(220.6)	(17.5)	(1,177.6)	(1,397.)	2,601.4	(4,075.5)
RESULT FROM REINSURANCE SERVICE (B)	(45.3)	(7.8)	(82.2)	(517.7)	273.5	(1,444.8)
RESULT FROM REINSURANCE AND INSURANCE SERVICE (A)+(B)	(83.1)	7.5	27.9	68.0	314.9	867.0
V. INSURANCE AND REINSURANCE SERVICE FINANCE REVENUE/EXPENSES						
1 Insurance finance revenue/expenses	284.5	-	54.2	375.1	(608.5)	42.4
2 Reinsurance finance revenue/expenses	0.7	-	(24.2)	(167.4)	294.9	93.7
FINANCIAL RESULT FROM INSURANCE AND REINSURANCE CONTRACTS (C)	285.2	-	30.0	207.7	(313.5)	136.2
VI. FINANCE REVENUE/EXPENSES NOT RELATED TO INSURANCE SERVICE						
1 Finance revenue not related to insurance service (+)	102.4	0.7	8.8	172.7	46.1	1,579.8
2 Finance expenses not related to insurance service (-)	(399.1)	(0.2)	(30.0)	(258.4)	143.4	(1,147.2)
3 Result from equity-accounted companies	-	-	-	-	-	-
a) Share in profits from equity-accounted companies	0.2	-	-	-	(0.6)	16.8
b) Share in losses from equity-accounted companies	-	-	-	-	10.0	(1.6)
4 Reversal of financial asset impairment provision (+)	(0.2)	-	-	-	9.2	21.9
5 Allowance to the financial asset impairment provision (-)	(6.2)	-	-	(1.7)	(0.3)	(27.2)
FINANCIAL RESULT NOT RELATED TO INSURANCE SERVICE (D)	(302.9)	0.5	(21.2)	(87.4)	207.8	442.5
FINANCIAL RESULT (C)+(D)	(17.7)	0.5	8.8	120.3	(105.7)	578.7
VII. OTHER INSURANCE REVENUE/EXPENSES						
1 Other non-technical revenue (+)	2.5	-	-	-	-	82.9
2 Other non-technical expenses (-)	(3.2)	-	-	-	-	(171.7)
3 Positive exchange differences (+)	68.2	-	572.3	992.4	-	1,736.2
4 Negative exchange differences (-)	(31.7)	(1.2)	(576.8)	(978.1)	-	(1,676.9)
5 Reversal of asset impairment provision (+)	-	-	1.2	1.9	-	3.1
6 Allowance to the asset impairment provision (-)	-	-	-	-	-	-
RESULT FROM OTHER INSURANCE REVENUE/EXPENSES	35.8	(1.2)	(3.3)	16.2	-	(26.4)
VIII. OTHER ACTIVITIES						
1 Operating revenue (+)	4.2	218.3	-	-	(120.0)	527.2
2 Operating expenses (-)	(3.5)	(231.6)	-	-	11.4	(600.5)
3 Revenue from fixed assets and investments (+)	-	(0.1)	-	-	17.9	41.8
4 Expenses from fixed assets and investments (-)	-	-	-	-	(6.3)	(9.2)
5 Net financial income (+)	-	(4.4)	-	-	(63.7)	(64.0)
7 Result from equity-accounted companies	-	-	-	-	-	-
a) Share in profits from equity-accounted companies	-	-	-	-	11.8	14.7
b) Share in losses from equity-accounted companies	-	-	-	-	(2.6)	(2.6)
10 Reversal of asset impairment provision (+)	-	0.5	-	-	(0.4)	2.7
11 Allowance to the asset impairment provision (-)	-	-	-	-	(19.5)	(22.7)
12 Result from disposal of non-current assets held for sale, not included in discontinued activities	-	23.5	-	-	-	23.5
RESULT FROM OTHER ACTIVITIES	0.7	6.2	-	-	(171.4)	(89.1)
IX. RESULT FROM RESTATEMENT OF FINANCIAL STATEMENTS	(16.6)	(2.0)	-	-	-	(60.3)
X. RESULT BEFORE TAX FROM ONGOING OPERATIONS	(80.9)	11.0	33.4	204.5	37.6	1,269.7
XI. TAX ON PROFIT FROM ONGOING OPERATIONS	14.4	(3.5)	(8.3)	(54.6)	(8.2)	(296.2)
XII. RESULT AFTER TAX FROM ONGOING OPERATIONS	(66.5)	7.5	25.1	149.9	29.4	973.5
XIII. RESULT AFTER TAX FROM DISCONTINUED OPERATIONS	-	-	-	-	-	-
XIV. RESULT FOR THE PERIOD	(66.5)	7.5	25.1	149.9	29.4	973.5
1 Attributable to non-controlling interests	6.6	0.3	-	-	19.4	410.1
2 Attributable to the controlling company	(73.2)	7.3	25.0	149.9	10.4	563.6

Figures in millions of euros

F) SUPPLEMENTARY FINANCIAL INFORMATION BY PRODUCT AND GEOGRAPHICAL AREA

1. CONSOLIDATED ORDINARY REVENUE FROM EXTERNAL CLIENTS IN FINANCIAL YEARS ENDING DECEMBER 31, 2023 AND 2022

The breakdown of consolidated ordinary revenue, by product and country, in line with the segments broken down in Note 2.2, is as follows:

1.a) Information by product

Products	2023	2022
Life	3,385.4	3,072.5
Automobile	6,457.2	6,329.7
Homeowners and commercial risks	3,154.3	2,887.4
Health	1,721.9	1,559.6
Accidents	270.7	281.8
Other Non-Life	8,450.9	7,779.5
Reinsurance	9,865.9	8,928.2
Other Activities	1,139.2	1,116.8
Consolidation adjustments	(6,191.6)	(6,080.3)
TOTAL	28,253.9	25,875.2

Figures in millions of euros

1.b) Information by country

Geographic Area / Countries	2023	2022
IBERIA		
Spain	7,823.4	7,394.5
Portugal	189.5	161.1
BRAZIL	5,186.8	4,939.2
MEXICO	2,317.4	1,442.9
LATAM SOUTH CENTRAL		
Peru	929.8	1,039.7
Chile	604.0	783.0
Dom. Republic	470.8	458.1
Panama	275.4	279.5
Argentina	158.6	259.8
Colombia	522.8	377.8
Other	817.3	730.2
NORTH AMERICA		
United States of America	2,458.9	2,409.7
Puerto Rico	377.4	454.2
EURASIA		
Germany	482.7	455.3
Italy	338.4	365.9
Malta	139.0	135.0
Turkey	425.4	308.0
Other	–	54.8
ASISTENCIA-MAWDY	489.4	508.9
GLOBAL RISKS	2,481.1	2,623.1
REINSURANCE	7,384.7	6,305.0
CORPORATE AREAS AND CONSOLIDATION ADJUSTMENTS	(5,618.9)	(5,610.5)
TOTAL	28,253.9	25,875.2

Figures in millions of euros

Insurance and reinsurance revenue, as well as operating revenue from other activities, are considered as ordinary revenue.

No client contributes, on an individual basis, more than 10 percent of the Group's ordinary revenue.

2. NON-CURRENT ASSETS AT DECEMBER 31, 2023 AND 2022

The breakdown of non-current assets in line with the segments broken down in Note 2.2, is as follows:

Geographic Area / Countries	2023	2022
IBERIA		
Spain	1,844.5	2,002.8
Portugal	67.3	48.0
BRAZIL	782.8	654.1
MEXICO	175.7	173.0
LATAM SOUTH CENTRAL		
Peru	191.7	161.0
Chile	17.6	27.2
Dom. Republic	46.8	37.4
Panama	54.4	43.9
Argentina	25.4	41.7
Colombia	46.4	43.8
Other	73.9	68.3
NORTH AMERICA		
United States of America	244.5	258.1
Puerto Rico	56.1	73.1
EMEA		
Germany	26.4	22.8
Italy	63.1	70.9
Malta	155.5	146.6
Turkey	66.2	47.4
ASISTENCIA-MAWDY	103.8	110.3
GLOBAL RISKS	-	-
REINSURANCE	59.9	72.5
CORPORATE AREAS		
AND CONSOLIDATION ADJUSTMENTS	473.3	483.7
TOTAL	4,575.3	4,586.6

Figures in millions of euros

Non-current assets include intangible fixed assets other than goodwill and portfolio acquisition expenses, property, plant and equipment, real estate investments, inventories, tax receivables, corporate and other receivables, other assets, and non-current assets held for sale and from discontinued operations, with information in Note 6.8 herein regarding the latter.

G) CONSOLIDATED ANNUAL REPORT

1. GENERAL INFORMATION REGARDING THE COMPANY AND ITS ACTIVITIES

MAPFRE S.A. (hereinafter the "controlling Company") is a listed public limited company and parent of a number of controlled companies engaged in insurance activity in its various lines of business, both Life and Non-Life, finance, securities investment, and services.

MAPFRE S.A. is a subsidiary of CARTERA MAPFRE, S.L. Single-Member Company (hereinafter, CARTERA MAPFRE), fully controlled by Fundación MAPFRE.

The scope of activity of the controlling company and its subsidiaries (hereinafter "MAPFRE", "the Group" or "MAPFRE Group") includes the Spanish territory, European Economic Area countries, and other countries.

The controlling company was incorporated in Spain and has its registered office in Majadahonda (Madrid), Carretera de Pozuelo 52.

In 2023, the MAPFRE Group business activities were carried out through the organizational structure comprising four Business Units (Insurance, Assistance, Global Risks and Reinsurance), and five Regional Areas: Iberia (Spain and Portugal), Brazil, LATAM South Central (Argentina, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay, Venezuela, the Central America subregion and Dominican Republic), North America (United States and Puerto Rico) and EMEA (Europe and Middle East), and Mexico as a strategic country.

The Insurance Business Unit is organized according to the regional areas of MAPFRE, which comprise the geographical units that plan, support and supervise in the region.

The Reinsurance and Global Risks business comprise the legal entity MAPFRE RE.

The activity of the various Business Units is complemented by the Corporate Areas (Internal Audit, Strategy and M&A, Finance and Resources, Investment, Business, People and Organization, External Relations and Communications, General Counsel and Legal Affairs, Operational Transformation, Technology and Operations) which have global responsibilities for all the Group's companies worldwide regarding the development, implementation, and monitoring of global, regional and local corporate policies.

MAPFRE is committed to for multi-channel distribution, adapting its commercial structure to the different legislations in which it operates.

The focus on the client, the global product offer, and adapting to the legal and commercial particularities of each of the markets in which it is present are some of the key factors of success of the company's business model.

The individual and consolidated annual accounts were prepared by the Board of Directors on February 13, 2024 using the single electronic reporting format set out in Delegated Regulation (EU) 2019/815. They are expected to be approved by the Annual General Meeting. Spanish regulations provide for the possibility of modifying the consolidated annual accounts if they are not approved by the aforementioned governing body.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED ANNUAL ACCOUNTS

2.1. BASIS OF PRESENTATION

The Group's consolidated annual accounts were prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (EU-IFRS), with all companies having carried out the requisite homogenization adjustments.

The consolidated annual accounts have been prepared on the cost model basis, except for financial assets at fair value through OCI and financial assets at fair value through P&L.

There was no early application of the rules and interpretations which, having been approved by the European Commission, had not entered into force at the close of 2023. However, had there been any, their early adoption would not have affected the Group's financial situation and results.

The figures presented in the Consolidated Annual Accounts have been rounded for ease of reporting. Therefore, the totals of the rows or columns may not coincide with the arithmetic sums of the amounts included therein.

2.2. FINANCIAL INFORMATION BY SEGMENT

Section E) of the consolidated annual accounts contains the financial information broken down by operating segment, which is aligned with the Group organizational structure and with the information provided to Management and to the market.

The organizational structure identifies the following operating segments based on the activities of the Business Units:

- INSURANCE:
 - IBERIA
 - BRAZIL
 - MEXICO
 - LATAM SOUTH CENTRAL
 - NORTH AMERICA
 - EMEA
- ASSISTANCE - MAWDY
- GLOBAL RISKS
- REINSURANCE

Starting in January 2023, LATAM NORTH and LATAM SOUTH became one single area called LATAM SOUTH CENTRAL, and Mexico is considered a strategic country and stops belonging to the regional area LATAM NORTH. Additionally, the Regional Area EURASIA is renamed Regional Area EMEA. The information corresponding to 2022 has been restated for comparison purposes.

Revenues and expenses from the Insurance business also include complementary activities relating to asset and real estate management, medical services, assistance, funeral services, technology services, and others. The operating segment corresponding to the Insurance Unit presents its information according to the structure of the Group's regional areas and taking into account the quantitative thresholds established in prevailing regulations.

The operating segments corresponding to the Assistance, Global Risks and Reinsurance Business Units include insurance and reinsurance activity, regardless of the geographic location.

Transactions between segments are recorded at fair value and eliminated in the consolidation process.

The amounts shown under "Corporate Areas and consolidation adjustments" include expenses for services rendered by the Corporate Areas and the adjustments made on consolidation.

The Consolidated Management Report contains additional information on business performance and characteristics.

2.3. FINANCIAL INFORMATION BY PRODUCT AND GEOGRAPHIC AREA

Section F) of the consolidated annual accounts contains supplementary financial information broken down by product and geographical area.

The information by product is presented for the main activity lines, which are:

- Life
- Automobile
- Homeowners and commercial risks
- Health
- Accidents
- Other Non-Life
- Reinsurance
- Other Activities

The information shown for each geographic area is broken down by the main countries comprising the Group's regional areas, as indicated in Note 1 herein.

2.4. CHANGES IN ACCOUNTING POLICIES, CHANGES IN ESTIMATES AND ERRORS

In 2023, there have been no relevant changes in accounting policies, estimates or errors that could have impacted the Group financial position or results.

2.5. COMPARISON OF INFORMATION

There are no reasons preventing the comparison of the consolidated annual accounts of this reporting period with those of the previous period, and they have been prepared in line with the international standards approved by the European Commission and which were in force at the close of the year.

In 2023 the Group has applied, for the first time, the standards EU-IFRS 17 regarding Insurance Contracts and EU-IFRS 9 regarding Financial Instruments. Said standards replace EU-IFRS 4 and EU-IAS 39, respectively. The information from December 31, 2022 related to insurance contracts contained in the financial statements attached herein as well as in the details from annual accounts have been restated, exclusively for comparison purposes.

MAPFRE Group, in line with EU-IFRS 17 and EU-IFRS 9 in their initial joint application, has decided to adapt, for comparison purposes, EU-IFRS 9 classification and measurement criteria to those financial assets strictly related to insurance contracts. This approach, which is called "classification overlay," permits not applying impairment requirements to the comparative information, and is what the Group has followed.

The transition balance sheet and main impacts from the application of the new standards is provided below.

Transition Balance sheet

MAPFRE Group used a retrospective approach for the majority of Non-Life insurance and accepted and ceded reinsurance contracts as well as Life insurance contracts with a duration of less than one year, and for those in which, although duration is greater than one year, it is not expected that the assessment varies materially from the building block approach (BBA). To this end:

- All contract groups have been identified, recognized and measured as if EU-IFRS 17 had always been applied.
- Any items recorded in the financial statements which would not exist if EU-IFRS 17 had always been applied have been derecognized, and
- Any net difference that could arise was recorded in equity.

Additionally, the fair value approach was generally used for those Non-Life and Life insurance contracts, for which the retrospective approach is impracticable. The fair value approach considers the determination of the Contractual Service Margin (hereinafter CSM) or the loss component at the date of transition for a contract group based on the difference between the fair value and the fulfillment cash flows for the group of contracts at that date. The Group measures fair value of the insurance contracts as the sum of the present value of EU-IFRS 17 fulfillment cash flows adjusted to reflect the perspective of a market participant, plus an additional margin that a market participant would require to provide coverage.

The estimated fair value of insurance contracts uses a combination of cash flows that represent the weighted average of the probability of all possible future cash flows (i.e. expected cash flows) as a starting point. The estimates are based on the same assumptions as those of the estimates used to calculate the future cash flows for EU-IFRS 17, as it is expected that they are the same as a market participant would consider.

Additionally, the calculation also contemplates an additional margin similar to the EU-IFRS 17 item for non-financial risk adjustment, but under EU-IFRS 13 it is adjusted with the following assumptions:

- a. The target capital ratio is aligned with MAPFRE's risk appetite policies.

- b. The cost of capital rate is aligned with the compensation necessary in each market to maintain capital requirements.

- c. The use of additional capital, which increases the list of risks covered in the EU-IFRS 17 fulfillment cash flows, so that all risks are covered in the cost of capital.

The following is a reconciliation between the consolidated transition balance sheet under EU-IFRS 4 and EU-IFRS 17:

BALANCE SHEET RECONCILIATION

ASSETS	December 31, 2021	Reclassifications	Measurement changes	January 1, 2022
INTANGIBLE ASSETS	2,911.2	–	(136.8)	2,774.4
PROPERTY, PLANT AND EQUIPMENT	1,295.0	–	–	1,295.0
INVESTMENTS	39,243.0	2,741.3	5.1	41,989.4
INVESTMENTS ON BEHALF OF LIFE INSURANCE POLICYHOLDERS BEARING THE INVESTMENT RISK	2,957.3	(2,957.3)		
INSURANCE CONTRACT ASSETS			14.2	14.2
REINSURANCE CONTRACT ASSETS			5,440.0	5,440.0
INVENTORIES	54.0	–	–	54.0
PARTICIPATION OF REINSURANCE IN TECHNICAL PROVISIONS	6,084.6	–	(6,084.6)	
DEFERRED TAX ASSETS	299.6	–	0.2	299.8
RECEIVABLES	5,594.7	–	(4,659.8)	934.9
CASH AND EQUIVALENTS	2,887.6	–	–	2,887.6
ACCRUAL ADJUSTMENTS	1,902.5	–	(1,699.9)	202.6
OTHER ASSETS	247.4	–	–	247.4
NON-CURRENT ASSETS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS	377.3	–	(6.7)	370.6
TOTAL ASSETS	63,854.2	(216.0)	(7,128.3)	56,509.9

Figures in millions of euros

EQUITY AND LIABILITIES	December 31, 2021	Reclassifications	Measurement changes	January 1, 2022
EQUITY	9,666.6	–	(243.0)	9,423.6
Equity attributable to the controlling company's shareholders	8,463.6	–	(214.9)	8,248.7
Non-controlling interests	1,203.0	–	(28.1)	1,174.9
SUBORDINATED LIABILITIES	1,122.2	–		1,122.2
INSURANCE CONTRACT LIABILITIES			38,198.7	38,198.7
REINSURANCE CONTRACT LIABILITIES			23.0	23.0
TECHNICAL PROVISIONS	39,968.3	–	(39,968.3)	
TECHNICAL PROVISIONS FOR LIFE INSURANCE WHERE POLICYHOLDERS BEAR INVESTMENT RISK	2,957.3	–	(2,957.3)	
PROVISIONS FOR RISKS AND EXPENSES	653.6	–	–	653.6
DEPOSITS RECEIVED ON CEDED AND RETROCEDED REINSURANCE	82.4	(82.4)		
DEFERRED TAX LIABILITIES	537.7	–	(19.0)	518.7
DEBT	8,441.8	(133.6)	(1,945.9)	6,362.3
ACCRUAL ADJUSTMENTS	300.5	–	(210.4)	90.1
LIABILITIES LINKED TO NON-CURRENT ASSETS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS	123.8	–	(6.1)	117.7
TOTAL EQUITY AND LIABILITIES	63,854.2	(216.0)	(7,128.3)	56,509.9

Figures in millions of euros

The main changes from the application of EU-IFRS 17 are:

Assets

- Receivables for direct insurance operations are mainly included, under the new standard, in the liability for remaining coverage, which reduces the heading for "Receivables".

- The accrual of commissions and acquisition expenses is classified in the liability for remaining coverage heading while under EU-IFRS 4 it was included in other assets.

- While reinsurance participation is derecognized in technical provisions, it is reflected in the heading "Reinsurance contract assets" under the new standard.

Liabilities

- The structure changes, substituting technical provisions for insurance liabilities classified by the valuation approach used. Measurement of insurance liabilities is modified as indicated in Note 5.14 herein, highlighting the impact derived from the financial discount and the inclusion of estimated cash inflows that reduce the liability.
- With regard to the heading “Debt”, as well as with Receivables, they are reduced as they are included, under EU-IFRS 17, in the asset for remaining coverage in the case of Ceded reinsurance receivables and in the Liability for remaining coverage for direct insurance and accepted reinsurance.

The accompanying table provides a breakdown of the key impacts on equity as a result of the application of the new standard:

ITEM	January 1, 2022
Capital	308.0
Share premium	1,506.7
Reserves	6,407.1
Treasury stock	(62.9)
Reserves for valuation change adjustments	(971.0)
Retained results	1,275.7
EU-IFRS 4 SHAREHOLDERS' EQUITY	8,463.6
Discounting of provisions at current value and other	131.1
Risk margin (non-financial risk adjustment)	(252.0)
Loss component	(77.0)
VIF elimination	(24.0)
Increase in fixed income market value under IFRS 9	7.0
EU-IFRS 17 SHAREHOLDERS' EQUITY	8,248.7

Figures in millions of euros

Impact from the entry into force of the standards

The entry into force of the abovementioned standards had the following impacts on the Group consolidated financial statements:

EU-IFRS 17:

The equity impact at transition (January 1, 2022) has implied a 2.5 percent reduction of shareholders' equity.

The Contractual Service Margin (CSM) resulting from the application of the new operating standards coming from insurance contracts reached 2.2 billion euros.

EU-IFRS 9:

The reconciliation between the book values of financial assets according to EU-IAS 39 and the balances according to EU-IFRS 9 at January 1, 2023 is shown in the accompanying chart:

Item	Measurement under EU-IAS 39 12.31.2022	Classification and measurement of financial instruments	Measurement under EU-IFRS 9	Impairment	Measurement under EU-IFRS 9 1/1/2023
Financial assets held to maturity	1,381.2	(1,381.2)			
Financial assets at amortized cost		1,266.9	1,266.9	(3.9)	1,263.0
Financial assets available for sale	25,052.6	(25,052.6)			
Financial assets at fair value through OCI. Equity Instruments		1,003.1	1,003.1		1,003.1
Financial assets at fair value through OCI. Fixed income and other		19,300.1	19,300.1	(51.8)	19,248.3
Financial assets held for trading	5,189.6	(5,189.6)			
Financial assets at fair value with changes through P&L. Obligatory		288.7	288.7	-	288.7
Financial assets at fair value through P&L. Not obligatory		12,769.6	12,769.6		12,769.6
Investments on behalf of Life insurance policyholders bearing the investment risk	3,037.1	(3,037.1)			
FINANCIAL INVESTMENTS	34,660.5	(32.1)	34,628.4	(55.7)	34,572.7

Figures in millions of euros

The impact of the (51.8)-million-euro gross impairment associated with the portfolio of financial assets through OCI has no impact on equity. Therefore, it does not affect the market value reflected in the balance sheet for this portfolio.

The classification and valuation requirements applied by the company in line with EU-IFRS 9 are explained in note 5.5 "Financial Investments" herein. The Group has revised the existing business models and contractual characteristics of the portfolios in order to establish their classification according to the new standard, and has defined criteria to determine acceptable frequency of and the reasons for sales that would allow the instrument to remain in the category that aims to receive contractual cash flows. As such, it is important to highlight the following reclassifications:

- Reclassification of debt securities to the portfolio at fair value through P&L, in order to significantly reduce the accounting asymmetry that arose from the different recognition of these assets compared to the associated liabilities.
- Reclassification of certain investments in equity instruments to the category fair value through OCI, for those equity instruments not associated with insurance liabilities, the aim of which is to hold them in the medium/long term and not managing them using a trading model.

The reclassifications of portfolios have implied the transfer of 214.4 million euros between equity items, from the heading "Valuation change adjustments" to a "Transition reserves" item corresponding to the unrealized losses of financial instruments reclassified to fair value through P&L, previously classified as financial assets available for sale.

The following table shows the reconciliation at transition of impairment provisions under EU-IAS 39 and provisions for expected loss under EU-IFRS 9.

Impairment provisions	Impairment provision EU-IAS 39 12.31.2022	Impairment impact	Provision for expected loss UE-IFRS 9 01.01.2023
Held to maturity portfolio/ amortized cost	-	-	(3.9)
Available for sale portfolio / fair value with changes in OCI	(67.0)	15.2	(51.8)
TOTAL	(67.0)	15.2	(55.7)

Figures in million euros

2.6. CHANGES IN THE SCOPE OF CONSOLIDATION

The companies that were included in the scope of consolidation are listed in Annex 1, along with all the other changes to said scope.

Annex 2 includes the main companies of the Group, with their corporate activity.

Detailed information regarding the key results for the period arising from the loss of control in controlled companies as a result of their exit from the consolidation scope are provided in Note 6.8 (Annex 1 includes a breakdown of the above mentioned losses of control).

The overall effect on the Group's consolidated equity, financial position and results in 2023 and 2022 derived from other changes in the scope of consolidation with respect to the preceding year is described in the corresponding notes of the consolidated annual report.

2.7. ACCOUNTING JUDGMENTS AND ESTIMATES

In the preparation of the consolidated annual accounts under EU-IFRS, the controlling company's Board of Directors has made judgments and estimates based on assumptions about the future and uncertainties that basically refer to:

- Assets and liabilities from insurance contracts (Note 6.12).
- Classification of financial instruments (Notes 5.5 and 6.4)
- Impairment losses on certain assets (Notes 6.1, 6.2 and 6.4).
- The calculation of provisions for risks and expenses (Note 6.13).
- The actuarial calculation of post-employment remuneration-related commitments and liabilities (Note 6.17).
- The useful life of intangible assets and of property, plant & equipment items (Notes 5.1 and 6.2).
- The fair value of certain non-listed assets (Note 6.4).
- The fair value of assets and liabilities from lease contracts (Note 6.3).

The estimates and assumptions used are reviewed regularly and are based on past experience and other factors that may have been deemed more reasonable in each instance. If these reviews lead to changes in estimates in a given period, their effect shall be applied during that period and, where relevant, in subsequent periods.

3. CONSOLIDATION

3.1. CONTROLLED COMPANIES, ASSOCIATED UNDERTAKINGS AND JOINT ARRANGEMENTS

The controlled companies, associated undertakings and joint arrangements included in the consolidation are listed, indicating the integration method, in the table of shareholding of controlled companies attached as Annex 1 to the consolidated annual report.

Companies are defined as controlled companies when the controlling company holds power over the investee entity, has exposure or rights to variable returns, and has the capacity to influence those returns through the power exercised in the entities. Controlled companies are consolidated from the date when the Group acquires control, and are excluded from the consolidation on the date when it ceases to have such control.

When control of a subsidiary is lost, the book value at the date of loss of control of the assets and liabilities from the subsidiary are derecognized in the accounts, and the fair value of the compensation received is recognized, recording the difference as a loss or gain in the result for the period.

In controlled companies where 50 percent or less of the economic rights are held, the classification as "controlled company" is based on the provisions set out in the shareholder agreements, which can contemplate the following scenarios:

- The administration of the companies is carried out by a Board of Directors, which is responsible for their operating and financial strategies as well as their administration and management, and for overseeing their financial and operating policies, among others. In these cases the Board of Directors is made up of an even number of members and the chairman is always appointed at the recommendation of MAPFRE. The chairman has the casting vote, therefore exercising control over the company.
- MAPFRE is granted the power to appoint and revoke the CEO, Finance Manager, Actuarial Manager, and any other key personnel for the management and control of the company.

- The political rights established do not coincide with the economic rights, which means that MAPFRE has the majority of the voting rights in the General Shareholders' Meeting. Additionally, in these cases the Board of Directors is made up of an even number of members and in the event of a tie one of the directors appointed at the recommendation of MAPFRE has the casting vote.

Non-controlling interests in controlled companies acquired since January 1, 2004 are recorded at the fair value of the percentage of purchased net assets identifiable at the acquisition date. Those acquisitions made prior to the above mentioned date were recorded at the percentage of purchased net assets at the date of the first consolidation.

Non-controlling interests are shown in consolidated equity separately from the equity attributable to the controlling company shareholders. Non-controlling interests of controlled companies in the consolidated results for the period (and in the total comprehensive consolidated result for the period) are also shown separately in the consolidated income statement (consolidated statement of comprehensive income).

Associated undertakings are companies in which the controlling company exercises a significant influence but which are neither controlled companies nor joint arrangements.

Significant influence is understood as the power to intervene in decisions on financial and operating policies of the investee company, but without controlling or jointly controlling these policies, presuming that there is significant influence when, either directly or indirectly through its controlled companies, at least 20 percent of the voting rights of the investee company is owned.

Interests in associated undertakings are consolidated by the equity method, including, in the value of interests, the net goodwill identified at the date of acquisition.

When the Group's participation in the losses of an associated undertaking is equal to or higher than the book value of its stake, including any unsecured receivable, the Group does not record additional losses, unless obligations have been incurred or payments have been made on behalf of the associated undertaking.

To determine if an investee company is controlled or associated, the purpose and design of the investee company have been taken into account to ascertain the relevant activities, the way that decisions are made on these activities, who has the current capacity to direct these activities and who receives their financial returns. The potential voting rights held and exercisable such as purchase options on shares, debt instruments convertible into shares or other instruments giving the controlling company the possibility to increase their voting rights have also been considered.

A joint arrangement is considered to exist when two or more entities undertake an economic activity subject to shared control regulated by means of contractual agreement.

A joint arrangement is classified as a joint venture when the parties have rights to the net assets, in which case their acquisitions are recorded in the consolidated annual accounts using the equity-accounted method.

A joint arrangement is classified as a joint operation when the parties have rights to the net assets and obligations for the liabilities, in which case their interests are recorded in the consolidated annual accounts using the proportionate consolidation method.

The financial statements of the controlled companies, associated undertakings and joint arrangements used for the consolidation correspond to the years ending December 31, 2023 and 2022.

3.2. MUTUAL FUNDS

Mutual funds managed by Group companies with greater than 40 percent stake are consolidated using the global consolidation method. However, starting at 20 percent participation, the relevance of changes in the exposure to their returns is analyzed.

3.3. CONVERSION OF ANNUAL ACCOUNTS OF FOREIGN COMPANIES INCLUDED IN THE CONSOLIDATION

The functional and presentation currency of MAPFRE Group is the euro. Accordingly, the balances and transactions of Group companies with a different functional currency are translated into euros using the closing exchange rate for balance sheet balances and the average exchange rate weighted for the volume of operations for transactions.

Currency conversion differences resulting from the application of the abovementioned procedure, as well as those arising from the conversion of loans and other hedging instruments of investments in foreign businesses in foreign currencies are presented as a separate item in the "Consolidated Statement of Comprehensive Income" and are recognized in equity in the line "Currency conversion differences", deducting the part of said difference that corresponds to Non-controlling interests.

The goodwill and fair value adjustments of the assets and liabilities that arise from the acquisition of Group companies with a functional currency other than the euro are treated as assets and liabilities of the foreign business, and are stated in the functional currency of the foreign business and restated at the closing exchange rate.

Hyperinflationary economies

The financial statements of the companies registered in countries with a high inflation rate or hyperinflationary economies are adjusted or restated for the effects of changes in prices before their conversion into euros. Adjustments for inflation are performed in line with EU-IAS 29 "Financial reporting in hyperinflationary economies".

In the years 2022 and 2023, Venezuela, Argentina and Turkey were considered to be countries with hyperinflationary economies.

The Group accounting policy for recording operations in hyperinflationary economies consists of recording in Currency conversion differences both the revaluation of non-monetary items and the currency conversion differences generated from the conversion to euros of the restated financial statements of subsidiaries in these countries.

The amounts recognized in Currency conversion differences in the last two years from these effects are the following:

Item	Balance 12.31.21	Variation 2022	Balance 12.31.22	Variation 2023	Balance 12.31.23
Restatement for inflation	603.2	92.6	695.8	73.0	768.8
Currency conversion differences	(1,134.0)	(432.0)	(1,566.0)	(91.7)	(1,657.7)
Net	(530.8)	(339.4)	(870.2)	(18.7)	(888.9)

Figures in millions of euros

The variation in currency conversion differences in 2022 includes 386.6 million euros from subsidiaries in Turkey coming from previous years.

The following chart gives details about other data related to the conversion of the annual accounts from companies operating in hyperinflationary economies:

Country	Inflation (%)		Exchange rate (units of currency per euro)		Results from restatement		Equity	
	2023	2022	2023	2022	2023	2022	2023	2022
Argentina	211	95	893	189	(56.2)	(43.5)	64.4	95.7
Venezuela	195	250	117	40	(0.2)	(0.2)	4.7	5.2
Turkey	65	64	33	20	(13.9)	(16.6)	58.7	49.6
Total					(70.2)	(60.3)	127.8	150.5

Figures in millions of euros

Regarding the exchange rate shown for Venezuela, given that there is not reliable official information, both at the close of 2023 and 2022, for the consolidation of the financial statements, an exchange rate based on the estimated inflation in the country has been considered.

The results of the restatement are included in the Consolidated Income Statement and represent the loss of purchasing power of the net monetary assets from inflation.

Adjustments to the opening balance

The adjustments to opening balance columns in the different tables of the consolidated annual report include the variations that occurred as a result of applying a different conversion exchange rate to the figures for overseas subsidiaries.

4. EARNINGS PER SHARE AND DIVIDENDS

4.1. EARNINGS PER SHARE

The calculation of the basic earnings per share—which matches the diluted gains per share, since there is no potential ordinary share—is shown in the accompanying chart:

Item	2023	2022
Net profit attributable to controlling company's shareholders (million euros)	677.2	563.6
Weighted average number of ordinary shares outstanding (million)	3,064.2	3,054.6
Basic earnings per share (euros)	22.1	18.5

4.2. DIVIDENDS

The breakdown of the dividends from the controlling company in the last two years is shown in the accompanying chart:

Item	Total dividend (million euros)		Dividend per share (euro cents)	
	2023	2022	2023	2022
Interim dividend	184.8	184.8	6.00	6.00
Final dividend	277.0	261.7	9.00	8.50
TOTAL	461.8	446.5	15.00	14.50

The dividends per share indicated in the table above correspond to the amount for all outstanding shares, at the date of payment of the dividend (to December 31, 2023 in the case of the final dividend of this year).

The total dividend for 2023 was proposed by the Board of Directors and is pending approval by the Ordinary Annual General Meeting.

The planned dividend distribution complies with the requirements and limitations that are set out in the legal regulations and the corporate bylaws, and is based on a thorough and careful analysis of the Group situation, without compromising its future solvency or the protection of policyholders' and clients' interests, and is carried out in the context of the supervisory recommendations in this respect.

In 2023 the controlling company distributed an interim dividend equivalent to a total amount of 184,761,730.50 euros, which is recorded in equity under the heading "Interim dividend". The liquidity statement prepared by the Board of Directors for the distribution is shown in the accompanying chart.

Item	Date of Resolution 10/27/2023
Cash available on date of the resolution	72.3
Increases in cash forecast within one year	1,036.2
(+) From expected current collection transactions	538.7
(+) From financial transactions	497.5
Decreases in cash forecast within one year	(788.0)
(-) From expected current payment transactions	(110.0)
(-) From expected financial transactions	(678.0)
Cash available within one year	320.5

Figures in millions of euros

5. ACCOUNTING POLICIES

The accounting policies applied to the following items are indicated below:

5.1. INTANGIBLE ASSETS

GOODWILL

Goodwill on merger

This represents the excess of cost paid on a business combination over the fair value of the identifiable assets and liabilities at the date of the merger.

Consolidation differences

- Goodwill on consolidation

This represents the excess net acquisition costs paid over the fair value of the interest in the equity of the controlled company at the date of acquisition, except for acquisitions realized before January 1, 2004, which correspond to goodwill net of amortization recorded in line with Spanish legislation in force at the time. In the case of acquisitions of stakes in the controlled company from non-controlling interests subsequent to the initial one, the controlling company recognizes this excess as a lower amount of reserves.

- Negative consolidation difference

Where the value of the identifiable assets acquired minus the value of accepted liabilities is higher than the acquisition cost, this difference is recorded as revenue in the consolidated income statement.

Goodwill impairment

After its initial recognition and allocation to a cash-generating unit, its possible loss in value is assessed at least once a year. When the recoverable amount of said cash-generating unit is below the net book value, the corresponding loss in value is recognized immediately in the consolidated income statement.

OTHER INTANGIBLE ASSETS

Other intangible assets from an independent acquisition

Intangible assets acquired from third parties in a market transaction are valued at cost. If their useful life is finite they are amortized based on that life and, if their useful life is indefinite, the value impairment tests are undertaken at least once a year.

Internally-generated intangible assets

Research expenses are directly recognized on the consolidated income statement for the year in which they are incurred. Development expenses are recorded as an asset when their probability, feasibility and future recoverability can be reasonably ensured. They are valued by the disbursements made.

The capitalized development expenses are amortized during the period in which revenues or yields are expected to be obtained without prejudice to the valuation that would be made if impairment occurs.

Other intangible assets

This includes service concession agreements granted by different public entities, as well as distribution and commercial agreements entered into by the Group. The useful life is determined according to the contractual terms.

Amortization of limited useful life intangible assets

- Portfolio acquisition costs

These costs are amortized over the life of the portfolios, in a maximum period of 30 years, and depending on their cancellation.

- Other intangible assets

These are amortized based on their useful life following a linear method. The amortization has been recorded as "Provision for amortization" in the expense account by nature. IT platforms are mostly amortized between four and eight years.

5.2. BUSINESS COMBINATIONS

The controlling company identifies a business combination when the assets acquired and the liabilities assumed in a transaction constitute a business. The combinations are recorded by applying the acquisition method.

On the acquisition date, which is when control of the acquired business or company is obtained, the goodwill, the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquired business are recognized separately.

Goodwill represents the excess of cost, including deferred payments, whether certain or contingent, over the net amount on the date of acquisition of the identifiable assets acquired and the liabilities assumed. In line with the provisions under EU-IFRS 3, the Group has chosen not to increase goodwill in proportion to non-controlling interests.

Initially, the identifiable assets and liabilities assumed are measured at fair value on the acquisition date. Any acquisition-related costs incurred by the acquirer are recognized as an expense in the period in which they are incurred, except in the case of any costs incurred in issuing debt or shares.

Subsequently, the acquiring company measures the assets acquired, liabilities assumed and equity instruments issued in the business combination in line with the valuation rules applied to those items, according to their nature.

In business combinations carried out in stages, on the date on which control of the acquisition is obtained, the controlling company once again measures its interests in the acquiree's equity previously held at their acquisition-date fair value, and recognizes any resulting gain or loss in the consolidated income statement. Likewise, any valuation change adjustments pending allocation to the result for the period are transferred to the consolidated income statement.

When the valuation process necessary to apply the acquisition method cannot be concluded on the closing date of the fiscal year, annual accounts are prepared with provisional data. These values are adjusted within the necessary period to complete the initial accounting, which period shall never exceed one year from the date of acquisition.

When the business combinations have been recognized in the accounts, any modifications to contingent payments are recorded, for combinations undertaken on or after January 1, 2010, in the consolidated income statement; combinations undertaken earlier are recorded as a change in the business combination cost.

5.3. PROPERTY, PLANT AND EQUIPMENT AND REAL ESTATE INVESTMENTS

Property, plant and equipment and real estate investments are valued at their net acquisition cost minus their accumulated amortization and, where applicable, accumulated impairment losses.

Investments classified as real estate investments are those non-current real estate assets intended to obtain rental income, gains or both.

Costs incurred after their acquisition are recognized as an asset only when the future financial profits related to them are likely to revert to the Group and the cost of the item may be accurately determined. All other expenses associated with maintenance and repair are charged to the consolidated income statement during the year in which they are incurred.

The depreciation of these elements is calculated linearly based on the cost of acquisition of the asset, less its residual value and the value of the land according the following periods of useful life:

ITEM GROUP	YEARS	ANNUAL RATE
Buildings and other structures	50-25	2%-4%
Vehicles	6	16%
Furniture	10	10%
Fittings	20-10	5%-10%
Data processing equipment	4	25%

The residual value and the useful life of assets are reviewed and adjusted if necessary at the close of each year.

These assets are written off in the accounts when they are transferred or when future economic profit derived from their continuous use is not expected to be obtained. The gains or losses resulting from writing the aforementioned elements off are included on the consolidated income statement.

5.4. LEASING

The Company considers that a contract constitutes, or contains, a lease when it entails the right to control the use of a specified asset for a certain period of time in exchange for compensation.

The leases in which all inherent risks and benefits of the leased property are transferred to the lessee are classified as financial leases.

Leases in which the lessor retains a significant part of the risks and benefits derived from ownership of an underlying asset are classified as operating leases.

Lease term

The lease term is determined according to the non-cancellable period, bearing in mind as well the periods covered with the option of extending or cancelling the lease when there is reasonable certainty that the lessee will exercise this option.

Should there be a change during the non-cancellable period of a lease, the term of said lease will be revised.

Recognition and measurement

As a lessee, the Group recognizes at the date the lease enters into force a right-of-use asset and a lease liability, in line with the payments established in the contract and its estimated term. The initial measurement of the asset is made at cost, and that of the liability is made at the present value of future payments discounted at the incremental interest rate of the debt for said lease.

Subsequently, the right-of-use asset will be measured at cost minus amortization and the accumulated losses from impairment, and adjusted where necessary by new measurement of the liability. In the case of contract review, the liability will be newly measured, discounting the modified lease payments.

The result for the period will recognize amortization expenses and interest on the liability, and where relevant the variable lease payments not included in the initial measurement.

As a lessor, the Group recognizes the assets it holds as financial leases for the amount equal to the net lease investment measured using the implicit interest rate for the lease, and presenting them as a caption Receivables. Subsequently, financial income is recognized during the lease term, recording a constant periodic return on net investment. For operating leases, income from payments for the lease are recognized linearly or through another systematic method if it is more representative.

Exemptions

The Group, as a lessee, applies the exemptions contemplated to not include short-term contracts (by underlying asset class) as leases, and for those in which the underlying asset has limited value (contract by contract), recognizing lease payments as expenses linearly for the lease term, or through another systematic method if it is more representative.

5.5. FINANCIAL INVESTMENTS

Those financial assets presented as an equity instrument from another entity, as a contractual right to receive cash or other financial asset, or to exchange financial assets or liabilities in potentially favorable conditions, are included as financial investments.

Initial recognition

In their initial recognition on the balance sheet, all financial investments are recognized at the fair value of the compensation received plus, in the case of financial investments not classified in "fair value through P&L", the transaction costs that are directly attributable to their acquisition. Fair value is the price that would be received for the sale of a financial asset through an orderly transaction between market participants on the date of valuation.

Classification

The classification of financial assets at initial recognition depends on the business model under which they are being managed and the characteristics of their contractual cash flows.

The Group business model does not evaluate instruments individually, but by aggregated portfolio based on observable factors such as:

- The way in which key personnel are informed of business model performance and the assets held in said model.
- The risks related to the business model (and the financial assets held in said model) and, specifically, the way said risks are managed.
- How business managers are compensated.
- The expected frequency, value and periodicity of the managed assets.

The contractual cash flows of the financial assets require an analysis to determine if they correspond to solely payments of principal and interest (SPPI) over the pending amount of principal at the beginning of the transaction.

In order to carry out the SPPI analysis, the Group applies professional judgement and considers relevant factors like the currency in which the financial asset is denominated and the period established for the interest rate.

Based on the above, financial assets are classified in the following categories:

a) Financial assets at amortized cost

This category includes financial assets that meet the following conditions:

- They are managed under a business model with the aim of holding the instrument to obtain contractual cash flows; and
- The contractual terms of the financial asset give way, on specific dates, to cash flows that are solely payments of principal and interest (SPPI) on the pending principal.

After initial recognition, they are valued at amortized cost, using the effective interest rate method

b) Financial assets at fair value through OCI

Those financial assets that meet the following conditions are classified in this category:

- They are managed under a business model which objectives are met by receiving contractual cash flows and the sale of the assets; and
- The contractual terms of the financial asset give way, on specific dates, to cash flows that are solely payments of principal and interest (SPPI) on the pending principal.

The main assets included are:

- Debt securities that meet the abovementioned conditions.
- Financial swaps are included in this classification, as they are considered to be equivalent to debt securities or loans, therefore better reflecting the economic reality of the financial instrument.
- Equity instruments from companies that are not controlled, associated or joint arrangements, initially and irrevocably voluntarily assigned to this portfolio, which should not be classified as held for trading.

The assets assigned to this portfolio are subsequently measured at fair value, recording in OCI any gains or losses that arise as a result of the changes in fair value.

Income from interest and the results of conversion differences are recorded directly in P&L the same as for financial assets measured at amortized cost.

When the Group has more than one investment in the same instrument, they are derecognized at average cost. In the accounting derecognition of the investment, accumulated gains and losses previously recognized in OCI are reclassified to P&L in the case of debt securities, and to a reserves line in the case of investments in equity instruments

c) Financial assets measured at fair value through P&L

This category corresponds to those financial assets whose cash flow characteristics do not meet the SPPI criteria or they are held to obtain contractual cash flows and/or to sell.

This mainly includes mutual funds, as well as debt securities assigned to this portfolio by Management at initial recognition in order to significantly reduce the accounting asymmetries that arise from the difference in recognition between the assets and the related liabilities.

After initial recognition they are recorded at fair value and changes in fair value are recorded in P&L.

Valuation

The fair value measurement of financial investments are classified according to the levels of the variables used in their valuation:

- Level 1. Quoted price: Unadjusted price quoted in active markets.
- Level 2. Observable data: Prices quoted in active markets for instruments similar to the one being valued or other valuation techniques in which all the significant variables are based on observable market data. The valuation is made via a model that discounts future financial flows, including the reimbursement value, using a rate curve with two main components:
 1. Zero coupon swap curve of the issuance currency, which is considered to be the best approximation to the risk-free interest rate.
 2. Spread of the additional risk, which will be the spread added to or subtracted from the zero coupon swap curve that reflects the risks inherent to the issuance being valued, such as: credit, liquidity or optionality risk.
- Level 3. Other valuations: Variables specific to each case. For these purposes, it is possible to distinguish between:
 - Equity assets, where in general the realizable value is estimated according to the individual characteristics of the asset.

- Fixed-income assets with complex future cash flow structures (interest rates linked to financial variables, with caps and/or floors) and one or more early redemptions, and in which the issuer has no similar issues on the market or any unquoted issues from an issuer with no similar issues. In these cases, the assets are usually valued by requesting a benchmark valuation from a third party.

Reclassification of financial assets

The Groups does not reclassify financial assets according to the results of the SPPI Test, unlike the business model evaluation where, under certain exceptional or infrequent circumstances, this can be subject to change.

Impairment of financial assets

A provision is recognized for expected credit losses for debt securities not classified at fair value through P&L. Expected losses are based on the difference between the contractual cash flows according to the contract and all the cash flows the entity expects to receive, discounted at the effective interest rate.

Expected credit losses are recognized in three phases, depending on the increase in third-party credit risk from the initial recognition:

- Stage 1 - Normal risk: if no significant increase in credit risk has occurred, remaining expected credit loss is calculated based on the default events that could take place in the 12 months following the closing date (12 month expected loss).
- Stage 2 - Problematic risk: if a significant increase in credit risk has occurred, an expected credit loss provision is required, calculated based on the remaining life of the exposure, independent of when default occurs (lifetime expected loss).
- Stage 3 - Impairment risk: if an instrument experiences objective evidence of default, expected credit losses over the life of the instrument are recorded with 100% probability of default.

When debt securities are considered to be low credit risk, expected credit losses are measured on a 12-month basis.

In general, a financial asset is considered to be in default (impaired credit) when there is a delay in contractual payments of more than 90 days. In certain cases, an instrument is also considered to be in default when the internal or external information indicates that it is unlikely that the contractual amounts will be received.

A financial asset is classified as bad when there is no reasonable expectation of recovering contractual cash flows.

Expected credit loss is calculated based on scenarios to measure expected cash deficit, discounting an adequate effected interest rate. The cash deficit corresponds to the difference between contractually-owed cash flows and cash flows the entity expects to receive.

Expected credit losses for the “Financial assets measured at fair value through OCI” do not reduce their accounting value on the balance sheet, which maintains the fair value. In this case, an amount equal to the provision that would be produced if the assets were valued at amortized costs is recognized in OCI, with the corresponding recognition in P&L. The accumulated income recognized in OCI is transferred to P&L when the asset is derecognized.

Different indicators for future performance, like GDP growth, Central Bank interest rates, inflation, etc., are considered in the calculation models for expected credit loss.

Expected loss calculation

The data used for the expected loss calculation for financial assets are:

- The amount of exposure at the date of reporting, along with the stage at which it is recognized.
- Probability of default and a recovery rate for each exposure, based on a methodology that is proportional and adequate to the materiality of the expected loss.

As a general rule, the expected loss is obtained based on a calculation model from an external provider who is working with the company to this end, and which incorporates all the established requirements for the standard. The calculation model uses as input data, among others, the instrument identifiers (ISIN, SEDOL, CUSIP, FIGI, etc.), the date of acquisition or creation of the instrument, reporting date, and instrument nominal amount.

The calculation methodology is as follows:

- * Expected loss in the next twelve months: it is assumed that the possible defaults are identically distributed throughout the year. Exposure at reporting date, calculated as the present value of future cash flows from the instrument at the mid-point of the first year and discounted at said date, is multiplied by the probability of default at twelve months and the estimate of the percentage of asset's expected loss at twelve months, to obtain the expected credit loss in the next 12 months.
- * Expected credit loss during the life of the asset: For each year, the present value of cash flows is obtained, calculated at the mid-point of the year, discounting until the reporting date. That discounted exposure is multiplied by the probability of default and the corresponding estimate of the percent of expected loss of the asset for each year until maturity.

Reversal of uncollectibility and impairment

If, in subsequent periods, the impairment loss amount reduces and the reduction is objectively related to an event subsequent to recognition of the impairment (for example an improvement in the issuer's credit rating), the previously recognized impairment loss is subject to reversal through an adjustment in the provision line that was used, with the amount limited to the previously recognized impairment loss. The amount of the reversal is recognized in the result for the year.

5.6. IMPAIRMENT OF OTHER ASSETS

At the close of each financial year the Group assesses whether there are any signs that the asset items may have suffered a loss in value. If there are such signs, the recoverable value of the asset is estimated.

For assets that are not fit for use and intangible assets with an indefinite useful life, the recoverable value is estimated whether or not there are signs of impairment.

If the book value exceeds the recoverable amount, a loss is recognized for this excess, reducing the book value of the asset to its recoverable amount.

If there is an increase of the recoverable value of an asset other than the goodwill, the previously recognized impairment loss is reversed, increasing the book value of the asset to its recoverable value. This increase never exceeds the book value net of amortization that would have been recorded if an impairment loss had not been recognized in previous years. The reversal is recognized in the consolidated income statement, unless the asset has already been revalued against "Valuation change adjustments", in which case the reversal is treated as a revaluation increase. After this reversal, the amortization cost is adjusted in the following periods.

5.7. INVENTORIES

Inventories, which include mainly parcels of land, are recognized at the lower amount between their acquisition cost and their net realizable value.

5.8. RECEIVABLES

These assets are generally valued using the amortized cost, calculated according to the effective interest rate method, deducting, where applicable, the provisions for losses due to noted impairment in value.

For receivables with a maturity exceeding one year and where the parties have not expressly agreed on the applicable interest, the receivables are discounted by taking as the implicit financial interest the current market interest rate for sovereign debt securities with the same or similar maturity as the receivables, without prejudice to taking into account the relevant risk premium.

When there is objective evidence that an impairment loss was incurred, the corresponding provision is constituted for the amount estimated not to be recoverable. This amount is equivalent to the difference between the book value of the asset and the current value of the future cash flows, discounted at the original effective interest rate of the financial asset, and the loss is recognized on the year's consolidated income statement.

Contingent assets are not subject to recognition in the financial statements. However, when income realization is practically certain, the corresponding asset is not considered contingent and therefore is recognized.

5.9. CASH

Cash consists of cash (cash in hand and bank deposits) and cash equivalents, which correspond to highly liquid short-term investments (maximum three months) that can be easily converted into fixed amounts of cash and are subject to insignificant risk of change in value.

5.10. ACCRUAL ADJUSTMENTS

This asset heading includes, among others, commissions and other acquisition expenses corresponding to the unwritten contracts that can be allocated to the period between the closing date and the end of coverage of the contracts. The expenses are allocated to the results actually incurred in the period in accordance with the limit stipulated in the technical conditions.

At the same time, this liability heading includes commissions and other acquisition expenses for ceded reinsurance that are allocated to the year or years following in accordance with the coverage period of the ceded policies.

5.11. NON-CURRENT ASSETS HELD FOR SALE AND ASSOCIATED LIABILITIES

These are generally valued, where applicable, at the lower amount between their book value and fair value, deducting sales costs. Sales costs are understood as marginal costs directly attributable to the disposal, excluding, where applicable, financial costs and tax on profit expenses.

Non-current assets classified as held-for-sale are not amortized and losses due to the impairment of their book value are recognized in the consolidated income statement. Likewise, if a recovery of the value occurs this is recognized in the consolidated income statement up to an amount equal to the impairment loss previously recognized.

5.12. TREASURY STOCK

Treasury stock is measured at acquisition cost and recognized in equity. Expenses incurred on acquisition are recognized in equity as a decrease in the value of reserves.

All transactions performed with treasury stock are recognized in equity as a change in the value of shareholders' equity.

5.13. FINANCIAL LIABILITIES AND SUBORDINATED LIABILITIES

Those financial liabilities that imply a contractual obligation to give cash or other financial assets from another entity, or to exchange financial assets or liabilities with another entity in potentially unfavorable conditions, or a contract that is or could be liquidated using shareholders' equity are included as financial liabilities.

Subordinated debt and bank debt

On their initial recognition, these are recorded at fair value, which is the net amount received, from which the costs of the operation directly attributable to the issue of the financial liability, as well as commissions, formalization expenses, taxes, fees, etc. are deducted. They are subsequently measured at amortized cost, which is calculated using the effective interest rate of the financial liability.

Other financial liabilities

These mainly include financial liabilities coming from leasing contracts, valued at amortized cost, non-controlling interests corresponding to consolidated mutual funds and liabilities from investment contracts, which at initial recognition are valued at the gross amount received, allocating the expenses of the operation directly to P&L. Subsequently, they are measured at fair value through P&L.

5.14. INSURANCE OPERATIONS

Insurance revenue includes the amounts related to changes in the liability for remaining coverage and the allocation of the part of the premium related to the recovery of insurance acquisition cash flows.

On the other hand, insurance service expenses include claims and other incurred expenses for insurance services, the amortization of insurance acquisition cash flows, changes related to past services (i.e. changes in cash flows related to the liability for incurred claims); and losses on groups of contracts and reversals of these losses.

The loss component corresponds to losses attributable to each group of contracts, both those with losses at initial recognition as well as those that become onerous at a later date.

Ordinary insurance revenue and insurance service expenses exclude any investment component, understanding as such the amounts that an insurance contract requires a policyholder be reimbursed if no insured event occurs.

Ceded reinsurance revenue includes amounts recovered from reinsurers. Ceded reinsurance expenses comprise the amounts released from the liability for remaining coverage ceded to reinsurers.

A) CLASSIFICATION

A.1) Level of Aggregation

The portfolios of insurance and reinsurance contracts identified comprise contracts subject to similar risks and managed together, and are classified as follows:

- Any contracts that are onerous at initial recognition;
- Any other contracts.

Additionally, insurance and reinsurance contracts are divided by year of issue, and shall not include contracts issued more than one year apart in the same group.

However, MAPFRE has used the optional exception to not apply the grouping requirement for annual cohorts in certain insurance products sold in Spain. These include those products that, for solvency purposes, apply the matching adjustment, as well as the groups of insurance contracts with direct participation features measured using the Variable Fee Approach (VFA).

A.2) Components of insurance contracts valued under other standards: Separation of components

The Group analyzes its insurance and reinsurance contracts to establish whether or not they contain any components that must be recorded under other IFRS rules. After separating these components, the Group applies EU-IFRS 17 to the rest of the contract.

There are no relevant separable services or investment components for the Group.

Goods and services are not separated from the insurance contract where:

- The cash flows and risks associated with the good or service are highly interrelated with the cash flows and risks associated with the insurance component in the contract; and
- They provide a significant integration service for the good or service other than insurance services with the insurance component.

B) RECOGNITION AND VALUATION

Groups of issued insurance and reinsurance contract groups are recognized from the earliest of the following:

- The beginning of the coverage period of the group of contracts;
- The date when the first payment from a policyholder in the group becomes due; and
- For a group of onerous contracts, when the group becomes onerous.

For groups of ceded reinsurance contracts that provide proportional coverage, these are recognized at the beginning of the coverage period of the group of ceded reinsurance contracts or at initial recognition of any underlying contract (whichever occurs last); and in all other cases they are recognized at the beginning of the coverage period of the group of ceded reinsurance contracts.

B.1) Groups of onerous contracts at initial recognition.

Some contracts are issued before the coverage period begins and the first invoice is due. As such, it is determined before the beginning of the coverage period and the date the first invoice is due whether any of these contracts issued are onerous, i.e. if the fulfillment cash flows assigned to the contract represent a total net outflow. To determine this, the facts and circumstances are considered, taking into account:

- Information regarding the price.
- Results of similar contracts already recognized.
- External factors, for example, a change in market experience or regulations.

B.2) Contract limits

When valuing groups of insurance and reinsurance contracts, all future cash flows within the limits of each contract belonging to the group are included.

The substantive obligation to provide services ends when the Company:

- has the practical ability to reassess the risks of the insurance policy policyholder and, as a result, can set a price or level of profits that fully reflects these risks; or

- b. has the practical ability to reassess the risks of the portfolio of insurance contracts that contains the contract and, as a result, can set a price or level of profits that fully reflects the risk of that portfolio. When setting new prices, risks related to periods subsequent to the date of reassessment are not taking into consideration.

B.3) Insurance contract valuation methods

I. Building Block Approach (BBA)

The amount recognized on the balance sheet for each insurance contract group valued using this method (BBA) comprises:

- The liability for remaining coverage (LFRC) includes fulfillment cash flows for allocated future service, the non-financial risk adjustment and the contractual service margin (CSM).
- The liability for incurred claims (LFIC) comprises those fulfillment cash flows coming from claims incurred but not paid. These flows are adjusted for the time value of money and the financial risk effect. The non-financial risk adjustment is also included in this liability for incurred claims. Claims incurred but not reported will also be included.

Under this approach, insurance contract groups are valued at their initial recognition as the total of:

- a. Fulfillment cash flows, which include:
- (i) Expected future cash flows that will arise over the length of the contract;
 - (ii) An adjustment to reflect the time value of money and the financial risks related to future cash flows where the financial risks have not been included in the future cash flow estimate; and
 - (iii) A risk adjustment for non-financial risk.
- b. Contractual Service Margin (CSM).

The CSM is a component of the liability, or asset, for the group of insurance or reinsurance contracts that represents the unearned profit that will be recognized as services are provided in the future. The accrued part of the CSM is recognized in P&L as Insurance revenue in each period to reflect the services provided.

At the end of each period, the CSM is the amount recorded at the beginning of the year, adjusted for:

- The effect of new contracts added;

- The interests accredited to the CSM, calculated according to the discount rates determined at the date of initial recognition;

- The changes in fulfillment cash flows where the change is related to future service, unless the change comes from a change in fulfillment cash flows assigned to a group of underlying insurance contracts that does not affect the CSM.

- The impact of currency differences on the CSM; and

- The amount recognized in the result for the period due to the services provided in the period.

The criteria for releasing CSM depends on the product type, and based primarily on the amount insured for Burial and Life Protection products, and on insured services for the Annuity business or Life Savings contracts, considering that the method reflects the transfer of insurance services provided in each period.

II. Variable Fee Approach (VFA)

The VFA is required to be applied for those contracts that meet the criteria of contracts with direct participation features.

MAPFRE Group criteria to classify an insurance contract as having direct participation is as follows:

- The contract clauses specify that the policyholder participates in a clearly identified pool of underlying items, i.e. when the contractual terms and conditions (including both explicit and implicit contract terms) specify a clearly identifiable pool of underlying items.
- The company expects to pay the policyholder an amount equal to a substantial share of the fair value returns on the underlying items. Participation percentages of greater than 80 percent on the underlying assets at fair value are established as transferring a "substantial share" of the return to be paid to the policyholder.
- The company expects, in the initial recognition, that a substantial share of any change in the amounts to be paid to the policyholder varies with the change in fair value of the underlying items.

As a result, MAPFRE Group uses the VFA to measure Unit-Linked, products, "with profit" products sold in Malta and products with traditional profit-sharing sold in Spain. All other products with profit sharing in other countries other than those stated above are measured using the BBA, as they do not meet some of the criteria established to be considered direct participation.

Under this valuation approach, changes in obligations to pay the policyholder an amount equal to the fair value of the underlying items are not related to future service and do not impact the CSM. However, changes in Group participation in the fair value of the underlying items is related to future service and therefore impact the CSM.

Contractual Service Margin (CSM)

As mentioned, the CSM is a significant component of the liability of those contracts valued using the BBA and VFA, and it will represent the expected earnings from those contracts which are released in the P&L as insurance services are provided.

III. Premium Allocation Approach (PAA)

The Premium Allocation Approach is used to measure the liability for remaining coverage (LFRC) for those contract groups in which the period of coverage of each contract is one year or less, or in those contracts with a duration greater than one year, in which the company reasonably expects that this simplification does not vary materially from the measurement the BBA. The liability for incurred claims (LFIC) is calculated including all those future fulfillment cash flows related to claims that are incurred but not yet paid, using the discount rates and the adjustment for non-financial risk.

In the initial recognition, the asset/liability for remaining coverage consists of:

- Premiums received in the initial recognition;
- Minus the insurance acquisition cash flows at that date.
- Plus or minus the amount arising from derecognizing in the accounts at that date the asset or liability recognized for those insurance acquisition cash flows or the group of contracts in line with the standard's provisions.

The Group has opted to not recognize insurance acquisition cash flows as expenses when they occur, as these have been included in the valuation of the liability for remaining coverage.

Given the composition of the Group portfolio, the majority of the insurance contracts (70 percent of premiums, approximately) are valued using this method.

Initially, as well as over the contract coverage period, an evaluation will be carried out to determine if there are facts and circumstances indicating that said contracts generate losses. A contract group is considered to be loss-making when the fulfillment cash flows exceed the book value. In these cases, a loss is recognized in the result for the year and the liability for remaining coverage is increased.

The Group primarily measures insurance contracts as follows:

Insurance contracts	Approach
Non-Life and Life lines with duration of less than one year (*)	PAA
Burial line	BBA
Life contracts with duration greater than one year	BBA
Contracts with a direct participation component (i.e. Unit Linked, some Life products with profit sharing)	VFA

(*) Contracts with duration greater than one year but with no significant valuation difference expected from the BBA will also be measured using the PAA

B.4) Valuation methods for ceded and retroceded reinsurance contracts

The PAA has generally been used to assess the value of ceded and retroceded reinsurance contract group.

C) NON-FINANCIAL RISK ADJUSTMENT

Non-financial risk adjustment valuation reflects the compensation that MAPFRE needs to manage uncertainty regarding the amount and moment of future cash outflows, which arise from non-financial risks from fulfilling insurance contract obligations. Underwriting risks as well as other non-financial risks like portfolio expenses and lapses are taken into consideration when determining this.

The non-financial risk adjustment has been estimated using a confidence-interval-based approach, using Value at Risk (VaR) metrics for the probability distribution of the current value of future cash flows, in line with Solvency II capital requirements, and calibrating the target percentile confidence interval based on the following business type:

- Non-Life business: 62.5-67.5 percentile.
- Life business: 82.5-87.5 percentile.
- Reinsurance business: 85-90 percentile.

The non-financial risk adjustment includes geographic and business-type diversification benefits within each individual entity, but excludes the diversification that could arise between the various entities.

D) DISCOUNT RATES

Discount rates are determined using the risk-free curve for each required currency, following EIOPA's methodology for their derivation, and adding an additional spread obtained as the differential between the market yield of the assets included in the related asset portfolio over the risk free curve. The effects of credit risk or credit loss not affecting the insurance contracts are eliminated from this spread. To do this, EIOPA's Solvency II Fundamental Spread is applied. The risk free curve is set by currency, while the spread is determined by company and business, using an approach that reflects the characteristics of the related assets, taking into account asset and liability flow matching.

For the euro and the dollar, the risk free curve is based on the swap rate and includes a 20- and 30-year last liquid point (LLP), respectively, and an ultimate forward rate (UFR). At December 31 the last two years, the UFR was 3.45%.

For the Mexican peso, the risk free curve is based on the swap rate and includes a 10-year last liquid point (LLP), and an ultimate forward rate (UFR). At December 31, 2023 and 2022, the UFR was 4.45%.

For the most relevant remaining currencies, the curves are derived from sovereign and other debt issues in the currency in question. The zero curve yield curves obtained from these issues is done through the bootstrapping method, which is a model that builds each point in time of the curve from the quoted prices of the bonds themselves, using resampling methodologies and techniques to interpolate the different periods of the curve.

All risk free curves have an implicit credit risk adjustment, in order to eliminate the credit risk implicit in the Swap and zero yield curve quotes used in the inputs. This implicit adjustment in the base risk free curves used, depending on the references used for each currency, is between 0bp and 35bp.

In Note 6.12 "Insurance and reinsurance operations" herein, additional information regarding yield curves is provided.

E) INSURANCE FINANCE INCOME AND EXPENSES

Insurance finance income and expenses comprise changes in the book value of insurance contract groups that arise from the effect of the time value of money and changes thereof; and from the effect of financial risk and changes thereof, excluding any change for groups of contracts with direct participation components that would adjust the CSM but do not in the circumstances included in the expenses for insurance services.

In the recognition of finance income and expenses from insurance contracts that arise as a result of a change in the discount rate, (both from the effect of the time value of money and changes thereof, as well as the effect of financial risk and changes thereof), MAPFRE Group has adopted the following criteria:

- For product portfolios valued using the simplified method (PAA), including reinsurance portfolios, the accounting policy of not disaggregating between OCI and P&L is used. Similarly, this option is used for some products valued using the VFA, like Unit-Linked.
- For product portfolios valued using the general method (BBA), the accounting policy of disaggregating between OCI and the result for the period has been chosen. Similarly, disaggregation has also been chosen for some contracts valued using the VFA.

On the other hand, the Group has chosen to disaggregate changes in the risk adjustment between financial and non-financial risk, so that the change in value from the risk adjustment resulting from the effect of the time value of money and changes thereof is recorded as financial result from insurance contracts.

F) DERECOGNITION AND MODIFICATION OF CONTRACTS

An insurance contract is derecognized when it is extinguished (when the obligation specified in the insurance contract expires or is discharged or cancelled), or when the contractual terms are modified and therefore the accounting record for the contract changes, in which case a new insurance contract is recognized.

If a contract modification is not significant, the changes in cash flows caused by the modification are treated as changes in estimates of fulfillment cash flows.

When the company derecognizes an insurance contract within a group of contracts, the following requirements are applied:

- a. Fulfillment cash flows allocated to the group of contracts are adjusted to eliminate the present value of future cash flows and risk adjustment for non-financial risk relating to the rights and obligations that have been derecognized;
- b. The contractual service margin of the group is adjusted for the change in fulfillment cash flows; and
- c. The number of coverage units is adjusted.

When an insurance contract is derecognized because it is transferred to a third party or because a new contract is recognized, the contractual service margin of the group is adjusted.

For contracts transferred to a third party, the adjustment is for the difference between the change in the book value of the group and the premium charged by the third party.

For contracts derecognized as a result of a modification, the adjustment is for the premium that would have been applied had the company entered into a contract with equivalent terms to those of the new contract at the date of the modification, less any additional premium resulting from the modification.

5.15. PROVISIONS FOR RISKS AND EXPENSES

These are recognized when there is a current obligation (whether legal or implicit) as a result of a past event and a reliable estimate of the obligation amount can be made.

If it is highly likely that part or all of a provision will be reimbursed, the reimbursement is recognized as a separate asset.

5.16. NON-FINANCIAL DEBT

Valuations are generally carried out at the amortized cost using the effective interest rate method.

For debts with a maturity exceeding one year and when the parties have not expressly agreed on the applicable interest, they are discounted by taking as the implicit financial interest the interest in force in the market for public debt securities with the same or similar term as the maturity of the debts, without prejudice to taking into account the relevant risk premium.

5.17. GENERAL CRITERION FOR REVENUE AND EXPENSES

Recognition of ordinary revenue from non-insurance activities is made when the promised goods or services are transferred to a customer, in line with the contract between them, considering that a good or service has been transferred when the client obtains control of it (be it over a period of time or in a specific moment). The amount recognized corresponds to the amount the company is entitled to for the transfer of the goods or services.

5.18. REMUNERATION FOR EMPLOYEES

Remuneration for employees may be short-term, post-employment benefits, compensation for termination, other medium and long-term remuneration, and share-based payments.

a. Short-term remuneration

These are recorded according to the services provided for employees on an accrual basis.

b. Post-employment benefits

These consist of defined contribution plans and defined benefit plans, as well as life insurance covering death between the ages of 65 and 77.

Defined contribution plans

These are plans in which the company in question makes pre-determined contributions to a separate company (whether linked to the Group or external) and has no legal or implicit obligation to make any additional contributions in the event of an insufficiency of assets to honor the payment of benefits. The amount of benefits to be received by employees is determined by the contributions made plus the yield obtained by the investments in which the fund was materialized.

Defined benefit plans

These are plans in which the benefits to be received by employees at the moment of their retirement, are normally set according to factors like remuneration.

The liability recognized on the balance sheet for defined benefit pension plans is equal to the current value of the obligation for benefits defined on the balance sheet date less, where applicable, the fair value of the assets set aside for the plan.

The obligation for defined benefits is determined separately for each plan using the actuarial valuation method of the projected credit unit.

Actuarial gains and losses are recorded in equity accounts.

c. Compensation for termination

This is recognized as a liability and expense when there is evidence of an agreement to rescind the work relationship before the normal date of employee retirement or when there is an offer to encourage voluntary rescission of the contracts.

d. Other medium and long-term remuneration and share-based payments

Other long-term remunerations besides those described in the preceding paragraphs and referring specifically to the reward for years of service or time with the company, are recorded in line with the aforementioned principles. The only exceptions are the cost of past services, which is recognized immediately and recorded as an offsetting entry under the heading "Provisions for risks and expenses", and actuarial gains and losses which are recorded on the consolidated income statement.

Incentive plans

On February 9, 2022, the Board of Directors of MAPFRE S.A. approved an extraordinary, unvested incentive plan for the 2022-2026 period, comprising three overlapping cycles with a three-year target measurement period per cycle. This new plan is aimed at specific members of Management and key professionals of the Company and Group companies, including executive directors of the Company, and is dependent on the fulfillment of the targets established within the MAPFRE Group strategic plan as well as on the manager remaining in the employment of the Company or Group. Said incentive will be paid partially in cash and partially in MAPFRE S.A. shares, and payment is subject to malus and clawback clauses, as well as a certain period of required share ownership.

In 2019 a medium-term incentive plan was approved for certain members of the MAPFRE executive team. The plan is extraordinary, non-cumulative and multi-year, commencing January 1, 2019 and ending March 31, 2022, with payment of part of the incentives deferred to the period 2023-2025. The payment of incentives is dependent on fulfilling certain corporate and individual targets, as well as remaining in the Group's employment. The incentives will be paid partly in cash (50 percent) and partly in MAPFRE S.A. shares (50 percent), and payment is subject to malus and clawback clauses.

At the close of each year, the fulfillment of targets are evaluated and the amount accrued is recorded in the consolidated income statement under a liability heading for the part of the remuneration paid in cash and under an equity heading for the part corresponding to shares. The valuation of the part of the incentive paid in MAPFRE S.A. shares takes into account the fair value of the equity instruments assigned at the transfer date, based on the terms and conditions of the plan.

Each year, until the vesting date, the number of equity instruments included in the calculation of the transaction amount is adjusted. No additional adjustments are made after the vesting date.

Stock-option plans

In 2021, MAPFRE launched a Stock-option plan for employees in Spain, with the aim of increasing their tie to the company's future profits and strategy. The plan has implied voluntarily dedicating an annual amount of remuneration toward acquiring MAPFRE S.A. shares, which were delivered on a monthly basis over the course of 2022. 4,704 employees signed up for this plan. Additionally, the shares held by the participants until March 31, 2021 grant the right to receive 1,968,119 additional shares, for the amount of 3.7 million euros, for free.

In 2022, a new Stock-option plan was launched for employees in Spain for MAPFRE S.A. shares, which was carried out in 2023. 1,581 employees signed up for this plan. This plan does not include giving additional shares for free.

Similarly, in 2023, MAPFRE a stock-option plan was launched for employees in Spain for MAPFRE S.A. shares to be carried out in 2024. 1,805 employees signed up for this plan. This plan does not include giving additional shares for free.

The transactions resulting from each Plan are measured at the fair value of the equity instruments ceded at the date of the grant agreement.

Every month, the Company, during the share delivery period, derecognizes the treasury stock delivered, recording the difference between the value of the actions handed over in voluntary reserves.

When necessary, during the period of shareholding, an increase in net equity is recorded for the additional shares to be handed over.

When the period of shareholding ends, the difference in the value of the treasury stock handed over for free is recorded in voluntary reserves.

5.19. REVENUES AND EXPENSES FROM INVESTMENTS

These are classified in line with the designation of the investments they come from; as operating expenses if they are assigned to cover insurance contract liabilities, or as equity if they are related to the materialization of shareholders' equity.

Changes in fair value are recorded according to the portfolio in which financial investments are classified:

a. Portfolio at fair value through P&L

Recorded directly in the consolidated income statement distinguishing between the part attributable to yields, which are recognized as interest or, if applicable, as dividends, and the part that is recorded as realized and unrealized gains or losses.

b. Portfolio at fair value through OCI

Recorded directly in the company's other comprehensive income until it is derecognized on the balance sheet or an impairment is recognized, in which case it is recorded in the consolidated income statement, with the exception of equity instruments included in this portfolio, which are recorded in a reserves account.

c. Portfolio at amortized cost

Recognized when the financial instrument is disposed of and when impairment occurs.

In all cases, the interest of financial instruments is recorded on the consolidated income statement applying the effective interest rate method.

5.20. RECLASSIFICATION OF EXPENSES BY PURPOSE AND ALLOCATION TO ACTIVITY SEGMENTS

For management purposes, expenses have been reclassified from by nature to by purpose, mainly based on the position held by each of the employees, distributing their direct and indirect cost according to this position.

For expenses directly or indirectly related to personnel, individual studies are undertaken, allocating them to the destination according to the use of these expenses.

The established destinations are as follows:

- Claims-related expenses
- Expenses allocated to investments

- Other technical expenses
- Other non-technical expenses
- Acquisition expenses
- Administration expenses
- Operating expenses from other activities

5.21. TRANSACTIONS AND BALANCES IN FOREIGN CURRENCY

With the exception of reinsurance activities, transactions in foreign currencies are translated into each Group company's functional currency at the exchange rate in force on the transaction date.

Reinsurance operations in foreign currency are recorded at the exchange rate established at the beginning of each quarter of the year. Subsequently, at the end of each quarter, they are all treated as one operation, being converted at the exchange rate in force at the time and recording the resulting difference on the consolidated income statement.

At year end, the existing balances in foreign currencies are translated at the exchange rate of the functional currency prevailing on that date, and all exchange differences are recorded in the consolidated income statement, the only exception being those which are directly allocated to "Currency conversion differences", i.e. those arising from the monetary items that form part of the net investment in a foreign operation and from the non-monetary ones measured at fair value, where changes in value are directly recognized in equity.

5.22. TAX ON PROFITS

Tax on profits is treated as an expense in the year and is recorded as such in the consolidated income statement, including both the tax charge for the current tax and the effect corresponding to the movement in deferred tax.

In order to determine this, the balance sheet method is followed, whereby the corresponding assets and deferred tax liabilities necessary to correct the effect of temporary differences are recorded. These are differences that may exist between the book value of an asset or liability and its valuation for tax purposes.

Temporary differences may be "Temporary tax differences", which result in higher tax payments in the future and which generally entail the recognition of a deferred tax liability; or "Deductible temporary differences", which result in lower tax payments in the future and, to the extent in which it is recoverable, the recording of a deferred tax asset.

Meanwhile, tax on profits related to items where modifications in their value are directly recognized in equity is not allocated to the consolidated income statement but to equity, and the changes in value are recorded net of the tax effect.

The Group reviews the book value of the deferred tax assets and liabilities at the close of the period, and evaluates if conditions are fulfilled for recognizing deferred tax assets that had not previously been recognized.

a. Recognition of deferred tax liabilities

The Group recognizes deferred tax liabilities in all cases except those in which:

- They arise from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that does not affect the accounting result or the taxable income on the date of the transaction.
- They correspond to differences relating to investments in controlled, associated or joint arrangement companies over which the Group controls the moment of reversal and it is not probable that a reversal occurs in the foreseeable future.

b. Recognition of deferred tax assets

The Group recognizes deferred tax assets as long as:

- It is probable that there are sufficient future taxable profits to offset them. However, those assets that arise from the initial recognition of assets or liabilities in a transaction that is not a business combination and that does not affect the accounting result or the taxable income on the date of the transaction are not recognized.
- They correspond to temporary differences relating to investments in controlled, associated or joint arrangement companies to the extent that the temporary differences can revert in the foreseeable future and positive future taxable benefits are expected to be generated to offset the differences.

c. Compensation

The Group only offsets assets and liabilities from tax on profits if there is a legal right to do so according to the tax authorities and it intends to liquidate debts coming from its net value or realize assets and liquidate debts simultaneously.

d. Deferred tax asset and liability valuation

The deferred tax assets and liabilities are valued by the tax rates applicable in the period in which assets are expected to be realized or liabilities paid.

6. BREAKDOWN OF FINANCIAL STATEMENTS

6.1. INTANGIBLE ASSETS

The following tables show the movements under this heading in the last two years:

2023

Item	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions or provisions	Disposals, cancellations or reductions	Closing balance
<u>COST</u>						
GOODWILL	1,639.1	(24.2)	—	1.5	—	1,616.4
OTHER INTANGIBLE FIXED ASSETS						
Portfolio acquisition expenses	921.9	27.9	—	—	—	949.8
Software	1,606.7	7.0	3.7	175.8	(62.7)	1,730.5
Other	401.9	3.2	(0.4)	79.0	(76.5)	407.2
TOTAL COST	4,569.6	13.9	3.3	256.3	(139.2)	4,703.9
<u>CUMULATIVE AMORTIZATION</u>						
OTHER INTANGIBLE FIXED ASSETS						
Portfolio acquisition expenses	(468.8)	(14.4)	—	(44.6)	—	(527.8)
Software	(1,052.6)	(4.0)	0.2	(142.6)	44.0	(1,155.0)
Other	(61.9)	(2.0)	—	(13.5)	2.3	(75.1)
TOTAL CUMULATIVE AMORTIZATION	(1,583.3)	(20.4)	0.2	(200.7)	46.3	(1,757.9)
<u>IMPAIRMENT</u>						
GOODWILL	(193.5)	5.8	—	(75.0)	—	(262.7)
OTHER INTANGIBLE ASSETS						
Portfolio acquisition expenses	(0.6)	—	—	—	—	(0.6)
Software	(2.8)	0.1	—	—	—	(2.7)
Other	—	—	—	—	—	—
TOTAL IMPAIRMENT	(196.9)	5.9	—	(75.0)	—	(266.0)
TOTAL GOODWILL	1,445.6	(18.4)	—	(73.5)	—	1,353.7
TOTAL OTHER INTANGIBLE ASSETS	1,343.9	17.8	3.5	54.1	(92.9)	1,326.3
TOTAL INTANGIBLE ASSETS	2,789.5	(0.6)	3.5	(19.4)	(92.9)	2,680.0

Figures in millions of euros

Additions in the year mainly include advances from intangible fixed assets and launch of business-related operating systems.

2022

Item	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions or provisions	Disposals, cancellations or reductions	Closing balance
<u>COST</u>						
GOODWILL	1,666.6	64.0	(91.5)	—	—	1,639.1
OTHER INTANGIBLE FIXED ASSETS						
Portfolio acquisition expenses	943.3	73.0	(82.5)	—	(11.9)	921.9
Software	1,386.6	65.0	(9.4)	176.7	(12.2)	1,606.7
Other	388.5	(18.0)	(0.1)	75.7	(44.2)	401.9
TOTAL COST	4,385.0	184.0	(183.5)	252.4	(68.3)	4,569.5
<u>CUMULATIVE AMORTIZATION</u>						
OTHER INTANGIBLE FIXED ASSETS						
Portfolio acquisition expenses	(452.3)	(27.7)	45.7	(44.6)	10.1	(468.8)
Software	(896.3)	(39.2)	9.2	(133.1)	6.8	(1,052.6)
Other	(55.4)	21.8	0.1	(28.8)	0.4	(61.9)
TOTAL CUMULATIVE AMORTIZATION	(1,404.0)	(45.1)	55.0	(206.5)	17.3	(1,583.3)
<u>IMPAIRMENT</u>						
GOODWILL	(194.2)	(8.8)	9.5	—	—	(193.5)
OTHER INTANGIBLE ASSETS						
Portfolio acquisition expenses	(10.5)	0.1	9.8	—	—	(0.6)
Software	(2.6)	(0.2)	—	—	—	(2.8)
Other	—	—	—	—	—	—
TOTAL IMPAIRMENT	(207.3)	(8.9)	19.3	—	—	(196.9)
TOTAL GOODWILL	1,472.4	55.2	(82.0)	—	—	1,445.6
TOTAL OTHER INTANGIBLE ASSETS	1,301.3	74.8	(27.2)	45.9	(51.0)	1,343.9
TOTAL INTANGIBLE ASSETS	2,773.7	130.0	(109.2)	45.9	(51.0)	2,789.5

Figures in millions of euros

The amounts shown in Changes to the scope in 2022 primarily come from the sale of shareholding in CAJA CASTILLA LA MANCHA VIDA Y PENSIONES, S.A.

Additions in the year mainly include advances from intangible fixed assets and launch of business-related operating systems.

Intangible assets with an indefinite useful life

The useful life of the following intangible assets is considered indefinite since these assets are expected to contribute to future revenues for the Group indefinitely:

Item	Book value	
	2023	2022
Goodwill on consolidation	1,324.2	1,416.1
Goodwill on merger	29.5	29.5
Other intangible assets	—	—

Figures in millions of euros

The following tables provide detailed information on the cash-generating units to which the different goodwill items and portfolio acquisition expenses are allocated, as well as their book value and, if applicable, the impairment amount and amortization over the last years.

Goodwill

Cash-generating unit	Business and Geographic Area	Gross amount at source		Balance	2022		Balance	2023		Balance
		Millions in original currency	Currency	12.31.2021	Entries/ (write-offs)	Net impairment for the period	12.31.2022	Entries/ (write-offs)	Net impairment for the period	12.31.2023
<u>Goodwill on consolidation</u>										
MAPFRE VIDA	Life insurance (Spain)	258.4	EUR	212.6	—	—	212.6	—	—	212.6
GLOBAL RISKS	Insurance for Companies	40.8	EUR	40.2	—	—	40.2	—	—	40.2
GRUPO CORPORATIVO, L.M.L.	Non-Life Insurance (Mexico)	407.9	MXN	17.5	2.1	—	19.6	2.2	—	21.8
MAPFRE WARRANTY	Extended Warranty	11.4	EUR	11.1	—	—	11.1	—	—	11.1
BB MAPFRE PARTICIPAÇÕES	Insurance (Brazil)	350.3	BRL	55.3	6.8	—	62.1	3.3	—	65.4
BANKINTER VIDA	Life insurance (Spain)	160.5	EUR	160.5	—	—	160.5	—	—	160.5
CCM VIDA Y PENSIONES	Life and Pensions insurance (Spain)	81.3	EUR	81.3	(81.3)	—	—	—	—	—
MAPFRE USA	Non-Life Insurance (USA)	882.4	USD	641.7	42.1	—	683.8	(21.7)	(75.0)	587.1
MAPFRE AMERICA CENTRAL	Insurance (Central America)	9.0	PAB	7.9	0.6	—	8.5	(0.3)	—	8.2
CENTURY AUTOMOTIVE	Insurance and reinsurance (USA)	24.9	USD	21.8	1.5	—	23.3	—	—	23.3
BANKINTER SEGUROS GENERALES	Non-Life Insurance (Spain)	12.5	EUR	12.5	—	—	12.5	—	—	12.5
FUNESPAÑA	Funeral services (Spain)	17.9	EUR	17.9	—	—	17.9	—	—	17.9
VERTI VERSICHERUNG AG	Non-Life insurance (Germany)	125.5	EUR	125.5	—	—	125.5	—	—	125.5
Other	—	—	—	37.1	1.4	—	38.5	(0.4)	—	38.1
TOTAL GOODWILL ON CONSOLIDATION				1,442.9	(26.8)	—	1,416.1	(16.9)	(75.0)	1,324.2
<u>Goodwill on merger</u>										
BANKINTER VIDA (branch in Portugal)	Life and Pensions insurance (Portugal)	5.3	EUR	5.3	—	—	5.3	—	—	5.3
GRUPO FUNESPAÑA	Funeral Services (Spain)	37.0	EUR	24.2	—	—	24.2	—	—	24.2
TOTAL GOODWILL ON MERGER				29.5	—	—	29.5	—	—	29.5
TOTAL GOODWILL				1,472.4	(26.8)	—	1,445.6	(16.9)	(75.0)	1,353.7
<u>Goodwill in associated and multi-group undertakings</u>										
SALVADOR CAETANO AUTO (SGPS), S.A.	Services (Portugal)	11.3	EUR	11.3	—	—	11.3	—	—	11.3
PUY DU FOU ESPAÑA, S.A.	Activities and theme parks (Spain)	4.6	EUR	4.6	—	—	4.6	—	—	4.6
SOLUNION SEGUROS DE CREDITO, S.A.	Insurance (Spain)	12.9	EUR	12.9	—	—	12.9	—	—	12.9
Other	—	—	—	1.5	—	—	1.5	—	—	1.5
TOTAL GOODWILL IN ASSOCIATED AND MULTI-GROUP UNDERTAKINGS (EQUITY-ACCOUNTED) (*)				30.3	—	—	30.3	—	—	30.3

Figures in millions of euros

(*) Goodwill related to acquisitions of associated and multigroup entities is included as the higher of the investment values recorded in accounting via the equity method

Portfolio acquisition expenses

Cash-generating unit	Business and Geographic Area	Gross amount at source		Initial 12.31.2021	2022		Initial 12.31.2022	2023		Initial 12.31.2023
		Millions in original currency	Currency		Entries/ (write-offs)	Amortization and net impairment for the period		Entries/ (write-offs)	Amortization and net impairment for the period	
BANKINTER VIDA	Life and Pensions insurance (Spain and Portugal)	183.4	EUR	78.6	—	(7.5)	71.1	—	(7.4)	63.7
CCM VIDA Y PENSIONES	Life and Pensions insurance (Spain)	82.6	EUR	28.3	(28.3)	—	—	—	—	—
BB MAPFRE PARTICIPAÇÕES	Life Insurance (Brazil)	3,461.4	BRL	311.5	39.8	(30.2)	321.1	16.9	(31.7)	306.3
VERTI VERSICHERUNG AG	Non-Life insurance (Germany)	23.5	EUR	6.7	—	(1.5)	5.2	—	(1.2)	4.0
MAPFRE SALUD ARS	Life Insurance (Dominican Republic)	3,740.1	DOP	49.7	4.4	(4.3)	49.8	(3.0)	(4.1)	42.7
Other	—	—	—	5.8	0.7	(1.1)	5.4	1.4	(2.0)	4.8
TOTAL PORTFOLIO ACQUISITION EXPENSES				480.6	16.6	(44.6)	452.6	15.3	(46.4)	421.5

Figures in millions of euros

The book value, net of any impairment, of each of the goodwill and portfolio acquisition expense items described above, and of the net assets associated with each cash-generating unit, is equal to or lower than the amount recoverable from the cash-generating unit to which they are allocated.

NON-LIFE BUSINESS

The following table shows the recoverable value of the main cash-generating units for the Non-Life business:

Cash-generating unit	Contrast value		Recoverable value	
	2023	2022	2023	2022
BB MAPFRE PARTICIPAÇÕES	235.1	196.5	1,605.8	1,242.6
MAPFRE USA	1,425.0	1,549.7	1,425.0	1,697.0
VERTI VERSICHERUNG AG	284.7	288.8	496.0	310.0

Figures in millions of euros

The calculation of the recoverable value of the Non-Life business cash-generating units takes into account the degree of economic development of the country in which the units operate as well as the degree of development of the insurance industry, measured by its weight in the country Gross Domestic Product, and other variables such as market share, projected performance of the commercial network, MAPFRE's past experience in the markets where the cash-generating units are present, etc.

The discount rate (ke) and perpetual growth rate (g), as defined below, are also taken into account:

1. Discount rate (ke) = Risk-free rate of the country + (β * Risk premium of the equity market)
2. Perpetual growth rate (g): calculated according the long-term inflation projection issued by the International Monetary Fund (IMF)

The country risk rate usually corresponds to the effective yield of the 10-year Government bonds in local currency issued in the country in which the cash-generating unit operates, increased by the equity market risk premium estimated for the insurance industry. The market risk premium for the insurance industry is calculated by modulating the generic premium for the equity market by the Beta ratio for listed insurance companies compared with the region in which the cash-generating unit operates.

The risk-free rate applied ranged between 2.0 percent and 10.4 percent in 2023, and between 2.6 percent and 12.8 percent in 2022.

External projections of international organizations and other benchmark entities in the field of company ratings are used as a complement for estimating the discount (ke) and perpetual growth (g) rates applied to the different cash-generating units analyzed.

The discount rates thus obtained, applied to the discounted cash flows used to calculate the recoverable value of the main cash-generating units, are as follows:

Cash-generating unit	After tax	
	2023	2022
MAPFRE USA	9.0%	8.6%
BB MAPFRE PARTICIPAÇÕES	13.6%	17.2%
VERTI VERSICHERUNG AG	5.6%	7.4%

The rates used to calculate the recoverable value of the cash-generating units are after taxes, as they are applied to cash flows that are also net of tax effects.

The estimated perpetual growth rates (g) applicable to the different cash-generating units are based on the long-term inflation projections included in the World Economic Outlook Database published by the International Monetary Fund, with the markets in which the main cash-generating units operate being:

Country	Long-term inflation forecast		Perpetual growth rate (g)	
	2023	2022	2023	2022
United States	2.1 %	2.0 %	2.1 %	2.0 %
Brazil	3.0 %	3.0 %	3.5 %	3.5 %
Germany	2.0 %	2.0 %	2.0 %	2.0 %

Meanwhile, at least once a year, each Group company analyzes the assumptions used to estimate future cash flows and updates them pursuant to actual results and past experience. In general, the cash flow projections for the first five years consider growth rates based on past experience, while in subsequent years the residual value is calculated, establishing perpetual revenues based on the cash flows of the last period of the estimates, with a perpetual growth rate calculated as described above.

The most relevant hypotheses used to determine cash flows from the main cash-generating units are as follows:

Non-Life Cash-generating unit	Average insurance revenue growth		Average net result growth		Average capital requirement ratio	
	2023	2022	2023	2022	2023	2022
MAPFRE USA	1.9%	1.5%	216.3%	323.7%	16.7%	16.4%
BB MAPFRE PARTICIPAÇÕES	13.4%	15.6%	26.7%	27.6%	10.5%	10.1%
VERTI VERSICHERUNG AG	4.7%	3.9%	17.9%	10.8%	21.0%	24.0%

The ratios described above correspond to the average of the years comprising the time horizon of the projections (generally 5 years).

In the event of reasonable variations in any of the key assumptions, the book value is unlikely to be significantly higher than the recoverable value of the cash-generating units.

Specifically, the studies conducted for the main cash-generating units analyzed reveal the following sensitivity ranges in the event of unfavorable variations in the key assumptions:

- An increase of 1 percentage point in the discount rate applied to each cash-generating unit would imply reductions in the recoverable values for 2023 of 8.3 percent (7.5 percent in 2022), 15.0 percent (11.2 percent in 2022) and 19.9% (13.6 percent in 2022), for the cash-generating units BB MAPFRE PARTICIPAÇÕES, MAPFRE USA, and VERTI VERSICHERUNG AG, respectively, which would only impact cash-generating units with a tighter margin, without the effect on any of those units being significant for the Group equity or financial situation.
- A decrease of 0.25 percentage points in the perpetual growth rate applied to each cash-generating unit would imply reductions in the recoverable values of between 1.3 and 4.4 percent in 2023, and between 1.1 and 2.3 percent in 2022, which would not imply a relevant fall below the book value attributed to any of the units, and as such an impairment has not been provisioned.

LIFE BUSINESS

The following table shows the recoverable value of the main cash-generating units for the Life business:

Cash-generating unit	Contrast value		Recoverable value	
	2023	2022	2023	2022
MAPFRE VIDA	1,590.2	1,585.6	2,677.4	3,739.3
BANKINTER VIDA	244.4	233.6	511.9	678.9

Figures in millions of euros

To calculate the recoverable value of the cash-generating units for the Life business, the present value of all future profits (Appraisal value, AP) coming from the in-force portfolio (Embedded value, EV), and new business (Goodwill, GW).

$$AP = EV + GW$$

The value of the in force portfolio (EV) is determined by the sum of the future profits of the in-force portfolio (Value in force, VIF) and the Net assets value (NAV).

$$EV = VIF + NAV$$

To determine the value of new business (GW), the value of new business (VNB) from the last available period is multiplied by a factor of new business generation expectation (Multiplier)

This factor contemplates the discount rate and the expected growth of new business in the future.

$$GW = VNB \times \text{Multiplier}$$

The following shows a the main hypothesis for calculating the Appraisal value:

EMBEDDED VALUE	ASSUMPTIONS
Discount rate	EIOPA Risk free curve
Cost of capital	
- Capital requirement	100% SCR Solvency II
- Annual cost	6% annual pre-tax

The new business generation expectation factor (Multiplier) for the last two years was 7.

The studies carried out for the main cash-generating units in the Life business, show the following ranges of sensitivity to unfavorable variations in the key hypotheses:

- An 1 percentage point increase in interest rates applied in the Embedded Value calculation would lead to a 4.1 percent loss in recoverable value in the Group's Cash-Generating Units in the Life business (4.7 percent in 2022), and a similar reduction in rates would lead to a 4.2 percent increase (2.8 percent in 2022).
- Similarly, a 1 percentage point increase in interest rates applied in the Value of New Business (VNB) calculation would lead to a 0.5 percent loss in recoverable value in the Group's Cash-Generating Units in the Life business (2.4 percent in 2022), and a similar reduction in rates would lead to a 0.1 percent reduction (1.2 percent in 2022).

From the above analysis, it is clear that, in the face of unfavorable variations in key hypotheses, the recoverable value of the above mentioned cash-generating units would continue to surpass their accounting value.

Additional information regarding the sensitivity to insurance risk for Life and Non-Life business is included in note 7 "Risk Management"

6.2. PROPERTY, PLANT AND EQUIPMENT AND REAL ESTATE INVESTMENTS

Property, plant and equipment

The following tables show the movements under this heading in the last two years:

2023

Item	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions or provisions	Disposals, cancellations or reductions	Closing balance	Market value
<u>COST</u>							
REAL ESTATE FOR OWN USE							
Land and natural resources	26.6	(4.0)	—	1.9	0.8	25.3	81.1
Buildings and other structures	1,012.0	(20.0)	(53.3)	—	(68.2)	870.5	1,009.8
Lease right of use	462.4	0.8	—	58.9	(10.1)	512.0	266.6
OTHER PROPERTY, PLANT AND EQUIPMENT							
Vehicles	35.2	(0.1)	—	6.9	(2.6)	39.4	11.0
Furniture and fittings	480.2	(3.2)	(43.4)	31.4	(26.8)	438.2	122.4
Other property, plant and equipment	246.6	1.4	—	21.9	(26.2)	243.7	68.1
Advances and fixed assets in progress	3.0	(0.7)	—	17.7	(18.3)	1.7	0.5
Lease right of use	11.7	—	—	3.7	(2.0)	13.4	3.7
TOTAL COST	2,277.7	(25.8)	(96.7)	142.4	(153.4)	2,144.2	1,563.2
<u>CUMULATIVE DEPRECIATION</u>							
REAL ESTATE FOR OWN USE	(409.2)	8.5	15.4	(59.7)	23.8	(421.2)	—
OTHER FIXED ASSETS	(559.6)	1.0	34.7	(48.2)	41.4	(530.7)	—
TOTAL CUMULATIVE DEPRECIATION	(968.8)	9.5	50.1	(107.9)	65.2	(951.9)	—
<u>IMPAIRMENT</u>							
REAL ESTATE FOR OWN USE							
Land and natural resources	—	—	—	—	—	—	—
Buildings and other structures	(6.9)	—	—	(4.2)	2.7	(8.4)	—
OTHER FIXED ASSETS							
Vehicles	—	—	—	—	—	—	—
Furniture and fittings	—	—	—	—	—	—	—
Other property, plant and equipment	—	—	—	—	—	—	—
TOTAL IMPAIRMENT	(6.9)	—	—	(4.2)	2.7	(8.4)	—
TOTAL REAL ESTATE FOR OWN USE	1,084.7	(14.7)	(37.9)	(3.1)	(51.0)	978.2	1,357.5
TOTAL OTHER FIXED ASSETS	217.2	(1.6)	(8.7)	33.4	(34.5)	205.7	205.7
TOTAL PROPERTY, PLANT & EQUIPMENT	1,301.9	(16.3)	(46.6)	30.3	(85.5)	1,183.9	1,563.2

Figures in millions of euros

The variations reflected in the column “Changes to the scope” are mainly from the the real estate belonging to MAPFRE VIDEO Y COMUNICACIÓN S.A., an asset management company, the sale of which took place in the current year. (Note 6.7)

2022

Item	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions or provisions	Disposals, cancellations or reductions	Closing balance	Market value
COST							
REAL ESTATE FOR OWN USE							
Land and natural resources	28.7	(3.9)	—	4.6	(2.8)	26.6	105.8
Buildings and other structures	1,041.5	12.5	(0.7)	28.7	(70.0)	1,012.0	1,040.7
Lease right of use	398.0	0.8	—	87.1	(23.5)	462.4	276.1
OTHER PROPERTY, PLANT AND EQUIPMENT							
Vehicles	33.1	2.6	(0.1)	3.3	(3.7)	35.2	9.8
Furniture and fittings	504.8	(12.3)	(0.1)	29.2	(41.4)	480.2	133.5
Other property, plant and equipment	202.5	26.6	(1.3)	18.3	0.5	246.6	68.6
Advances and fixed assets in progress	1.2	—	—	13.0	(11.2)	3.0	0.8
Lease right of use	11.2	(0.1)	(0.6)	4.0	(2.8)	11.7	4.5
TOTAL COST	2,221.1	26.2	(2.8)	188.2	(154.9)	2,277.7	1,639.8
CUMULATIVE DEPRECIATION							
REAL ESTATE FOR OWN USE	(390.3)	7.1	0.2	(61.2)	35.0	(409.2)	—
OTHER FIXED ASSETS	(527.6)	(15.3)	0.7	(55.1)	37.7	(559.6)	—
TOTAL CUMULATIVE DEPRECIATION	(917.9)	(8.2)	0.9	(116.3)	72.7	(968.8)	—
IMPAIRMENT							
REAL ESTATE FOR OWN USE							
Land and natural resources	—	—	—	—	—	—	—
Buildings and other structures	(6.1)	0.1	—	(2.1)	1.2	(6.9)	—
OTHER FIXED ASSETS							
Vehicles	—	—	—	—	—	—	—
Furniture and fittings	—	—	—	—	—	—	—
Other fixed assets	(2.0)	2.0	—	—	—	—	—
TOTAL IMPAIRMENT	(8.1)	2.1	—	(2.1)	1.2	(6.9)	—
TOTAL REAL ESTATE FOR OWN USE	1,071.8	16.6	(0.5)	57.1	(60.1)	1,084.7	1,422.6
TOTAL OTHER FIXED ASSETS	223.2	3.5	(1.4)	12.7	(20.9)	217.2	217.2
TOTAL PROPERTY, PLANT & EQUIPMENT	1,295.0	20.1	(1.9)	69.8	(81.0)	1,301.9	1,639.8

Figures in millions of euros

Real estate investment

The following tables show the movements under this heading in the last two years:

2023

Item	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions or provisions	Disposals, cancellations or reductions	Closing balance	Market value
COST							
INVESTMENT IN REAL ESTATE							
Land and natural resources	358.0	0.7	—	—	(29.6)	329.1	190.1
Buildings and other structures	1,109.7	12.7	14.5	73.0	(67.4)	1,142.5	1,097.3
OTHER REAL ESTATE INVESTMENTS							
TOTAL COST	1,467.7	13.4	14.5	73.0	(97.0)	1,471.6	1,287.4
CUMULATIVE DEPRECIATION							
INVESTMENT IN REAL ESTATE							
	(296.1)	0.2	0.2	(39.6)	25.5	(309.8)	—
OTHER REAL ESTATE INVESTMENTS							
TOTAL CUMULATIVE DEPRECIATION	(296.1)	0.2	0.2	(39.6)	25.5	(309.8)	—
IMPAIRMENT							
INVESTMENT IN REAL ESTATE							
Land and natural resources	(142.7)	—	—	(4.9)	13.0	(134.6)	—
Buildings and other structures	(48.1)	0.1	—	(10.0)	3.8	(54.2)	—
TOTAL IMPAIRMENT	(190.8)	0.1	—	(14.9)	16.8	(188.8)	—
TOTAL REAL ESTATE INVESTMENT	980.8	13.7	14.7	18.5	(54.7)	973.0	1,287.4

Figures in millions of euros

2022

Item	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions or provisions	Disposals, cancellations or reductions	Closing balance	Market value
COST							
INVESTMENT IN REAL ESTATE							
Land and natural resources	474.3	(2.0)	(101.4)	2.2	(15.1)	358.0	296.1
Buildings and other structures	1,254.7	7.8	(155.8)	85.4	(82.4)	1,109.7	1,193.8
OTHER REAL ESTATE INVESTMENTS							
TOTAL COST	1,729.0	5.8	(257.2)	87.6	(97.5)	1,467.7	1,489.9
CUMULATIVE DEPRECIATION							
INVESTMENT IN REAL ESTATE							
	(287.1)	(0.3)	3.9	(38.2)	25.6	(296.1)	—
OTHER REAL ESTATE INVESTMENTS							
TOTAL CUMULATIVE DEPRECIATION	(287.1)	(0.3)	3.9	(38.2)	25.6	(296.1)	—
IMPAIRMENT							
INVESTMENT IN REAL ESTATE							
Land and natural resources	(129.2)	(0.1)	—	(17.8)	4.4	(142.7)	—
Buildings and other structures	(52.7)	(1.0)	2.4	(2.5)	5.7	(48.1)	—
TOTAL IMPAIRMENT	(181.9)	(1.1)	2.4	(20.3)	10.1	(190.8)	—
TOTAL REAL ESTATE INVESTMENT	1,260.0	4.4	(250.9)	29.1	(61.8)	980.8	1,489.9

Figures in millions of euros

The variations in the column “Changes to the scope” in 2022 mainly come from the change in consolidation method applied to the real estate investment fund Stable Income European Real Estate (SIREF), as it became considered an associated undertaking in line with the definition indicated in Note 3.1.

Disposals in the year 2022 mainly correspond to the sale of buildings on the street General Perón, number 40, in Madrid, and the street Ibañez de Bilbao, number 28, in Bilbao.

Impairment losses for the year primarily correspond to land pending cataloging for urban development.

The market value of real estate investment and of real estate for own use basically represents the value determined by an independent appraiser that uses appraisal techniques based on the observable market variables (Level 2).

The appraisal methods commonly used are the cost method, the comparison method, the future rental income method and the abbreviated residual method, depending on the characteristics of the asset being appraised.

Revenues and expenses derived from real estate investments in 2023 and 2022 are shown in the accompanying table:

Item	Insurance business not related to insurance service		Other Activities		Total	
	2023	2022	2023	2022	2023	2022
<u>Revenue from real estate investment</u>						
From rentals	37.4	51.0	8.0	3.9	45.4	54.9
Other	0.4	0.3	1.7	0.8	2.1	1.1
Gains on disposals	60.1	101.3	1.5	6.6	61.6	107.9
Total revenue from real estate investment	97.9	152.6	11.2	11.3	109.1	163.9
<u>Expenses from real estate investment</u>						
Direct operating expenses	0.6	22.1	—	—	0.6	22.1
Other expenses	23.4	37.7	9.0	6.9	32.4	44.6
Losses on disposals	2.6	6.3	0.5	—	3.1	6.3
Total expenses from real estate investment	26.6	66.1	9.5	6.9	36.1	73.0

Figures in millions of euros

6.3. LEASING

The Group is the lessee of real estate for own use and other intangible assets. These lease terms have an average duration of between 5 and 18 years, without renewal clauses stipulated in the agreements. There is no restriction on the lessee whatsoever regarding the prerogative to sign these leases.

The financial statements at the close of 2023 and 2022 include the following amounts:

Item	Real estate for own use		Other fixed assets		Total	
	2023	2022	2023	2022	2023	2022
ASSET						
Right-of-use (net book value)	266.6	276.1	3.7	4.5	270.3	280.6
LIABILITY						
Other financial liabilities (payment obligations)	305.0	312.1	4.2	5.0	309.2	317.1
INCOME STATEMENT						
Depreciation	(46.4)	(44.2)	(2.3)	(2.4)	(48.7)	(46.6)
Interest expenses	(19.0)	(17.7)	(0.9)	(0.9)	(19.9)	(18.6)

Figures in millions of euros

Expenses from interests are recorded in the consolidated income statement, mainly in the heading "finance expenses not related to insurance service". The expenses for depreciation recorded are reclassified by purpose in line with the criteria indicated in note 5.20.

Expenses for short-term leases or leases with underlying assets with little value, not included in the above chart, stand at 33.4 million euros at the close of the 2023 financial year (25.8 million euros in 2022).

Total payments for the period reached 63.3 million euros at the close of 2023 (61.7 million euros in 2022).

The future minimum payments for non-cancellable leases at the close of 2023 and 2022, not considering the financial discount, are as follows:

Item	Real estate for own use		Other fixed assets		Total	
	2023	2022	2023	2022	2023	2022
Less than one year	61.1	56.0	2.2	2.2	63.3	58.2
More than one year but less than five	221.5	164.3	4.9	3.9	226.4	168.2
More than five years	169.4	179.1	—	—	169.4	179.1
TOTAL	452.0	399.4	7.1	6.1	459.1	405.5

Figures in millions of euros

The rate applied for calculating debt follows a methodology based on interest rate curves by country and currency, applied individually.

The average weighted rate for real estate and other fixed assets reached 5.6 and 15.4 percent, respectively (6.3 and 13.7 percent in 2022).

The Group maintains the application deferral of EU-IFRS 16 for those short term lease contracts and/or those containing underlying assets with little value.

The Group is lessor of operating leases covering real estate. These lease terms have an average duration of 7.4 years, without renewal clauses stipulated in the agreements. There is no restriction on the lessee whatsoever regarding the prerogative to sign these leases.

The following chart shows the amounts corresponding to operating lease contract as a lessor at the close of the last two years:

Type of assets	Net book value	
	2023	2022
Real estate investments	584.2	599.5

Figures in millions of euros

Payments from operating leases for the last two years is as follows:

Item	2023	2022
Less than one year	31.2	39.1
More than one year but less than five	92.7	102.7
More than five years	83.5	79.3
TOTAL	207.4	221.1

Figures in millions of euros

6.4. FINANCIAL INVESTMENTS

The composition of financial investments at the close of the last two years was as follows:

Item	Book value	
	2023	2022
FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH P&L		
Equity Instruments and Mutual Funds	5,242.4	4,371.0
Debt Securities	9,784.2	8,658.3
Derivatives (no hedge)	2.4	4.2
Hybrid Instruments	16.1	15.3
Others	27.7	9.5
TOTAL PORTFOLIO AT FAIR VALUE THROUGH P&L	15,072.8	13,058.3
FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME		
Equity Instruments and Mutual Funds	1,057.4	2,579.1
Debt Securities and other investments	20,624.5	17,724.1
TOTAL PORTFOLIO AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	21,681.9	20,303.2
FINANCIAL INVESTMENTS AT AMORTIZED COST		
Debt Securities and other investments	1,295.9	1,266.9
TOTAL PORTFOLIO AT AMORTIZED COST	1,295.9	1,266.9

Figures in millions of euros

The process for the valuation of financial assets is as follows:

- When the asset is acquired, it is assigned to a specific portfolio (at fair value through P&L, at fair value through OCI, or at amortized cost) depending on the contractual characteristics of the instrument and the business model under which it will be managed.
- Based on the accounting nature of the portfolios, valuation is performed monthly, according to the hierarchy levels set out in Note 5.5
- The valuations are performed directly by the Group's companies, although in some countries an independent financial institution carries them out in line with the local regulations.

The valuation policy is decided by the Investment Committees and/or Risk Committees, and is reviewed at least once a quarter.

Quoted prices are monitored and verified on a regular basis in order to decide whether any transfers between levels are required:

1. If the quotation source for a particular asset is no longer representative, it is transferred from Level 1 to Level 2.
2. Assets are transferred from Levels 2 and 3 to Level 1 if a reasonable quotation source is verified.

3. Assets are transferred to Level 3 when there are no longer any observable market data.

A) PORTFOLIO AT FAIR VALUE THROUGH P&L

Investments allocated to the portfolio at fair value through P&L at December 31, 2023 and 2022 are provided in the accompanying chart:

Item	Level 1. Quotation price		Level 2. Observable data		Level 3. Other measurements		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
DERIVATIVES (no hedge)								
Forward foreign exchange contracts	—	—	2.0	2.7	—	—	2.0	2.7
TOTAL DERIVATIVES (no hedge)	—	1.7	2.4	2.5	—	—	2.4	4.2
OTHER INVESTMENTS	—	—	—	—	—	—	—	—
Equity Instruments	365.4	395.4	95.3	106.3	1.2	12.2	461.9	513.9
Debt securities	6,650.6	6,164.1	3,133.6	2,494.2	—	—	9,784.2	8,658.3
Mutual funds	4,298.3	3,415.1	109.0	37.3	373.2	404.7	4,780.5	3,857.1
Hybrids	—	—	16.1	15.3	—	—	16.1	15.3
Deposits	—	—	—	—	—	—	—	—
Other	6.8	9.5	4.0	—	16.9	—	27.7	9.5
TOTAL OTHER INVESTMENTS	11,321.1	9,984.1	3,358.0	2,653.1	391.3	416.9	15,070.4	13,054.1
TOTAL	11,321.1	9,985.8	3,360.4	2,655.6	391.3	416.9	15,072.8	13,058.3

Figures in millions of euros

Debt securities designated obligatorily at fair value through P&L as their cash flows do not correspond solely to payments of principal and interest amounted to 276.3 million euros (288.7 million euros in 2022)

There are certain debt securities that, as they meet the requirements to be classified at fair value through OCI, have been included in the portfolio at fair value through P&L in order to significantly reduce an accounting asymmetry that arose from the different recognition of these assets compared to the associated liabilities.

Credit risk for these instruments is not significant, in line with the Group's investment policy and corporate credit risk management policy, in which investment and concentration limits are established according to third-party credit quality, limiting investment to investment-grade debt, unless specifically authorized by the Group's governing bodies.

A reconciliation of the opening and closing balances for the year for the Level 3 financial assets in the portfolio at fair value through P&L is shown in the accompanying chart:

Item	Equity instruments and mutual funds		Other financial assets		Total	
	2023	2022	2023	2022	2023	2022
Opening balance	416.9	333.3	–	–	416.9	333.3
Adjustments to the opening balance	(11.0)	2.1	13.1	–	2.1	2.1
Acquisitions	180.7	674.8	1.5	–	182.2	674.8
Disposals	(198.6)	(508.7)	–	–	(198.6)	(508.7)
Transfers from level 1 or 2	–	–	–	–	–	–
Transfers to level 1 or 2	–	–	–	–	–	–
Amortization	2.1	–	–	–	2.1	–
Gains and losses	(20.3)	(4.1)	–	–	(20.3)	(4.1)
Other	4.6	(80.5)	2.3	–	6.9	(80.5)
Closing balance	374.4	416.9	16.9	–	391.3	416.9

Figures in millions of euros

Financial assets classified as Level 3 primarily include stakes in risk capital mutual funds. The Net Asset Value valuation technique was used, which represents the value of assets and liabilities of the fund and is published by the entity managing the fund.

Due to the large amount of variables used in the valuation of these instruments, all possible significant observable inputs are not indicated nor the quantitative range of the inputs.

There have been no significant transfers to or from Level 3 in the last two years.

Gains and losses allocated to results in the the last two years are provided in the accompanying chart:

Item	GAINS (LOSSES) REPORTED IN P&L			
	UNREALIZED		REALIZED	
	2023	2022	2023	2022
DERIVATIVES (no hedge)				
Forward foreign exchange contracts	(1.4)	(0.4)	(2.4)	1.6
TOTAL DERIVATIVES (no hedge)	(1.4)	(0.4)	(2.4)	1.6
OTHER INVESTMENTS				
Equity Instruments	159.6	(64.1)	43.7	(14.5)
Debt securities	214.2	(221.3)	15.8	(97.6)
Mutual Funds	270.3	(42.4)	40.5	(1.2)
TOTAL OTHER INVESTMENTS	644.1	(327.8)	101.7	(113.2)
TOTAL	642.7	(328.2)	99.3	(111.6)

Figures in millions of euros

B) PORTFOLIO AT FAIR VALUE THROUGH OCI

Investments allocated to the portfolio at fair value through OCI at December 31, 2023 and 2022 are provided in the accompanying chart:

Item	Book value (fair value)						Total		Impairment			
	Level 1. Quotation price		Level 2. Observable data		Level 3. Other measurements				Loss incurred		Reversal gains	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Equity Instruments	993.4	703.0	49.8	2.3	0.3	0.4	1,043.5	705.7	–	–	0.2	–
Debt securities	12,098.1	12,966.9	8,501.0	4,746.0	3.3	0.5	20,602.4	17,713.4	(11.2)	(9.1)	7.3	2.8
Mutual Funds	13.9	1,797.4	–	76.0	–	–	13.9	1,873.4	–	–	–	–
Other Investment	22.1	10.4	–	–	–	0.3	22.1	10.7	–	–	–	–
Total	13,127.5	15,477.7	8,550.8	4,824.3	3.6	1.2	21,681.9	20,303.2	(11.2)	(9.1)	7.5	2.8

Figures in millions of euros

Equity instruments in the heading "Equity instruments" in the previous chart include 986.8 and 669.6 million euros at December 31, 2023 and 2022 respectively, in equity instruments traded in OECD country markets.

The valuation adjustments of portfolio investments amounted to (45.4) million and (998.7) million euros at December 31, 2023 and 2022 respectively, which have been recorded net of the tax effect on equity.

In 2023 and 2022, there were no relevant asset transfers from Level 1 to Level 2.

There were no variations in valuation techniques at Levels 2 and 3.

There have been no relevant transactions relating to financial assets in the portfolio at fair value through OCI classified at Level 3.

At the close of 2023 and 2022, the impairment analyses performed for each security in the equity portfolios concluded that there was no significant impairment, or any signs of such, in any of the investments measured at their stock market quoted price, as none of the objective situations determining this eventuality had occurred.

Valuation adjustments of portfolio investments from previous years transferred to the consolidated income statement in 2023 and 2022 reached the amount of (9.3) and (91.2) million euros, respectively.

In 2023 and 2022, no provisions for significant impairments to investments in unquoted assets analyzed individually.

The heading for debt securities includes Swaps of set or predetermined flows, in which a Group company accepts the obligation to pay certain set or predetermined amounts that are normally denominated in euros.

At the close of 2023 and 2022, the Group had fixed-income assets as guarantees for financial swap operations with a market value of 271.7 and 297.1 million euros, respectively. At the close of these years, the assets received as guarantees amounted to 325.1 and 348.8 million euros, respectively. In both cases, the guarantee matures on a daily basis, at which time a new guarantee is established or the existing guarantee is maintained or cancelled. The existence of these guarantees mitigated counterparty risk (CVA/DVA) on a large part of the Group's derivatives.

C) PORTFOLIO AT AMORTIZED COST

Investments allocated to the at amortized cost portfolio at December 31, 2023 and 2022 are provided in the accompanying chart:

Item	Book value (amortized cost)		Level 1. Quotation price		Fair value Level 2. Observable data		Level 3. Other measurements		Revenue from interest		Impairment			
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Debt securities	1,236.8	1,092.9	1,136.4	802.4	54.1	148.0	47.4	47.8	—	—	(1.3)	—	—	0.1
Other investments	59.1	174.0	50.2	133.3	—	37.0	6.9	3.4	—	—	—	—	—	—
TOTAL	1,295.9	1,266.9	1,186.6	935.7	54.1	185.0	54.3	51.2	—	—	(1.3)	—	—	0.1

Figures in millions of euros

The maturity of debt securities are provided in Note 7 “Risk Management”.

In 2023 and 2022, there have been no relevant transactions relating to financial assets in the portfolio at amortized cost classified as Level 3.

Investments recorded using the equity method.

The accompanying table provides a breakdown of the fair value of the main companies recorded using the equity method in the past two years:

Entity	Amount	
	2023	2022
ENERGÍAS RENOVABLES IBERMAP S.L. (*)	201.4	145.5
MAP SL EUROPEAN INVEST S.A.R.L. (*)	155.8	170.7
MEAG EUROPE OFFICE SELECT EOS SCSP SICAV-RAIF (*)	132.0	41.6
SALVADOR CAETANO AUTO (SGPS), S.A.	124.9	115.3
MAPFRE INFRAESTRUCTURAS (*)	115.7	26.4
SOLUNION SEGUROS DE CREDITO S.A.	88.6	79.2
SIEREF MACQUARIE 2 (*)	70.5	6.2
STABLE INCOME EUROPEAN REAL ESTATE FUND - GLL (*)	66.8	80.3
ALMA MUNDI INSURTECH FUND, FCRE	29.8	33.3
SWISSLIFE SPICAV (*)	149.6	116.7
Other entities	90.7	71.6
TOTAL	1225.8	886.7

Figures in millions of euros

(*) Entities structured as investment funds.

FINANCIAL INVESTMENT IMPAIRMENT

Movements produced in 2023 in exposure by impairment stage of debt securities recorded in the heading “Financial assets at amortized cost” and “Financial assets at fair value through OCI” are provided in the accompanying table.

Item	Stage 1	Stage 2	Total
	2023	2023	2023
Balance at the beginning of the year	–	–	–
Adjustments to the Opening Balance	18,111.5	13.0	18,124.5
Transfers	(0.5)	0.5	–
Stage 2 from Stage 1	(14.0)	14.0	–
Stage 1 from stage 2	13.5	–	13.5
Additions from investment	11,246.8	–	11,246.8
Additions/removals due to variation in credit risk	50.7	–	50.7
Cancellations	(7,567.1)	(11.3)	(7,578.4)
Other variations	(155.0)	(1.3)	(156.3)
Balance at the end of the year	21,686.4	0.9	21,687.3

Figures in millions of euros

Movements produced in 2023 in provisions for impairment losses of “Financial assets at amortized cost” and “Financial assets at fair value through OCI” are provided in the accompanying table.

Movements produced in 2023 by impairment stage in provisions for impairment losses of “Financial assets at amortized cost” and “Financial assets at fair value through OCI” are provided in the accompanying tables:

Item	AMOUNT
Balance at the beginning of the year	–
Adjustments to the Opening Balance	(55.7)
Net allowances against the results of the year	
Allowances against results	(12.6)
Recovery of allowances with payment to results	0.8
Applications	6.7
Exchange rate variations	–
Other variations	0.9
Balance at the end of the year	(59.9)

Figures in millions of euros

Item	Stage 1	Stage 2	Total
	2023	2023	2023
Balance at the beginning of the year	–	–	–
Adjustments to the Opening Balance	(52.2)	(3.5)	(55.7)
Transfers	0.6	(0.6)	–
Stage 2 from Stage 1	0.2	(0.2)	–
Stage 1 from stage 2	0.4	(0.4)	–
Additions from investment	(11.0)	–	(11.0)
Additions/removals due to variation in credit risk	(1.5)	–	(1.5)
Cancellations	3.6	3.8	7.4
Other variations	0.8	0.2	1.0
Balance at the end of the year	(59.7)	(0.1)	(59.8)

Figures in millions of euros

There were no financial instruments in Stage 3 at December 31, 2023.

6.5. RECEIVABLES

The breakdown of the "Receivables" heading, as well as impairment losses and gains on reversals recorded in the last two years are as follows:

Item	Gross amount		Impairment		Net balance on balance sheet		Impairment			
	2023	2022	2023	2022	2023	2022	Recorded losses		Reversal gains	
							2023	2022	2023	2022
Tax receivables	514.9	447.5	—	—	514.9	447.5	—	—	—	—
Corporate and other receivables	785.1	765.6	(18.8)	(19.5)	766.3	746.1	(7.3)	(3.2)	4.9	2.4
TOTAL	1,300.0	1,213.1	(18.8)	(19.5)	1,281.2	1,193.6	(7.3)	(3.2)	4.9	2.4

Figures in millions of euros

The breakdown for the "Corporate and other receivables" heading at the close of the last two years is as follows:

Corporate and other receivables	Amount	
	2023	2022
Debtors of sales or provision of services	310.8	164.4
Receivables for claim recovery (including collaboration agreements with other insurance companies)	27.9	55.4
Advance payment of policies (Life insurance)	22.3	23.9
Legal deposits	330.2	301.1
Receivables with Public Administrations	6.9	16.3
Balances receivable from personnel	22.0	33.3
Other debtors	46.2	151.7
TOTAL	766.3	746.1

Figures in millions of euros

Impairment is calculated and, where necessary, recognized, as described in the accounting policy 5.8 "Receivables" herein.

The balances included in the "Receivables" heading do not accrue interest and their liquidation is generally executed the following year.

6.6. ASSET IMPAIRMENT

The following tables show asset impairment for the last two periods:

2023

Impairment in:	Opening balance	Adjustments to the opening balance	Changes to the scope	Recorded in results		Write-off of asset	Closing balance
				Increase	Decrease		
Intangible assets	196.9	(5.9)	—	75.0	—	—	266.0
I. Goodwill	193.5	(5.8)	—	75.0	—	—	262.7
II. Other intangible assets	3.4	(0.1)	—	—	—	—	3.3
Property, plant and equipment	6.9	—	—	4.2	(2.7)	—	8.4
I. Real estate for own use	6.9	—	—	4.2	(2.7)	—	8.4
II. Other property, plant and equipment	—	—	—	—	—	—	—
Investments	297.7	(51.3)	—	27.6	(13.1)	(12.3)	248.6
I. Real estate investments	190.8	(0.1)	—	14.9	(5.6)	(11.2)	188.8
II. Financial investments							
Financial investments at fair value through P&L	—	—	—	—	—	—	—
Financial investments at fair value through other comprehensive income	106.9	(55.1)	—	11.2	(7.5)	(0.3)	55.2
Financial investments at amortized cost	—	3.9	—	1.3	—	(0.6)	4.6
III. Investments recorded by applying the equity method	—	—	—	—	—	—	—
V. Other investments	—	—	—	0.2	—	(0.2)	—
Inventories	93.2	—	—	0.8	(1.1)	—	92.9
Receivables	19.5	0.5	—	7.3	(4.9)	(3.6)	18.8
III. Tax receivables	—	—	—	—	—	—	—
IV. Social security and other receivables	19.5	0.5	—	7.3	(4.9)	(3.6)	18.8
Other assets	0.1	—	—	11.1	(4.4)	(5.8)	1.0
TOTAL IMPAIRMENT	614.3	(56.7)	—	126.0	(26.2)	(21.7)	635.7

Figures in millions of euros

2022

Impairment in:	Opening balance	Adjustments to the opening balance	Changes to the scope	Recorded in results		Write-off of asset	Closing balance
				Increase	Decrease		
Intangible assets	207.3	8.9	(19.3)	—	—	—	196.9
I. Goodwill	194.2	8.8	(9.5)	—	—	—	193.5
II. Other intangible assets	13.1	0.1	(9.8)	—	—	—	3.4
Property, plant and equipment	8.2	(2.2)	—	2.0	(1.1)	—	6.9
I. Real estate for own use	6.2	(0.2)	—	2.0	(1.1)	—	6.9
II. Other property, plant and equipment	2.0	(2.0)	—	—	—	—	—
Investments	286.1	1.7	(2.4)	24.2	(5.5)	(6.4)	297.7
I. Real estate investments	181.9	1.1	(2.4)	20.1	(5.5)	(4.4)	190.8
II. Financial investments	—	—	—	—	—	—	—
Financial investments at fair value through P&L	—	—	—	—	—	—	—
Financial investments at fair value through other comprehensive income	104.2	0.6	—	4.1	—	(2.0)	106.9
Financial investments at amortized cost	—	—	—	—	—	—	—
III. Investments recorded by applying the equity method	—	—	—	—	—	—	—
V. Other investments	—	—	—	—	—	—	—
Inventories	91.8	(0.1)	—	2.5	(1.0)	—	93.2
Receivables	19.0	(0.3)	—	3.2	(2.4)	—	19.5
III. Tax receivables	—	—	—	—	—	—	—
IV. Corporate and other receivables	19.0	(0.3)	—	3.2	(2.4)	—	19.5
Other assets	0.1	—	—	—	—	—	0.1
TOTAL IMPAIRMENT	612.5	8.0	(21.7)	31.9	(10.0)	(6.4)	614.3

Figures in millions of euros

6.7. CASH FLOW

Expenditure

Over the course of 2023 and 2022, there were no relevant disbursements related to investments in Group companies or the acquisition of businesses.

Payments received

In 2023 and 2022, there were cash inflows from sale operations, the most notable of which were:

2023

- In December 2023 the sale of the whole of the shareholding in the entity MAPFRE VIDEO Y COMUNICACIÓN S.A. took place, for a consideration of 89.6 million euros, generating an attributable result of 56.8 million euros for the Group.

2022

- In August 2022 the sale of the whole of the shareholding in PT ASURANSI BINA DANA ARTA TBK (ABDA), registered in Indonesia, took place, for a consideration of 59.4 million euros, which implied an attributable result of 5.9 million euros for the Group.
- In October 2022 the sale of MAPFRE Insular Insurance Corporation, registered in the Philippines, was closed, for a consideration of 17.9 million euros, which has implied an attributable result of 3.4 million euros.
- On October 10, the resolution of the agreements with UNICAJA was formalized, after which, said company acquired 50 percent, belonging to MAPFRE, of CCM Vida y Pensiones, through a contribution of 131.4 million euros, generating a net result of 1.7 million euros.

Commitments

Non-controlling interests of the MAPFRE RE subsidiary have a put option on the shares of this company. If exercised, MAPFRE S.A. or a Group company would have to acquire the shares from the selling non-controlling shareholder. The purchase price for the MAPFRE RE shares will be calculated using the previously agreed formula. At December 31, 2023 and 2022, considering the variables included in the aforementioned formula, the commitment assumed by the Group if this option were exercised would amount to a total of approximately 128.9 and 109.6 million euros, respectively.

No significant non-monetary transactions related to investment and financing activities have been excluded from the cash flow statement.

6.8. NON-CURRENT ASSETS HELD FOR SALE, ASSOCIATED LIABILITIES AND DISCONTINUED OPERATIONS

At December 31, 2023 and 2022, the main non-current assets held for sale, discontinued operations and associated liabilities were as follows:

Item	Non-current assets classified as held-for-sale		Discontinued operations		Total	
	2023	2022	2023	2022	2023	2022
<u>Assets</u>						
Intangible assets	0.6	—	—	—	0.6	—
Property, plant and equipment	—	—	—	—	—	—
Investments	11.0	—	—	—	11.0	—
Credits	7.7	8.1	—	—	7.7	8.1
Cash	5.7	3.6	—	—	5.7	3.6
Other assets	44.7	37.4	—	—	44.7	37.4
Total assets	69.7	49.1	—	—	69.7	49.1
<u>Related liabilities</u>						
Insurance liabilities	16.7	1.3	—	—	16.7	1.3
Tax liabilities	2.3	—	—	—	2.3	—
Other debts	12.7	10.4	—	—	12.7	10.4
Total liabilities	31.7	11.7	—	—	31.7	11.7

Figures in millions of euros

At December 31, 2023 and 2022, for FUNESPAÑA there were "Assets held for sale" for the amount of 25.1 million euros.

The definitive sale of the non-current assets held for sale corresponding to 2023 is expected to take place in the next 12 months, with no loss expected from said transaction.

6.9. EQUITY

Share capital

The share capital is recorded by the face value of disbursed shares or whose disbursement was demanded.

The controlling company's share capital at December 31, 2023 and 2022 was represented by 3,079,553,273 shares, with a face value of 0.10 euros each, fully subscribed and paid-up. All shares carry identical voting and dividend rights.

The Annual General Meeting of March 10, 2023 authorized the directors of the controlling company to increase the capital up to a maximum of 153,977,663.65 euros, equivalent to 50 percent of the share capital at the time. This authorization was granted for a period of five years. Furthermore, the Board of Directors was authorized to issue convertible analogous fixed-income securities or debentures, for a maximum amount of 2 billion euros.

CARTERA MAPFRE directly held 69.7 percent of the share capital at December 31, 2023 and 2022.

All shares representing the share capital of the controlling company are admitted to official trading on the Spanish stock market.

The share premium reached 1.5 billion euros in the last two years and is freely available.

Treasury Stock

Sales transactions of MAPFRE S.A. shares, where applicable, are in line with what is set out in the Internal Code of Conduct regarding securities issued by MAPFRE, the Market Abuse Regulation, and Memorandum 1/2017 from the National Commission on Financial Markets.

In 2023 and 2022, no MAPFRE S.A. share purchases were carried out, and 35,760 and 203,765 shares, respectively, were given to directors of subsidiaries as part of variable remuneration schemes, representing 0.0012 percent and 0.0066 percent of capital, for the amount of 0.01 and 0.4 million euros, respectively.

Additionally, 4,624,725 shares (10,070,672 in 2022) were given to employees as part of the Stock-option plan described in "Accounting policies" Note 5.18, recording a negative impact of 0.9 million euros (3.7 million euros in 2022), which has been included in the heading "Reserves".

At December 31, 2023 and 2022, the controlling company owned 15,129,098 and 19,789,583 shares of treasury stock respectively, representing 0.49 and 0.64 percent of the capital, for the amount of 31.7 and 41.4 million euros, respectively.

At December 31, 2023 and 2022, no other Group company held shares in the controlling company.

Valuation change adjustments

This includes the equity reserves arising as a consequence of revenues and expenses recognized in each year which, pursuant to international accounting standards, must be recorded in the Group's equity accounts.

The following table shows the nature of the "Valuation change adjustments" recorded under that Equity heading at the close of the last two financial years:

Item	Amount	
	2023	2022
Fixed income		
Capital gains	1,369.4	941.9
Capital losses	(1,483.2)	(1,453.3)
Equity and Mutual Funds		
Capital gains	42.7	17.3
Capital losses	(43.9)	(86.5)
Other adjustments	(297.1)	(342.9)
TOTAL	(412.1)	(923.4)

Figures in millions of euros

Restrictions on the availability of reserves

The heading "Reserves" includes the controlling company's legal reserve, amounting to 61.6 million euros at December 31, 2023 and 2022, which may not be distributed to shareholders, except in the event of the controlling company's liquidation, and may only be used to offset potential losses. The same restriction applies to the legal reserves established by the subsidiaries and reflected in their balance sheets.

There are no other restrictions on the availability of reserves for any significant amount, except for those described in the section regarding "Tax incentives" in Note 6.16.

Capital management

Capital management is focused on ensuring stability and maintaining adequate remuneration, which are achieved through robust solvency margins, financial flexibility, the generation of cash flows, and the creation of value for shareholders.

Managed capital refers to the shareholders' equity permitted by the regulations currently in force and other management models used. The Group Solvency ratio offers great stability, backed by a high level of diversification and strict asset and liability management and investment policies.

In line with the Group's risk appetite, which corresponds to the level of risk that the Group is prepared to assume to attain its business objectives without any significant deviations (even in adverse circumstances), each business unit operates according to a series of risk tolerance levels based on the capital assigned.

MAPFRE has an internal capitalization and dividend policy that is designed to provide the business units with the capital necessary to cover the risks that have been assumed, all in a rational and objective way.

The volume of dividends for distribution is established in line with the estimated results and shareholders' equity. If actual performance deviates from the estimates made, the assigned capital is revised.

Remuneration for shareholders is linked to the Group's profits, solvency, liquidity and investment plans, as well as shareholders' expectations.

As a general rule, the Board of Directors recommends a distribution of dividends to the Annual General Meeting based on between 45 percent and 65 percent of the result for the period attributable to the controlling company in its consolidated annual accounts.

The risk estimates and assignment of capital to each business unit are described in Note 7 of the annual report, "RISK MANAGEMENT".

The items that form part of the Group's available equity conform to the requirements of current regulations.

6.10. SUBORDINATED LIABILITIES

At December 31, 2023 and 2022, the balance of this account included the amortized cost of the subordinated debt issued by the controlling company, corresponding to the issuances in April 2022, September 2018 and March 2017. The most relevant terms and conditions of these are described in the accompanying chart:

Terms and Conditions	Issuance		
	April 2022	September 2018	March 2017
Nominal amount	500.0	500.0	600.0
Issue date	6/4/2022	7/9/2018	03.31.2017
Maturity	04.13.2030	7/9/2048	03.31.2047
First call option	–	7/9/2028	03.31.2027
Interest rate			
- Until 1st call option	2.875%	4.125%	4.375%
- After 1st call option	–	Euribor 3M + 4,30%	Euribor 3M + 4,543%
Listing	AIAF market	AIAF market	AIAF market
Rating	BBB-	BBB-	BBB
Accrued unpaid interest at December 31, 2023	10.3	6.5	19.8
Price at close of period			
-2023	90.5%	96.3%	98.5%
-2022	82.4%	90.4%	94.5%

Figures in millions of euros

The issuances, issued under Spanish jurisdiction, contemplate:

- Redemption in special cases: due to reform or modification of tax regulations, non-classification as issuer's own funds, and change in treatment granted by the credit rating agencies.
- Interest deferral, where the issuer is obligated to defer interest payment should any Solvency Capital Requirement or Minimum Capital Requirement breach exist, or should the Relevant Regulator prohibit the issuer from making interest payments, or should the issuer be unable to meet regularly its due and payable liabilities.

The following table includes a breakdown of the fair value of each of the abovementioned issuances.

Issuance	Book value		Fair value	
	2023	2022	2023	2022
April 2022	505	504.2	462.8	422.3
September 2018	504.6	504.3	488	458.5
March 2017	618.8	618.6	610.8	586.8
TOTAL	1628.4	1627.1	1561.6	1467.6

Figures in millions of euros

6.11. FINANCIAL LIABILITIES

The following table shows the fair value breakdown of the financial liabilities:

Item	Book value		Fair value	
	2023	2022	2023	2022
Issue of debentures and other negotiable securities	864.2	863.5	844.5	795.6
Due to credit institutions	250.6	444.2	250.6	444.2
Other financial liabilities	1,233.4	2,047.0	1,339.0	2,038.1
TOTAL	2,348.2	3,354.7	2,434.1	3,277.9

Figures in millions of euros

At December 31, 2023 and 2022, the fair value of the issue of debentures and other negotiable securities corresponded to the quoted price at the close of the period (Level 1), including the accrued interest.

Issuance of debentures and other negotiable securities

At December 31, 2023 and 2022, the balance of this account included the amortized cost of the simple debentures issued by MAPFRE S.A. The most relevant terms and conditions governing issuing activity are described in the following paragraphs.

- Issue type: simple debentures represented by book entries
- Nominal amount: 1 billion euros
- Issuance date: May 19, 2016
- Issuance period: 10 years
- Maturity: May 19, 2026
- Redemption: single payment on maturity and at par, with no expense for the holder
- Listing: Fixed-income AIAF market
- Coupon: annual fixed 1.625 percent, payable on the anniversaries of the issue date up to and including the end maturity date
- Issue rating: A-

The accrued interest outstanding at December 31, 2023 and 2022, amounted to 8.6 million euros. At December 31, 2023 and 2022 the securities were listed at 97.5 and 91.8 percent of their face value, respectively.

Debt payable to lending institutions

The breakdown of the amounts due to credit institutions at December 31, 2023 and 2022, is shown in the accompanying chart:

Class of debt	Book value		Average interest rate %	
	2023	2022	2023	2022
Finance lease	2.6	2.4	1.7	1.6
Credits	139.6	239.3	4.6	0.1
Loans	108.4	202.5	4.5	0.9
Other	—	—	—	—
TOTAL	250.6	444.2	—	—

Figures in millions of euros

• Credits

At December 31, 2023 and 2022 there is syndicated line of credit granted by a group of ten banking companies and which accrues interest at a rate pegged to market variables, which matures on February 26, 2025.

Limit		Drawn down	
2023	2022	2023	2022
1,000.0	1,000.0	80.0	237.0

Figures in millions of euros

It was novated in 2018, modifying the conditions and extending its maturity. Among the conditions modified, it is worth pointing out that it became sustainable financing, also linking its interest to the Group sustainability parameters

• Loans

The breakdown of the main loans in force at December 31, 2023 and 2022 is as follows:

Bank	Period	Amount	
		2023	2022
MAPFRE VIDA	4/1/2026	55.6	73.3
MAPFRE ESPAÑA	2/21/2024	12.8	26.5
MAPFRE DOMINICANA	3/11/2027	17.2	22.9
TOTAL		85.6	122.7

Figures in millions of euros

The MAPFRE VIDA and MAPFRE ESPAÑA loans accrue an interest rate linked to the Euribor, amortizing via flat, annual payments, the first being made two years from the date of the formalization of the loan in 2019.

The MAPFRE DOMINICANA loan accrues an interest rate linked to market variables and to Group sustainability parameters, amortizing via flat half-year payments.

Other financial liabilities

The heading "Other financial liabilities" includes the outstanding amount for financial obligations not included in any other items.

The following table shows the breakdown at December 31, 2023 and 2022:

Other financial liabilities	Amount	
	2023	2022
Other financial liabilities measured at fair value through P&L	567.3	586.4
Non-controlling interests in mutual funds (Note 3.2)	257.6	1,039.8
Financial liabilities from leases (Note 6.3)	309.2	317.1
Other financial liabilities	128.8	103.7
TOTAL	1,262.9	2,047.0

Figures in millions of euros

Additionally, there is a line of credit granted by CARTERA MAPFRE with a limit of 400.00 million euros, accruing interest at a variable rate linked to the quarterly Euribor plus a 1.5 percent spread, which matures September 10, 2024, and is renewable for successive annual periods. In 2023 and 2022, no drawdowns have been made on this loan.

At December 31, 2023 and 2022 the fair value of these liabilities did not differ significantly from their book value.

Regarding the fair value level, the fair value measurements of these liabilities are classified at Level 2, with the exception of the balance of "Non-controlling interests in mutual funds", valued at settlement value (mostly Level 1 and Level 3).

In 2023 and 2022 no financial liabilities were transferred between Levels 1, 2 and 3 established in the legislation. Items are transferred between levels when they no longer meet the criteria for classification under a given level but meet those of one of the other levels.

6.12. INSURANCE AND REINSURANCE OPERATIONS

A) INFORMATION REGARDING AMOUNTS RECOGNIZED ON THE BALANCE SHEET AND INCOME STATEMENT

The following is a breakdown, for the last two years, of assets, liabilities, and revenue and expenses relating to insurance and reinsurance contracts, by valuation method indicated in note 5.14.

2023

BREAKDOWN BY VALUATION METHOD	BALANCE		INCOME STATEMENT		
	Insurance and reinsurance contract assets	Insurance and reinsurance contract liabilities	Insurance and reinsurance revenue	Insurance and reinsurance service expenses	Finance result from Insurance and Reinsurance contracts
Direct Insurance and Accepted Reinsurance					
Building Block Approach (BBA)	9.0	11,164.2	1,499.9	(1,225.9)	(407.6)
Variable Fee Approach (VFA)	—	8,848.2	175.9	(103.6)	(769.7)
Premium Allocation Approach (PAA)	—	18,349.3	23,105.2	(21,016.8)	(355.7)
Total direct insurance contracts	9.0	38,361.7	24,781.0	(22,346.3)	(1,533.0)
Ceded Reinsurance					
Building Block Approach (BBA)	—	15.5	—	—	—
Premium Allocation Approach (PAA)	5,938.1	—	2,866.1	(4,259.7)	95.4
Total reinsurance contracts	5,938.1	15.5	2,866.1	(4,259.7)	95.4

Figures in millions of euros

2022

BREAKDOWN BY VALUATION METHOD	BALANCE		INCOME STATEMENT		
	Insurance and reinsurance contract assets	Insurance and reinsurance contract liabilities	Insurance and reinsurance revenue	Insurance and reinsurance service expenses	Finance result from Insurance and Reinsurance contracts
Direct Insurance and Accepted Reinsurance					
Building Block Approach (BBA)	6.1	9,324.3	1,149.9	(1,013.1)	(302.0)
Variable Fee Approach (VFA)	—	8,717.6	349.6	(329.9)	271.3
Premium Allocation Approach (PAA)	—	17,522.8	21,217.7	(19,062.3)	73.1
Total direct insurance contracts	6.1	35,564.7	22,717.2	(20,405.3)	42.4
Ceded Reinsurance					
Building Block Approach (BBA)	3.5	14.5	0.6	(5.0)	6.5
Premium Allocation Approach (PAA)	5,663.2	—	2,630.2	(4,070.5)	87.3
Total reinsurance contracts	5,666.7	14.5	2,630.8	(4,075.5)	93.8

Figures in millions of euros

A.1) Breakdown of insurance contracts measured using the Building Block Approach (BBA)

The accompanying chart shows the movements in the last two years of the balances of assets of liabilities from insurance contracts that are included on the balance sheet and which were measured using the building block approach (BBA):

2023

BBA NET ASSET AND LIABILITY MOVEMENTS	For remaining coverage		For incurred claims	Total written insurance contracts
	Excluding the loss component	Loss component		
Opening balance of insurance contracts- Assets	(6.1)	—	—	(6.1)
Opening balance of insurance contracts- Liabilities	8,971.3	29.4	323.7	9,324.4
OPENING BALANCE OF INSURANCE CONTRACTS - NET AT 12/31/2022	8,965.2	29.4	323.7	9,318.3
Adjustments to opening balance	84.2	1.5	0.1	85.8
Changes in scope	(13.1)	—	—	(13.1)
ADJUSTED OPENING BALANCE (A)	9,036.3	30.9	323.8	9,391.0
Insurance revenue	(1,499.9)	—	—	(1,499.9)
Insurance service expenses	193.4	72.0	960.5	1,225.9
Incurred claims and other expenses	—	—	967.7	967.7
Amortization of insurance acquisition cash flows	193.4	—	—	193.4
Losses on onerous contracts and reversals of those losses	—	72.0	—	72.0
Changes to liabilities for incurred claims	—	—	(7.2)	(7.2)
Result from insurance service	(1,306.5)	72.0	960.5	(274.0)
Recognized in Profit & Loss	390.0	0.3	17.3	407.6
Recognized in other comprehensive income	307.3	—	9.5	316.8
Financial result from insurance service	697.3	0.3	26.8	724.4
TOTAL CHANGES IN THE STATEMENT OF PROFIT & LOSS AND OCI (B)	(609.2)	72.3	987.3	450.4
INVESTMENT COMPONENT (C)	(474.8)	—	474.8	—
Premiums paid	2,892.5	—	—	2,892.5
Claims and other expenses from insurance service	—	—	(1,426.4)	(1,426.4)
Insurance acquisition cash flows	(152.3)	—	—	(152.3)
NET CASH FLOWS (D)	2,740.2	—	(1,426.4)	1,313.8
OTHER MOVEMENTS (E)	—	—	—	—
CLOSING BALANCE OF INSURANCE CONTRACTS - NET AT 12/31/2023 (A+B+C+D+E)	10,692.8	103.1	359.3	11,155.2
Closing balance of insurance contracts- Assets	(10.7)	—	1.7	(9.0)
Closing balance of insurance contracts- Liabilities	10,703.5	103.1	357.6	11,164.2

Figures in millions of euros

2022

BBA NET ASSET AND LIABILITY MOVEMENTS	For remaining coverage			Total written insurance contracts
	Excluding the loss component	Loss component	For incurred claims	
Opening balance of insurance contracts- Assets	(14.2)	—	—	(14.2)
Opening balance of insurance contracts- Liabilities	11,038.8	—	314.9	11,353.7
OPENING BALANCE OF INSURANCE CONTRACTS - NET AT 12/31/2021	11,024.6	—	314.9	11,339.5
Adjustments to opening balance	124.5	(0.3)	14.9	139.1
Changes in scope	(273.7)	—	(6.8)	(280.5)
ADJUSTED OPENING BALANCE (A)	10,875.4	(0.3)	323.0	11,198.1
Insurance revenue	(1,149.9)	—	—	(1,149.9)
Insurance service expenses	161.5	29.2	822.4	1,013.1
Incurred claims and other expenses	—	—	779.3	779.3
Amortization of insurance acquisition cash flows	161.5	—	—	161.5
Losses on onerous contracts and reversals of those losses	—	29.2	—	29.2
Changes to liabilities for incurred claims	—	—	43.1	43.1
Result from insurance service	(988.4)	29.2	822.4	(136.8)
Recognized in Profit & Loss	284.4	0.9	16.7	302.0
Recognized in other comprehensive income	(2,254.6)	(0.3)	(13.1)	(2,268.0)
Financial result from insurance service	(1,970.2)	0.6	3.6	(1,966.0)
TOTAL CHANGES IN THE STATEMENT OF PROFIT & LOSS AND OCI (B)	(2,958.6)	29.8	826.0	(2,102.8)
INVESTMENT COMPONENT (C)	(108.6)	—	108.6	—
Premiums paid	1,308.2	—	—	1,308.2
Claims and other expenses from insurance service	—	—	(934.0)	(934.0)
Insurance acquisition cash flows	(151.2)	—	—	(151.2)
NET CASH FLOWS (D)	1,157.0	—	(934.0)	223.0
OTHER MOVEMENTS (E)	—	—	—	—
CLOSING BALANCE OF INSURANCE CONTRACTS - NET AT 12/31/2022 (A+B+C+D+E)	8,965.2	29.4	323.7	9,318.3
Closing balance of insurance contracts- Assets	(6.1)	—	—	(6.1)
Closing balance of insurance contracts- Liabilities	8,971.3	29.4	323.7	9,324.4

Figures in millions of euros

The reconciliation of opening and closing balances for insurance contract assets and liabilities measured using the building block approach (BBA), with a breakdown by component, is as follows:

2023

BBA				
RECONCILIATION BY COMPONENT	Present value of future cash flow estimates	Risk adjustment	Contractual Service Margin	Total
Opening balance of insurance contracts- Assets	(41.8)	12.3	23.4	(6.1)
Opening balance of insurance contract- Liabilities	7,269.1	111.4	1,943.9	9,324.4
OPENING BALANCE OF INSURANCE CONTRACTS - NET AT 12/31/2022	7,227.3	123.7	1,967.3	9,318.3
Adjustments to opening balance	10.0	3.2	72.6	85.8
Changes in scope	(9.5)	—	(3.6)	(13.1)
ADJUSTED OPENING BALANCE (A)	7,227.8	126.9	2,036.3	9,391.0
Changes related to future services	(453.1)	33.4	451.7	32.0
Contracts initially recognized in the period	(294.7)	32.6	257.6	(4.5)
Changes in estimates that adjust the Contractual Service Margin	(194.6)	0.6	194.1	0.1
Changes in estimates that do not adjust the Contractual Service Margin (losses in groups of contracts at initial recognition and reversal of those losses)	36.2	0.2	—	36.4
Changes related to current services	(12.7)	(18.8)	(302.1)	(333.6)
Contractual Service Margin recognized for services provided	—	—	(302.1)	(302.1)
Non financial risk adjustment recognized for the risk expired	—	(18.8)	—	(18.8)
Experience adjustments	(12.7)	—	—	(12.7)
Changes related to past services	25.8	1.8	—	27.6
Adjustment to liabilities for incurred claims	25.8	1.8	—	27.6
Insurance service result	(440.0)	16.4	149.6	(274.0)
Recognized in Profit & Loss	309.7	7.0	90.9	407.6
Recognized in other comprehensive income	311.3	5.5	—	316.8
Financial result from insurance service	621.0	12.5	90.9	724.4
TOTAL CHANGES IN THE STATEMENT OF PROFIT & LOSS AND OCI (B)	181.0	28.9	240.5	450.4
Premiums paid	2,892.5	—	—	2,892.5
Claims and other expenses from insurance service	(1,426.4)	—	—	(1,426.4)
Insurance acquisition cash flows	(152.3)	—	—	(152.3)
NET CASH FLOWS (C)	1,313.8	—	—	1,313.8
OTHER MOVEMENTS (D)	—	—	—	—
CLOSING BALANCE OF INSURANCE CONTRACTS - NET 12/31/2023 (A+B+C+D)	8,722.6	155.8	2,276.8	11,155.2
Closing balance of insurance contracts- Assets	(56.1)	14.9	32.2	(9.0)
Closing balance of insurance contracts- Liabilities	8,778.7	140.9	2,244.6	11,164.2

Figures in millions of euros

2022

BBA				
RECONCILIATION BY COMPONENT	Present value of future cash flow estimates	Risk adjustmen t	Contractual Service Margin	Total
Opening balance of insurance contracts- Assets	(51.3)	14.7	22.4	(14.2)
Opening balance of insurance contract- Liabilities	9,401.1	127.5	1,825.1	11,353.7
OPENING BALANCE OF INSURANCE CONTRACTS - NET AT 12/31/2021	9,349.8	142.2	1,847.5	11,339.5
Adjustments to opening balance	136.7	6.2	(3.9)	139.0
Changes in scope	(256.7)	(3.3)	(20.5)	(280.5)
ADJUSTED OPENING BALANCE (A)	9,229.8	145.1	1,823.1	11,198.0
Changes related to future services	(301.4)	18.2	312.6	29.4
Contracts initially recognized in the period	(280.8)	20.3	279.1	18.6
Changes in estimates that adjust the Contractual Service Margin	(31.4)	(2.1)	33.5	—
Changes in estimates that do not adjust the Contractual Service Margin (losses in groups of contracts at initial recognition and reversal of those losses)	10.8	—	—	10.8
Changes related to current services	37.2	(12.0)	(234.9)	(209.7)
Contractual Service Margin recognized for services provided	—	—	(234.9)	(234.9)
Non financial risk adjustment recognized for the risk expired	—	(12.0)	—	(12.0)
Experience adjustments	37.2	—	—	37.2
Changes related to past services	43.9	(0.3)	—	43.6
Adjustment to liabilities for incurred claims	43.9	(0.3)	—	43.6
Insurance service result	(220.3)	5.9	77.7	(136.7)
Recognized in Profit & Loss	236.2	(0.7)	66.5	302.0
Recognized in other comprehensive income	(2,241.4)	(26.6)	—	(2,268.0)
Financial result from insurance service	(2,005.2)	(27.3)	66.5	(1,966.0)
TOTAL CHANGES IN THE STATEMENT OF PROFIT & LOSS AND OCI (B)	(2,225.5)	(21.4)	144.2	(2,102.7)
Premiums paid	1,308.2	—	—	1,308.2
Claims and other expenses from insurance service	(934.0)	—	—	(934.0)
Insurance acquisition cash flows	(151.2)	—	—	(151.2)
NET CASH FLOWS (C)	223.0	—	—	223.0
OTHER MOVEMENTS (D)	—	—	—	—
CLOSING BALANCE OF INSURANCE CONTRACTS - NET 12/31/2022 (A+B+C+D)	7,227.3	123.7	1,967.3	9,318.3
Closing balance of insurance contracts- Assets	(41.8)	12.3	23.4	(6.1)
Closing balance of insurance contracts- Liabilities	7,269.1	111.4	1,943.9	9,324.4

Figures in millions of euros

A.2) Breakdown of insurance contracts measured using the variable fee approach (VFA)

The accompanying chart shows the movements in the last two years of the balances of assets of liabilities from insurance contracts that are included on the balance sheet and which were measured using the variable fee approach (VFA):

2023

VFA	For remaining coverage			
NET ASSET AND LIABILITY MOVEMENTS	Excluding the loss component	Loss component	For incurred claims	Total written insurance contracts
Opening balance of insurance contracts- Assets	—	—	—	—
Opening balance of insurance contract- Liabilities	8,516.4	18.6	182.6	8,717.6
OPENING BALANCE OF INSURANCE CONTRACTS - NET AT 12/31/2022	8,516.4	18.6	182.6	8,717.6
Adjustments to opening balance	66.0	(8.5)	(11.5)	46.0
Changes in scope	—	—	—	—
ADJUSTED OPENING BALANCE (A)	8,582.4	10.1	171.1	8,763.6
Insurance revenue	(175.9)	—	—	(175.9)
Insurance service expenses	9.0	(3.7)	98.3	103.6
Claims and other expenses	—	—	109.9	109.9
Amortization of insurance acquisition cash flows	9.0	—	—	9.0
Losses on onerous contracts and reversals of those losses	—	(3.7)	—	(3.7)
Changes to liabilities for incurred claims	—	—	(11.6)	(11.6)
Insurance service result	(166.9)	(3.7)	98.3	(72.3)
Recognized in Profit & Loss	767.8	0.5	1.4	769.7
Recognized in other comprehensive income	121.5	—	—	121.5
Financial result from insurance service	889.3	0.5	1.4	891.2
TOTAL CHANGES IN THE STATEMENT OF PROFIT & LOSS AND OCI (B)	722.4	(3.2)	99.7	818.9
INVESTMENT COMPONENT (C)	(1,349.9)	—	1,349.9	—
Premiums paid	756.3	—	—	756.3
Claims and other expenses from insurance service	—	—	(1,438.5)	(1,438.5)
Insurance acquisition cash flows	(51.9)	—	—	(51.9)
NET CASH FLOWS (D)	704.4	—	(1,438.5)	(734.1)
OTHER MOVEMENTS (E)	—	—	—	—
CLOSING BALANCE OF INSURANCE CONTRACTS - NET 12/31/2023 (A+B+C+D+E)	8,659.2	6.9	182.1	8,848.2
Closing balance of insurance contracts- Assets	—	—	—	—
Closing balance of insurance contracts- Liabilities	8,659.2	6.9	182.1	8,848.2

Figures in millions of euros

2022

VFA	For remaining coverage			Total written insurance contracts
	NET ASSET AND LIABILITY MOVEMENTS	Excluding the loss component	Loss component	For incurred claims
Opening balance of insurance contracts- Assets	—	—	—	—
Opening balance of insurance contract- Liabilities	10,066.4	—	175.2	10,241.6
OPENING BALANCE OF INSURANCE CONTRACTS - NET AT 12/31/2021	10,066.4	—	175.2	10,241.6
Adjustments to opening balance	61.4	(0.5)	2.9	63.8
Changes in scope	(339.0)	—	(0.9)	(339.9)
ADJUSTED OPENING BALANCE (A)	9,788.8	(0.5)	177.2	9,965.5
Insurance revenue	(349.6)	—	—	(349.6)
Insurance service expenses	13.5	19.1	297.3	329.9
Claims and other expenses	—	—	292.2	292.2
Amortization of insurance acquisition cash flows	13.5	—	—	13.5
Losses on onerous contracts and reversals of those losses	—	19.1	—	19.1
Changes to liabilities for incurred claims	—	—	5.1	5.1
Insurance service result	(336.1)	19.1	297.3	(19.7)
Recognized in Profit & Loss	(269.4)	—	(1.9)	(271.3)
Recognized in other comprehensive income	(749.2)	—	—	(749.2)
Financial result from insurance service	(1,018.6)	—	(1.9)	(1,020.5)
TOTAL CHANGES IN THE STATEMENT OF PROFIT & LOSS AND OCI (B)	(1,354.7)	19.1	295.4	(1,040.2)
INVESTMENT COMPONENT (C)	(684.0)	—	684.0	—
Premiums paid	826.2	—	—	826.2
Claims and other expenses from insurance service	—	—	(974.0)	(974.0)
Insurance acquisition cash flows	(59.9)	—	—	(59.9)
NET CASH FLOWS (D)	766.3	—	(974.0)	(207.7)
OTHER MOVEMENTS (E)	—	—	—	—
CLOSING BALANCE OF INSURANCE CONTRACTS - NET 12/31/2022 (A+B+C+D+E)	8,516.4	18.6	182.6	8,717.6
Closing balance of insurance contracts- Assets	—	—	—	—
Closing balance of insurance contracts- Liabilities	8,516.4	18.6	182.6	8,717.6

Figures in millions of euros

The reconciliation of opening and closing balances for insurance contract assets and liabilities measured using the variable fee approach (VFA), with a breakdown by component, is as follows:

2023

VFA	Present value of future cash flow estimates	Risk adjustment	Contractual Service Margin	Total
RECONCILIATION BY COMPONENT				
Opening balance of insurance contracts- Assets	—	—	—	—
Opening balance of insurance contract- Liabilities	8,325.7	46.7	345.2	8,717.6
OPENING BALANCE OF INSURANCE CONTRACTS - NET AT 12/31/2022	8,325.7	46.7	345.2	8,717.6
Adjustments to opening balance	49.4	1.1	(4.5)	46.0
Changes in scope	—	—	—	—
ADJUSTED OPENING BALANCE (A)	8,375.1	47.8	340.7	8,763.6
Changes related to future services	(96.1)	20.5	32.5	(43.1)
Contracts initially recognized in the period	(56.2)	5.5	36.1	(14.6)
Changes in estimates that adjust the Contractual Service Margin	(11.4)	15.0	(3.6)	—
Changes in estimates that do not adjust the Contractual Service Margin (losses in groups of contracts at initial recognition and reversal of those losses)	(28.5)	—	—	(28.5)
Changes related to current services	3.2	(5.7)	(37.3)	(39.8)
Contractual Service Margin recognized for services provided	—	—	(37.3)	(37.3)
Non financial risk adjustment recognized for the risk expired	—	(5.7)	—	(5.7)
Experience adjustments	3.2	—	—	3.2
Changes related to past services	10.4	0.2	—	10.6
Adjustment to liabilities for incurred claims	10.4	0.2	—	10.6
Insurance service result	(82.5)	15.0	(4.8)	(72.3)
Recognized in Profit & Loss	769.9	—	(0.2)	769.7
Recognized in other comprehensive income	121.4	—	—	121.4
Financial result from insurance service	891.3	—	(0.2)	891.1
TOTAL CHANGES IN THE STATEMENT OF PROFIT & LOSS AND OCI (B)	808.7	15.0	(5.0)	818.7
Premiums paid	756.3	—	—	756.3
Claims and other expenses from insurance service	(1,438.5)	—	—	(1,438.5)
Insurance acquisition cash flows	(51.9)	—	—	(51.9)
NET CASH FLOWS (C)	(734.1)	—	—	(734.1)
OTHER MOVEMENTS (D)	—	—	—	—
CLOSING BALANCE OF INSURANCE CONTRACTS - NET AT 12/31/2023 (A+B+C+D)	8,449.6	62.8	335.8	8,848.2
Closing balance of insurance contract- Assets	—	—	—	—
Closing balance of insurance contract - Liabilities	8,449.6	62.8	335.8	8,848.2

Figures in millions of euros

2022

VFA	Present value of future cash flow estimates	Risk adjustment	Contractual Service Margin	Total
RECONCILIATION BY COMPONENT				
Opening balance of insurance contracts- Assets	-	-	-	-
Opening balance of insurance contract- Liabilities	9,843.9	37.1	360.6	10,241.6
OPENING BALANCE OF INSURANCE CONTRACTS - NET AT 12/31/2021	9,843.9	37.1	360.6	10,241.6
Adjustments to opening balance	61.6	0.1	2.1	63.8
Changes in scope	(328.7)	(1.6)	(9.6)	(339.9)
ADJUSTED OPENING BALANCE (A)	9,576.8	35.6	353.1	9,965.5
Changes related to future services	(25.7)	15.6	25.4	15.3
Contracts initially recognized in the period	(13.5)	4.9	27.6	19.0
Changes in estimates that adjust the Contractual Service Margin	(9.3)	11.5	(2.2)	-
Changes in estimates that do not adjust the Contractual Service Margin (losses in groups of contracts at initial recognition and reversal of those losses)	(2.9)	(0.8)	-	(3.7)
Changes related to current services	(2.2)	(4.6)	(33.0)	(39.8)
Contractual Service Margin recognized for services provided	-	-	(33.0)	(33.0)
Non financial risk adjustment recognized for the risk expired	-	(4.6)	-	(4.6)
Experience adjustments	(2.2)	-	-	(2.2)
Changes related to past services	4.5	0.1	-	4.6
Adjustment to liabilities for incurred claims	4.5	0.1	-	4.6
Insurance service result	(23.4)	11.1	(7.6)	(19.9)
Recognized in Profit & Loss	(271.0)	-	(0.3)	(271.3)
Recognized in other comprehensive income	(749.2)	-	-	(749.2)
Financial result from insurance service	(1,020.2)	-	(0.3)	(1,020.5)
TOTAL CHANGES IN THE STATEMENT OF PROFIT & LOSS AND OCI (B)	(1,043.4)	11.1	(7.9)	(1,040.2)
Premiums paid	826.2	-	-	826.2
Claims and other expenses from insurance service	(974.0)	-	-	(974.0)
Insurance acquisition cash flows	(59.9)	-	-	(59.9)
NET CASH FLOWS (C)	(207.7)	-	-	(207.7)
OTHER MOVEMENTS (D)	-	-	-	-
CLOSING BALANCE OF INSURANCE CONTRACTS - NET AT 12/31/2022 (A+B+C+D)	8,325.7	46.7	345.2	8,717.6
Closing balance of insurance contract- Assets	-	-	-	-
Closing balance of insurance contract - Liabilities	8,325.7	46.7	345.2	8,717.6

Figures in millions of euros

The following provides a breakdown of the composition and fair value of the underlying items in the contracts measured using the variable fee approach (VFA) in the last two years:

BREAKDOWN OF UNDERLYING ASSETS	FAIR VALUE	
	2023	2022
Cash and cash equivalents	10.6	71.7
Real estate investments	155.5	172.3
Financial investments	8,794.8	8,611.7
Financial assets at fair value	8,783.9	8,557.5
Financial assets amortized cost	9.0	51.5
Repurchase agreements and securities lending	-	-
Finance derivatives	2.0	2.7
Other financial liabilities	-	-
TOTAL OF UNDERLYING ASSETS	8,960.9	8,855.7

Figures in millions of euros

A.3) Breakdown of insurance contracts measured using the premium allocation approach (PAA)

The accompanying chart shows the movements in the last two years of the balances of assets of liabilities from insurance contracts that are included on the balance sheet and which were measured using the premium allocation approach (PAA):

2023

PAA NET ASSET AND LIABILITY MOVEMENTS	For remaining coverage		For incurred claims		Total written insurance contracts
	Excluding the loss component	Loss component	Estimate of present value of future cash flows	Risk adjustment	
Opening balance of insurance contracts- Assets	-	-	-	-	-
Opening balance of insurance contract- Liabilities	5,330.5	209.1	11,480.4	502.8	17,522.8
OPENING BALANCE OF INSURANCE CONTRACTS - NET AT 12/31/2022	5,330.5	209.1	11,480.4	502.8	17,522.8
Adjustments to opening balance	69.9	(5.3)	(370.9)	4.7	(301.6)
Changes in scope	(0.2)	-	(0.1)	-	(0.3)
ADJUSTED OPENING BALANCE (A)	5,400.2	203.8	11,109.4	507.5	17,220.9
Insurance revenue	(23,105.2)	-	-	-	(23,105.2)
Insurance service expenses	5,155.9	15.9	15,160.2	684.8	21,016.8
Claims and other expenses	-	-	14,431.3	612.0	15,043.3
Amortization of insurance acquisition cash flows	5,155.9	-	-	-	5,155.9
Losses on onerous contracts and reversals of those losses	-	15.9	-	-	15.9
Changes to liabilities for incurred claims	-	-	728.9	72.9	801.8
Insurance service result	(17,949.3)	15.9	15,160.2	684.8	(2,088.4)
Recognized in Profit & Loss	-	-	344.3	11.4	355.7
Recognized in other comprehensive income	-	-	-	-	-
Financial result from insurance service	-	-	344.3	11.4	355.7
TOTAL CHANGES IN THE STATEMENT OF PROFIT & LOSS AND OCI (B)	(17,949.3)	15.9	15,504.5	696.2	(1,732.7)
INVESTMENT COMPONENT (C)	-	-	-	-	-
Premiums paid	21,007.2	-	-	-	21,007.2
Claims and other expenses from insurance service	-	-	(14,359.1)	(611.5)	(14,970.6)
Insurance acquisition cash flows	(3,175.5)	-	-	-	(3,175.5)
NET CASH FLOWS (D)	17,831.7	-	(14,359.1)	(611.5)	2,861.1
OTHER MOVEMENTS (E)	-	-	-	-	-
CLOSING BALANCE OF INSURANCE CONTRACTS - NET AT 12/31/2023 (A+B+C+D+E)	5,282.6	219.7	12,254.8	592.2	18,349.3
Closing balance of insurance contract- Assets	-	-	-	-	-
Closing balance of insurance contract - Liabilities	5,282.6	219.7	12,254.8	592.2	18,349.3

Figures in millions of euros

2022

PAA	For remaining coverage		For incurred claims		Total written insurance contracts
	Excluding the loss component	Loss component	Estimate of present value of future cash flows	Risk adjustment	
NET ASSET AND LIABILITY MOVEMENTS					
Opening balance of insurance contracts- Assets	-	-	-	-	-
Opening balance of insurance contract- Liabilities	4,444.9	169.8	11,430.9	557.8	16,603.4
OPENING BALANCE OF INSURANCE CONTRACTS - NET AT 12/31/2021	4,444.9	169.8	11,430.9	557.8	16,603.4
Adjustments to opening balance	196.2	(0.9)	135.5	(24.7)	306.1
Changes in scope	25.8	-	(36.8)	(0.1)	(11.1)
ADJUSTED OPENING BALANCE (A)	4,666.9	168.9	11,529.6	533.0	16,898.4
Insurance revenue	(21,217.7)	-	-	-	(21,217.7)
Insurance service expenses	4,739.8	40.2	13,770.0	512.3	19,062.3
Claims and other expenses	-	-	13,964.6	535.3	14,499.9
Amortization of insurance acquisition cash flows	4,739.8	-	-	-	4,739.8
Losses on onerous contracts and reversals of those losses	-	40.2	-	-	40.2
Changes to liabilities for incurred claims	-	-	(194.5)	(23.0)	(217.5)
Insurance service result	(16,477.9)	40.2	13,770.0	512.3	(2,155.4)
Recognized in Profit & Loss	-	-	(65.9)	(7.2)	(73.1)
Recognized in other comprehensive income	-	-	-	-	-
Financial result from insurance service	-	-	(65.9)	(7.2)	(73.1)
TOTAL CHANGES IN THE STATEMENT OF PROFIT & LOSS AND OCI (B)	(16,477.9)	40.2	13,704.1	505.1	(2,228.5)
INVESTMENT COMPONENT (C)	-	-	-	-	-
Premiums paid	21,199.6	-	-	-	21,199.6
Claims and other expenses from insurance service	-	-	(13,753.3)	(535.3)	(14,288.6)
Insurance acquisition cash flows	(4,058.2)	-	-	-	(4,058.2)
NET CASH FLOWS (D)	17,141.5	-	(13,753.3)	(535.3)	2,852.9
OTHER MOVEMENTS (E)	-	-	-	-	-
CLOSING BALANCE OF INSURANCE CONTRACTS - NET AT 12/31/2022 (A+B+C+D+E)	5,330.5	209.1	11,480.4	502.8	17,522.8
Closing balance of insurance contract- Assets	-	-	-	-	-
Closing balance of insurance contract - Liabilities	5,330.5	209.1	11,480.4	502.8	17,522.8

Figures in millions of euros

A.4) Ceded reinsurance contracts

The accompanying chart shows the movements in the last two years of the balances of assets of liabilities from ceded reinsurance included on the balance sheet and which were measured using the premium allocation approach (PAA):

2023

PAA	For remaining coverage		For incurred claims		Total ceded reinsurance contracts
NET ASSET AND LIABILITY MOVEMENTS - CEDED REINSURANCE	Excluding the loss component	Loss component	Estimate of present value of future cash flows	Risk adjustment	
Opening balance from Ceded Reinsurance contracts - Assets	1,294.6	34.4	4,160.8	173.4	5,663.2
Opening balance of Ceded Reinsurance contract-Liabilities	-	-	-	-	-
OPENING BALANCE OF Ceded Reinsurance CONTRACTS - NET AT 12/31/2022	1,294.6	34.4	4,160.8	173.4	5,663.2
Adjustments to opening balance	(198.1)	(0.8)	17.5	4.0	(177.4)
Changes in scope	(0.3)	-	-	-	(0.3)
ADJUSTED OPENING BALANCE (A)	1,096.2	33.6	4,178.3	177.4	5,485.5
Ceded Reinsurance revenue	(1.2)	9.3	2,596.9	261.6	2,866.6
Ceded Reinsurance service expenses	(4,259.7)	-	-	-	(4,259.7)
Finance revenue/(expenses) from Ceded Reinsurance service	-	-	93.8	1.6	95.4
Recognized in Profit & Loss	-	-	100.0	1.6	101.6
Recognized in other comprehensive income	-	-	-	-	-
Effect of changes in counterparty credit risk	-	-	(6.2)	-	(6.2)
TOTAL CHANGES IN THE STATEMENT OF PROFIT & LOSS AND OCI (B)	(4,260.9)	9.3	2,690.7	263.2	(1,297.7)
INVESTMENT COMPONENT (C)	-	-	-	-	-
Premiums ceded	4,702.3	-	-	-	4,702.3
Cash inflows	(204.5)	-	(2,507.7)	(239.8)	(2,952.0)
NET CASH FLOWS (D)	4,497.8	-	(2,507.7)	(239.8)	1,750.3
OTHER MOVEMENTS (E)	-	-	-	-	-
CLOSING BALANCE OF Ceded Reinsurance CONTRACTS - NET AT 12/31/2023 (A+B+C+D+E)	1,333.1	42.9	4,361.3	200.8	5,938.1
Closing balance from Ceded Reinsurance contracts - Assets	1,333.1	42.9	4,361.3	200.8	5,938.1
Closing balance from Ceded Reinsurance contracts - Liabilities	-	-	-	-	-

Figures in millions of euros

2022

PAA	For remaining coverage		For incurred claims		Total ceded reinsurance contracts
NET ASSET AND LIABILITY MOVEMENTS - CEDED REINSURANCE	Excluding the loss component	Loss component	Estimate of present value of future cash flows	Risk adjustment	
Opening balance from Ceded Reinsurance contracts - Assets	1,024.1	56.4	4,123.0	206.0	5,409.5
Opening balance of Ceded Reinsurance contract-Liabilities	-	-	-	-	-
OPENING BALANCE OF Ceded Reinsurance CONTRACTS - NET AT 12/31/2021	1,024.1	56.4	4,123.0	206.0	5,409.5
Adjustments to opening balance	205.6	(2.6)	115.7	1.7	320.4
Changes in scope	10.3	-	(9.3)	-	1.0
ADJUSTED OPENING BALANCE (A)	1,240.0	53.8	4,229.4	207.7	5,730.9
Ceded Reinsurance revenue	-	(19.4)	2,445.9	203.7	2,630.2
Ceded Reinsurance service expenses	(4,070.5)	-	-	-	(4,070.5)
Finance revenue/(expenses) from Ceded Reinsurance service	-	-	98.1	(10.8)	87.3
Recognized in Profit & Loss	-	-	87.6	(10.8)	76.8
Recognized in other comprehensive income	-	-	-	-	-
Effect of changes in counterparty credit risk	-	-	10.5	-	10.5
TOTAL CHANGES IN THE STATEMENT OF PROFIT & LOSS AND OCI (B)	(4,070.5)	(19.4)	2,544.0	192.9	(1,353.0)
INVESTMENT COMPONENT (C)	-	-	-	-	-
Premiums ceded	3,917.7	-	-	-	3,917.7
Cash inflows	207.4	-	(2,612.6)	(227.2)	(2,632.4)
NET CASH FLOWS (D)	4,125.1	-	(2,612.6)	(227.2)	1,285.3
OTHER MOVEMENTS (E)	-	-	-	-	-
CLOSING BALANCE OF Ceded Reinsurance CONTRACTS - NET AT 12/31/2022 (A+B+C+D+E)	1,294.6	34.4	4,160.8	173.4	5,663.2
Closing balance from Ceded Reinsurance contracts - Assets	1,294.6	34.4	4,160.8	173.4	5,663.2
Closing balance from Ceded Reinsurance contracts - Liabilities	-	-	-	-	-

Figures in millions of euros

B) INFORMATION REGARDING NEW CONTRACTS RECOGNIZED IN THE YEAR

The accompanying charts show the amount recognized on the balance sheet in the last two years for new written insurance contracts recorded during the year and which were measured using a method other than the premium allocation approach (PAA):

a. Building block approach – BBA

2023

EFFECT OF CONTRACTS RECOGNIZED IN THE YEAR - BBA	WRITTEN INSURANCE CONTRACTS		WRITTEN REINSURANCE CONTRACTS HELD	
	NON ONEROUS	ONEROUS	NON ONEROUS	ONEROUS
ESTIMATES OF FUTURE CASH FLOWS, EXCLUDING ACQUISITION CASH FLOWS	2,233.9	–	3.3	–
ESTIMATES OF INSURANCE ACQUISITION CASH FLOWS	444.7	–	–	–
ESTIMATES OF THE PRESENT VALUE OF FUTURE CASH OUTFLOWS	2,678.6	–	3.3	–
ESTIMATES OF THE PRESENT VALUE OF FUTURE CASH INFLOWS	(2,945.3)	–	(2.9)	–
NON-FINANCIAL RISK ADJUSTMENT	9.2	–	(0.2)	–
CONTRACTUAL SERVICE MARGIN OR LOSS COMPONENT	257.6	–	(0.2)	–
AMOUNT INCLUDED IN INSURANCE CONTRACT LIABILITIES FOR THE YEAR	–	–	–	–

Figures in millions of euros

2022

EFFECT OF CONTRACTS RECOGNIZED IN THE YEAR - BBA	WRITTEN INSURANCE CONTRACTS		WRITTEN REINSURANCE CONTRACTS HELD	
	NON ONEROUS	ONEROUS	NON ONEROUS	ONEROUS
ESTIMATES OF FUTURE CASH FLOWS, EXCLUDING ACQUISITION CASH FLOWS	1,145.1	–	3.0	–
ESTIMATES OF INSURANCE ACQUISITION CASH FLOWS	80.0	–	–	–
ESTIMATES OF THE PRESENT VALUE OF FUTURE CASH OUTFLOWS	1,225.1	–	3.0	–
ESTIMATES OF THE PRESENT VALUE OF FUTURE CASH INFLOWS	(1,524.6)	–	(2.7)	–
NON-FINANCIAL RISK ADJUSTMENT	20.4	–	(0.2)	–
CONTRACTUAL SERVICE MARGIN OR LOSS COMPONENT	279.1	–	(0.2)	–
AMOUNT INCLUDED IN INSURANCE CONTRACT LIABILITIES FOR THE YEAR	–	–	–	–

Figures in millions of euros

b. Variable fee approach - VFA
2023

EFFECT OF CONTRACTS RECOGNIZED IN THE YEAR - VFA	WRITTEN INSURANCE CONTRACTS	
	NON ONEROUS	ONEROUS
ESTIMATES OF FUTURE CASH FLOWS, EXCLUDING ACQUISITION CASH FLOWS	844.7	–
ESTIMATES OF INSURANCE ACQUISITION CASH FLOWS	30.3	–
ESTIMATES OF THE PRESENT VALUE OF FUTURE CASH OUTFLOWS	875.0	–
ESTIMATES OF THE PRESENT VALUE OF FUTURE CASH INFLOWS	(916.5)	–
NON-FINANCIAL RISK ADJUSTMENT	5.4	–
CONTRACTUAL SERVICE MARGIN OR LOSS COMPONENT	36.1	–
AMOUNT INCLUDED IN INSURANCE CONTRACT LIABILITIES FOR THE YEAR	–	–

Figures in millions of euros

2022

EFFECT OF CONTRACTS RECOGNIZED IN THE YEAR - VFA	WRITTEN INSURANCE CONTRACTS	
	NON ONEROUS	ONEROUS
ESTIMATES OF FUTURE CASH FLOWS, EXCLUDING ACQUISITION CASH FLOWS	972.0	–
ESTIMATES OF INSURANCE ACQUISITION CASH FLOWS	31.5	–
ESTIMATES OF THE PRESENT VALUE OF FUTURE CASH OUTFLOWS	1,003.5	–
ESTIMATES OF THE PRESENT VALUE OF FUTURE CASH INFLOWS	(1,036.0)	–
NON-FINANCIAL RISK ADJUSTMENT	5.0	–
CONTRACTUAL SERVICE MARGIN OR LOSS COMPONENT	27.6	–
AMOUNT INCLUDED IN INSURANCE CONTRACT LIABILITIES FOR THE YEAR	–	–

Figures in millions of euros

C) CONTRACTUAL SERVICE MARGIN (CSM)

The following chart provides information regarding the period of recognition of the contractual service margin for insurance contracts by approach:

2023

Item	2024	2025	2026	2027	2028	SUBSEQUENT	TOTAL
Building block approach - BBA	282.6	207.5	165.2	139.6	121.3	1,360.7	2,276.9
Variable fee approach - VFA	39.8	32.2	30.9	23.9	22.8	186.2	335.8
Contractual service margin for insurance contracts	322.4	239.7	196.1	163.5	144.1	1,546.9	2,612.7
Contractual service margin for ceded reinsurance contracts	(1.6)	(1.4)	(1.3)	(1.2)	(1.1)	(6.4)	(13.0)
Contractual service margin total	320.8	238.3	194.8	162.3	143.0	1,540.5	2,599.7

Figures in millions of euros

2022

Item	2023	2024	2025	2026	2027	SUBSEQUENT	TOTAL
Building block approach - BBA	289.4	166.7	133.7	114.4	101.0	1,162.0	1,967.2
Variable fee approach - VFA	36.0	34.8	30.3	30.5	22.6	191.1	345.3
Contractual service margin for insurance contracts	325.4	201.5	164.0	144.9	123.6	1,353.1	2,312.5
Contractual service margin for ceded reinsurance contracts	(1.2)	(1.1)	(1.0)	(0.9)	(0.8)	(3.6)	(8.6)
Contractual service margin total	324.2	200.4	163.0	144.0	122.8	1,349.5	2,303.9

Figures in millions of euros

D) ANALYSIS OF INSURANCE REVENUE

The following chart provides a breakdown of insurance revenue for the last two years.

INSURANCE REVENUE	2023	2022
1. Liability for remaining coverage release	24,579.4	22,543.7
1.1. Claims and other expected insurance service expense	1,099.1	1,024.7
1.2. Changes in risk adjustment	24.6	24.0
1.3. CSM release	354.6	273.6
1.4 Premium release (PAA)	23,101.1	21,221.4
2. Release of insurance acquisition cash flows allocated to the period	201.6	173.5
TOTAL INSURANCE REVENUE	24,781.0	22,717.2

Figures in million euros

E) INSURANCE FINANCE INCOME AND EXPENSES

The following chart provides a breakdown of insurance finance income and expenses for the last two years, and their relationship with return on investments:

DETAIL OF INSURANCE FINANCE REVENUE/(EXPENSES) AND ITS RELATIONSHIP WITH RETURN ON INVESTMENTS	2023	2022
Interest income on financial instruments not at fair value through profit & loss	1,567.4	754.2
Other investment income	781.9	(321.4)
Net loss due to financial assets impairment	(15.8)	(5.3)
Effect of asset valuation changes recognized in OCI	953.3	(4,292.7)
Share in profits from equity-accounted companies	32.3	15.2
FINANCE RESULT NOT RELATED TO INSURANCE SERVICE	3,319.1	(3,850.0)
Changes in the fair value of the underlying assets of contracts with direct participation features	(890.8)	1,056.1
Group participation in the changes in the fair value of the underlying assets or fulfillment cash flows that do not adjust the contractual service margin	-	-
Interest unwinding	(810.3)	(188.2)
Interest accrued on the contractual service margin	(90.0)	(66.5)
Effect of changes in discount rates	(355.2)	2,361.1
Effect of measuring changes in estimates at current rates and adjusting the contractual service margin to initial recognition rates	62.2	(105.6)
Net exchange gains/losses	112.7	2.7
FINANCE RESULT FROM INSURANCE CONTRACTS	(1,971.4)	3,059.6
Interest expenses	166.9	112.6
Interest accrued on the contractual service margin	-	0.7
Effect of changes in discount rates	13.4	(30.7)
Net exchange gains/losses	(78.7)	-
Effect of changes in reinsurance counterparty credit risk	(6.2)	11.2
FINANCE RESULT FROM REINSURANCE CONTRACTS	95.4	93.8
FINANCE RESULT FROM INSURANCE AND REINSURANCE CONTRACTS	(1,876.0)	3,153.4
Movements in financial liabilities	-	-
Movements in third-party interests in consolidated funds	-	-
TOTAL MOVEMENT	-	-
of which: through profit and loss	928.2	578.7
of which: through other comprehensive income	514.9	(1,275.3)

Figures in millions of euros

The range of yield curves used for the main products in Spain is as follows:

	Annuity products (BBA)		Burial products (BBA)		Direct participation products (VFA)	
	2023	2022	2023	2022	2023	2022
1 year	4.0 %	3.8 %	4.6 %	3.8 %	3.8 %	3.8 %
5 years	3.0 %	3.7 %	3.6 %	3.8 %	2.8 %	3.7 %
10 years	3.1 %	3.7 %	3.6 %	3.8 %	2.9 %	3.7 %
15 years	3.1 %	3.6 %	3.7 %	3.7 %	3.0 %	3.6 %
20 years	3.1 %	3.4 %	3.6 %	3.4 %	2.9 %	3.4 %
30 years	3.2 %	3.3 %	3.8 %	3.4 %	3.0 %	3.3 %

F) EFFECT OF CONTRACTS MEASURED AT TRANSITION USING THE MODIFIED RETROSPECTIVE APPROACH OR THE FAIR VALUE APPROACH

Groups of insurance contracts in force at January 1, 2022 and to which transition to EU-IFRS 17 was applied were measured as indicated in Note 2.5.

The reconciliation of contractual service margin balances corresponding to groups of written insurance and reinsurance contracts that were in force at the date of transition to IFRS 17, i.e. January 1, 2022, and which were measured using the BBA and/or VFA is shown in the accompanying chart:

CONTRACTUAL SERVICE MARGIN RECONCILIATION	Groups of contracts measured at transition date applying fair value approach	
	2023	2022
OPENING BALANCE OF CONTRACTUAL SERVICE MARGIN	1,380.8	-
Adjustments to opening balance	30.0	1,403.9
Changes in scope	-	67.8
Changes that relate to future services	48.1	29.5
Effects of contracts initially recognized in the period	-	-
Changes in estimates that adjust the contractual service margin	48.1	29.5
Changes that relate to current services	(138.1)	(162.9)
Contractual Service Margin recognized for services provided	(138.1)	(162.9)
TOTAL CHANGES IN OCI	(90.0)	(133.4)
Other movements (transfers, amendments, etc.)	30.7	42.4
CLOSING BALANCE OF CONTRACTUAL SERVICE MARGIN	1,351.5	1,380.8

Figures in millions of euros

The above chart does not include the contractual service margin for products in which the Group has used the exemption for the requirement to apply the annual cohort grouping indicated in Note 5.14 and which stood at 840.2 million euros to January 1, 2022.

The Group has not used the modified retrospective approach for the contractual service margin valuation at transition.

The amount of insurance revenue corresponding to groups of contracts that were in force at the date of transition to EU-IFRS 17, i.e. January 1, 2022, is shown in the accompanying chart:

INSURANCE REVENUE RECONCILIATION	Groups of contracts measured at transition date applying fair value approach	
	2023	2022
Amounts related to changes in the liability for remaining coverage	447.0	202.7
Contractual Service Margin recognized for services provided	138.5	162.9
Changes in non-financial risk adjustment	6.2	0.8
Insurance service expenses incurred in the period	302.3	250.7
Amounts related to the recovery of insurance acquisition expenses	79.0	97.6
Allocation of premiums related to the recovery of insurance acquisition expenses	79.0	97.6
TOTAL INSURANCE REVENUE	526.0	512.0

Figures in millions of euros

The following is a breakdown of the reconciliation for the last two years of the opening and closing balance of the accrued amounts included in OCI for financial assets measured at fair value through OCI related to these groups of insurance contracts.

MOVEMENT RECONCILIATION IN OTHER COMPREHENSIVE INCOME	2023	2022
Opening balance	(591.6)	-
Adjustments to opening balance	(33.9)	-
Changes in scope	-	-
Net change in the fair value recognized as other comprehensive income in the year	24.4	(596.1)
Profit/Losses previously recognized in other comprehensive income, and reclassified to P&L for the year	10.0	-
Tax effect of the movements in the year	2.4	4.5
CLOSING BALANCE	(588.7)	(591.6)

Figures in millions of euros

G) OTHER INFORMATION
G.1.) Information related to Life and Non-Life insurance

The characteristics of the main Life insurance types sold by the Group's companies in 2023 and 2022 are listed in the accompanying chart.

• Spain

Format	Coverage	Biometric tables	Technical interest
MAPFRE VIDA			
Single premium group insurance contracts, with and without profit sharing:			
- Mod. 342. Group annuity	Longevity	PER2020 COL ORDEN 2	2.03%
- Mod. 308. Group Flexinvida with interest and premium reimbursement	Longevity / Death	PASEM2020_ReL_2	2.25%
- Mod. 438. Millón Vida	Longevity / Death	PASEM2020_NoReL_2	2.24%
- Mod. 534. Millón Vida	Longevity / Death	PASEM2020_NoReL_2	2.84%
BANKINTER SEGUROS DE VIDA			
Single premium individual contracts without profit sharing - B629	Annuity insurance with counterinsurance	PERP20-IND-ORD2-MF	1.81%
Single premium individual contracts without profit sharing - Riesgo B664	Unit Linked-type insurance, without guaranteed interest rate	PASEM20-IND-ORD2-MF	—%
Single premium individual contracts without profit sharing - Riesgo B689	Life Protection insurance	PASEM2020_NoReL_1ord_M/F	—%
Individual Unit-Linked contracts where the policyholder bears the investment risk - B281	Life Protection insurance	PASEM20-IND-ORD2-MF	—%
Single or regular premium individual Unit-Linked contracts with profit sharing 3649	Guaranteed Savings insurance	PASEM20-IND-ORD2-MF	2.50%
Single or regular premium individual contracts with profit sharing 3678	Guaranteed Savings insurance	PASEM20-IND-ORD2-MF	0.30%

• Other countries

LIFE INSURANCE TECHNICAL CONDITIONS			
Format	Coverage	Biometric tables	Technical interest
COMPANHIA DE SEGUROS ALIANÇA DO BRASIL			
Ouro Vida Revisado / BB seguro vida completo / BB Seguro Vida Mulher Mais / BB Seguro Vida Estilo /Ouro Vida Grupo Especial	Death / Disability	AT-49	—
Ouro Vida 2000 / BB seguro Vida Mulher / Other individual Life products	Death / Disability	AT-83	—
Other group Life products	Death / Disability	AT-83	—
MAPFRE MSV LIFE			
Without profit sharing	Death	44% AMC00	Variable
With profit sharing	Longevity / Death	50% AMC00	Variable
Unit-linked	Longevity / Death	50% AMC00	Variable
MAPFRE COLOMBIA VIDA			
Pensiones Ley 100	Longevity / Death / Disability / Funeral Assistance	Male/Female annuitants mortality tables (RV08) - Colombian disability mortality table (MI85)	Variable
Disability and Longevity Annuity	Death / Disability / Temporary Disability / Funeral Assistance	Male/Female annuitants mortality tables (RV08) - Colombian disability mortality table (MI85)	Variable

6.13. PROVISIONS FOR RISKS AND EXPENSES

The following tables show the movements of provisions for risks and expenses in the last two years.

2023

Item	Opening balance	Adjustments to the opening balance	Changes to the scope	Inflows		Outflows		Closing balance
				Allocated provisions	Increased value on discount	Applied provisions	Reversed provisions	
Provision for tax to be paid	251.4	13.2	—	2.6	16.5	(0.1)	(1.8)	281.8
Provision for payments of liquidation agreements	23.6	(0.2)	—	17.1	—	(18.8)	(0.3)	21.4
Provisions for restructuring	16.7	—	(3.8)	7.9	—	(6.7)	(1.2)	12.9
Other provisions for staff-related commitments	172.9	(0.7)	(0.1)	151.8	4.4	(142.9)	(6.9)	178.5
Other provisions	57.6	(7.9)	0.1	31.3	1.4	(10.6)	(14.1)	57.8
TOTAL	522.2	4.4	(3.8)	210.7	22.3	(179.1)	(24.3)	552.4

Figures in millions of euros

2022

Item	Opening balance	Adjustments to the opening balance	Changes to the scope	Inflows		Outflows		Closing balance
				Allocated provisions	Increased value on discount	Applied provisions	Reversed provisions	
Provision for tax to be paid	218.5	26.3	—	2.5	10.4	(2.4)	(3.9)	251.4
Provision for payments of liquidation agreements	21.2	0.3	—	18.8	11.9	(28.3)	(0.3)	23.6
Provisions for restructuring	128.3	—	(0.6)	6.1	—	(117.1)	—	16.7
Other provisions for staff-related commitments	199.5	1.5	2.5	134.6	8.2	(171.8)	(1.6)	172.9
Other provisions	86.1	(3.9)	0.4	24.2	4.2	(35.6)	(17.8)	57.6
TOTAL	653.6	24.2	2.3	186.2	34.7	(355.2)	(23.6)	522.2

Figures in millions of euros

The provisions for risks and expenses include the estimated amounts of tax debts, settlement agreement payments, restructuring, employee incentives and others derived from the activities and inherent risks of the Group companies, which will be paid in the coming years.

The estimates of the amount provisioned and the period in which the provisions will be settled are affected by uncertainties regarding the ruling on filed appeals and performance of other parameters. It was not necessary to design assumptions regarding future events in order to determine the value of the provision. Potential provision reimbursement is not expected.

Provision for tax to be paid

The heading "Provisions for tax to be paid" includes, at December 31, 2023 and 2022, tax liabilities amounting to 275.6 and 247.8 million euros, respectively, related to the tax contingencies that the Brazilian insurance companies have with the tax authorities in that country, which are being discussed on a judicial and administrative level.

These contingencies primarily refer to the taxes known as COFINS (tax contribution used to fund social security) amounting to 228.5 million euros (203.6 million euros at December 31, 2022) and the PIS (Social Integration Program) amounting to 37.1 million euros (32.97 million euros at December 31, 2022). These contingencies have arisen due to discrepancies in the interpretation by the Brazilian government and the business sector regarding the justification of applying said taxes to the companies' turnover.

From said discussion, the Group is currently involved in legal proceedings with the tax authorities in Brazil in connection with the enforceability of the aforementioned COFINS and PIS taxes, regarding non-operating and financial income, for the amounts of 218.6 and 176.1 million Brazilian reals at December 31, 2023 and 2022, respectively. Given the current uncertainty in case law regarding whether the PIS and COFINS calculation base should be extended to include non-operating and financial income, as well as the existence of a ruling by the "Procuradoria Geral da Fazenda (the Brazilian General Attorney's Office for the National Treasury) that is favorable to the insurance companies, both the Group and its advisors classify the risk of loss as possible.

Further, the current proceedings are currently ongoing in Brazil:

- Appeal contesting the 64 million euro liquidation, with regard to an inspection initiated by the tax administration against BRASILSEG COMPANHIA DE SEGUROS, relating to 2014 corporate taxes, questioning the exemption applied to revenue from Agricultural insurance operations.
- Appeal regarding the inspection initiated by the tax administration against BRASILVEÍCULOS COMPANHIA DE SEGUROS (absorbed in 2019 by MAPFRE SEGUROS GERAIS), relating to corporate tax corresponding to the years 2014 to 2016, questioning the deductibility of certain expenses and incentives for the sales network, as well as the amortization of the goodwill generated in a corporate restructuring prior to MAPFRE's agreement with Banco do Brasil.
- The owed taxes included in the inspection for said concepts reaches 94 million euros, which, if settled unfavorably would trigger the application of the compensation clause set out in the agreements signed with Banco do Brasil.

Both appeals were heard in the court of first instance - BRASILSEG unfavorable and BRASILVEÍCULOS partially favorable - and are awaiting sentencing in the second administrative level. Both the Group and its advisors classify the risk of loss as possible in both cases.

6.14. REVENUES AND EXPENSES FROM INVESTMENTS

The breakdown of revenues and expenses from investments for financial years 2023 and 2022 is shown in the accompanying chart:

Financial revenue not related to insurance service

Item	Financial income	
	2023	2022
REVENUE FROM INTEREST, DIVIDENDS AND SIMILAR		
Real estate investment		
Rentals	37.4	51.0
Other	0.4	0.3
Rev. from Financial investments at amortized cost: fixed income	221.1	179.0
Rev. from Financial investments at amortized cost: Other inv.	4.9	5.0
Rev. from Financial investments at fair value through OCI	1,018.1	617.4
Rev. from Financial investments at fair value through profit & loss	387.0	196.3
Dividends from group companies	—	—
Other financial income	274.7	269.9
TOTAL REVENUE	1,943.6	1,318.9
REALIZED AND UNREALIZED GAINS		
<u>Net realized gains:</u>		
Real estate investment	60.1	101.3
Financial investments at fair value through OCI: fixed income	50.9	103.8
Financial investments at fair value through profit & loss	168.7	69.9
Other	103.2	13.1
<u>Unrealized gains:</u>		
Increase in fair value through P&L	779.4	(33.4)
Other	19.9	6.2
TOTAL GAINS	1,182.2	260.9
TOTAL REVENUES FROM INVESTMENT	3,125.8	1,579.8

Figures in millions of euros

Dividends recognized during the year corresponding to equity classified at fair value through OCI amounts to 84.1 and 95.1 million euros in 2023 and 2022.

Financial expenses not related to insurance service

Item	Financial expenses	
	2023	2022
FINANCIAL EXPENSES		
Real estate investment		
Direct operational expenses	0.6	22.1
Other expenses	23.4	37.7
Financial investments at amortized cost: fixed income	7.9	9.0
Financial investments at amortized cost: Other investments	1.3	1.6
Financial investment expenses at fair value through OCI	228.8	213.2
Financial investment expenses at fair value through profit & loss	31.3	119.6
Other financial expenses	154.4	149.3
TOTAL EXPENSES	447.7	552.5
REALIZED AND UNREALIZED LOSSES		
<u>Net realized losses</u>		
Real estate investment	2.6	6.3
Financial investments at fair value through OCI: fixed income	95.8	93.4
Financial investments at fair value through profit or loss: fixed income	75.6	193.4
Other	11.1	3.8
<u>Unrealized losses</u>		
Decrease in fair value portfolio through profit and losses	138.8	293.6
Other	4.9	4.2
TOTAL LOSSES	328.8	594.7
TOTAL EXPENSES FROM INVESTMENT	776.5	1,147.2

Figures in millions of euros

The headings "Income and expenses from the portfolio at fair value through P&L" in the preceding tables include 6.9 million euros of net income from fixed income investments corresponding to financial assets obligatorily designated at fair value through P&L.

6.15. OPERATING EXPENSES

A breakdown of net operating expenses by purpose and nature, for the last two financial years, which have been considered for management purposes, is shown in the accompanying charts.

Operating expenses by purpose

Item	2023	2022
Claims-related expenses	794.4	789.6
Acquisition expenses	5,507.0	5,086.2
Administration expenses	846.2	831.8
Expenses from investments	793.8	1,344.8
Other technical expenses	149.4	132.7
Other non-technical expenses	141.9	172.4
Operating expenses from other activities	648.6	600.5
TOTAL	8,881.3	8,958.0

Figures in millions of euros

Operating expenses by nature

Item	2023	2022
Commissions and other portfolio expenses	4,457.4	4,100.9
Personnel expenses	1,749.1	1,696.4
External services		
- Leasing (shops and buildings)	33.4	25.8
- Repairs and upkeep (shops and buildings)	71.9	77.2
- Leases and repairs (computer equipment)	33.4	36.5
- Leases and repairs (computer applications)	248.1	224.8
- Other services (computer applications)	224.9	239.2
- Supplies (communications)	42.7	39.8
- Advertising and marketing	97.3	118.7
- Public relations	35.5	33.5
- Independent professional services	244.8	244.1
- Other services	380.9	378.2
Taxes	228.1	193.1
Provision for amortization	348.3	318.4
Expenses recorded directly by purpose	685.5	1,231.4
TOTAL	8,881.3	8,958.0

Figures in millions of euros

6.16. FISCAL SITUATION

Fiscal consolidation regulations

• Tax on profits

Since financial year 1985, some of the consolidated companies with registered offices in Spain have been included for corporate tax purposes in Fiscal Group 9/85. This Group is made up of the controlling company and those of its subsidiaries that are eligible for this tax regime. A list of the main subsidiaries included in this fiscal Group in 2023 is provided in Annex 2 of this report.

• Value Added Tax

Since financial year 2010, and for the purposes of value added tax, some of the consolidated companies with registered offices in Spain have been included in the VAT Group 87/10. This Group comprises MAPFRE S.A. as the controlling company and those of its controlled companies that agreed to join the Group when it was created. A list of the main subsidiaries that form part of this Group in 2023 is provided in Annex 2 of this report.

Components of tax on profit expenses and reconciliation of the accounting profit with the tax expenses for ongoing activities

The main components of the tax on profits expenses from ongoing activities and the reconciliation between the tax on profits expenses and the result of multiplying the accounting profit by the applicable tax rate for the financial years ending December 31, 2023 and 2022 are shown below. The Group has reconciled the amounts by aggregating reconciliations made separately using the national rates of each country.

Item	Amount	
	2023	2022
<u>Tax expense</u>		
Result before taxes from ongoing operations	1,647.7	1,397.6
25 percent of result before taxes from ongoing operations	411.9	317.4
Tax effect of the permanent differences	(134.0)	(50.6)
Tax incentive for the financial year	(29.4)	(19.3)
Tax effect of tax rates other than 25 percent	156.7	65.4
Total expense from current tax originating in the financial year	405.2	312.9
Expense from current tax originating in previous years	(24.1)	(16.7)
Receivables from negative taxable income not recognized from previous periods, deductions pending application or temporary differences	—	—
TOTAL TAX EXPENSES OF ONGOING OPERATIONS	381.1	296.2
<u>Tax on profits to be paid</u>		
Withholdings and advance payments	(420.6)	(370.9)
Temporary differences and currency conversion differences	2.1	(8.1)
Tax receivables and incentives applied, registered in previous years	(26.8)	(27.5)
Tax on earnings for discontinued operations	—	—
TOTAL TAX ON PROFITS TO BE PAID (RECEIVABLE) ORIGINATING IN THE YEAR	(64.2)	(110.3)
Tax on profits receivable from previous financial years	(111.3)	(43.1)
NET TOTAL TAX ON PROFITS TO BE PAID (RECEIVABLE)	(175.5)	(153.4)

Figures in millions of euros

Deferred tax assets and liabilities

At December 31, 2023 and 2022 deferred tax assets and liabilities were shown on the consolidated balance sheet for the net amount corresponding to each of the Group's tax-paying companies, which currently stand as follows:

Item	2023	2022
Deferred tax assets	397.3	591.4
Deferred tax liabilities	(236.0)	(324.8)
Asset (Liability) net	161.3	266.6

Figures in millions of euros

In addition to the deferred tax assets recorded in 2023 and 2022, shown in the above table, there are other deferred tax assets deriving from tax loss carryforwards pending offset, amounting to 22.4 and 27.1 million euros, respectively. These assets were not recognized, in accordance with the criteria established under EU-IFRS.

The following tables show the movements in the net balance of deferred taxes in the financial years 2023 and 2022, with a breakdown of the amounts related to items directly debited or credited to equity accounts in each financial year.

2023

Item	Opening balance	Adjustments to the opening balance	Changes to the scope	From Results	Equity	Settled	Closing balance
1. Financial investment valuation differences	254.2	(53.0)	0.1	2.4	(231.5)	–	(27.8)
2. Tax credits for tax loss carryforwards	251.0	9.6	–	74.3	–	(13.2)	321.7
3. Credits for tax incentives	6.0	7.5	–	29.4	–	(41.7)	1.2
4. Pension complements and other employee benefit commitments	67.5	(0.3)	–	7.2	–	–	74.4
5. Provision for responsibilities and other	45.8	1.9	–	65.5	–	(36.5)	76.7
6. Tax credits from PIS and COFINS	19.4	0.7	–	(0.2)	–	–	19.9
7. Portfolio acquisition and other acquisition	(186.3)	(14.8)	–	13.2	–	2.2	(185.7)
8. Other profits and losses	(15.7)	0.4	–	(3.7)	–	0.9	(18.1)
9. EU-IFRS 16 application	8.2	0.4	–	(7.5)	–	–	1.1
10. Insurance and reinsurance contracts	(194.8)	(21.2)	–	11.9	25.7	83.8	(94.6)
11. Other items	11.3	31.7	0.1	13.2	–	(63.8)	(7.5)
TOTAL	266.6	(37.1)	0.2	205.7	(205.8)	(68.3)	161.3

Figures in millions of euros

2022

Item	Opening balance	Adjustments to the opening balance	Changes to the scope	From Results	Equity	Settled	Closing balance
1. Financial investment valuation differences	(900.7)	119.1	22.6	20.4	992.7	0.1	254.2
2. Tax credits for tax loss carryforwards	217.5	16.1	–	33.5	–	(16.1)	251.0
3. Credits for tax incentives	9.9	1.5	–	19.2	–	(24.6)	6.0
4. Pension complements and other employee benefit commitments	54.1	–	1.1	44.8	–	(32.5)	67.5
5. Provision for responsibilities and other	74.3	3.8	1.2	75.4	–	(108.9)	45.8
6. Tax credits from PIS and COFINS	19.7	2.6	–	(2.9)	–	–	19.4
7. Portfolio acquisition and other acquisition	(217.6)	5.0	7.2	12.1	–	7.0	(186.3)
8. Other profits and losses	(12.3)	(18.0)	–	(3.8)	–	18.4	(15.7)
9. EU-IFRS 16 application	6.7	2.8	–	(1.3)	–	–	8.2
10. Insurance and reinsurance contracts	527.5	625.4	(14.8)	(66.5)	(1,225.4)	(41.0)	(194.8)
11. Other items	(26.1)	(2.4)	0.6	62.4	–	(23.2)	11.3
TOTAL	(247.0)	755.9	17.9	193.3	(232.7)	(220.8)	266.6

Figures in millions of euros

At the close of 2023, deferred tax assets and liabilities maturing in less than 12 months amounted to 52.5 and 39.7 million euros, respectively (57.8 and 45.1 million euros, respectively, in 2022).

Tax loss carryforwards

The tax loss carryforwards pending offset in fully consolidated companies at the close of the last two periods is shown in the accompanying chart:

Year generated	Tax loss carryforwards				Deferred tax assets			
	Applied in the financial year		Pending application		Amount recognized		Amount not recognized	
	2023	2022	2023	2022	2023	2022	2023	2022
2015 and previous	12.9	4.3	209.8	214.4	66.1	67.9	9.2	10.8
2016	1.4	—	128.2	125.9	39.6	38.2	1.2	1.2
2017	3.3	12.4	17.4	20.4	3.3	3.3	1.1	2.1
2018	3.7	31.9	121.7	119.5	45.5	43.3	2.0	3.0
2019	5.0	6.2	47.1	52.1	8.0	8.9	1.5	1.9
2020	8.3	2.0	53.2	53.8	8.2	8.2	2.5	2.9
2021	7.0	13.4	168.2	173.0	47.4	47.7	1.8	3.6
2022	5.0	—	124.2	117.6	35.5	33.5	1.3	1.6
2023	5.1	—	274.1	—	68.0	—	1.8	—
Total	51.7	70.2	1,143.9	876.7	321.6	251.0	22.4	27.1

Figures in millions of euros

Assets recognized in relation to deferred taxes on tax loss carryforwards pending offset in consolidated companies represent negative tax bases generated as a result of unusual management events, and future tax profits are likely to exist against which they may be offset.

Tax incentives

The tax incentives of the companies consolidated by global integration for 2023 and 2022 are as follows:

Module	Amount applied in the financial year		Amount pending application		Amount not recorded	
	2023	2022	2023	2022	2023	2022
Double taxation deduction	7.8	10.6	0.6	0.1	—	—
Job creation	—	—	—	—	—	—
Other	33.9	14.0	0.5	13.5	—	—
Total	41.7	24.6	1.1	13.6	—	—

Figures in millions of euros

The consolidated tax group no. 9/85 made use in previous years of the reduction from capitalization reserve contemplated in Article 25 of the Corporate Income Tax Act 27/2014, giving rise to a decrease in the consolidated tax payable each year. To enjoy this tax benefit, there must be an increase in shareholders' equity in the period and this increase must be maintained for a period of five years, and a reserve must be created equivalent to the amount of the reduction, equivalent to at least 10 percent of said increase and which will be restricted for the same five-year period. At December 2021, allowances to the capitalization reserve for previous years became considered to be available reserves as the five year period since their establishment had passed or because they no longer had associated tax benefits, as such there was no capitalization reserve recorded at that date.

Verification by tax authorities

As a result of the inspection activity carried out in Fiscal Group 9/85, affecting MAPFRE S.A. as the controlling company and MAPFRE ESPAÑA, MAPFRE VIDA, MAPFRE INTERNACIONAL, MAPFRE RE, MAPFRE ASISTENCIA, MAPFRE GLOBAL RISKS and other companies controlled by the Group, dissents were signed regarding the Corporate Income Tax pertaining to the period 2013 to 2016, referring primarily to the deductibility of certain personnel expenses, of the technical provision for claims and stabilization reserve, the deduction for technological innovation expenses and the repercussions for subsidiaries of canons from the use of the MAPFRE brand.

The settlements associated with these acts have been contested before the Contentious-Administrative Chamber of the Spanish High Court, which grouped appeals, sentencing one single decision rejecting the appeal, and a contentious-administrative appeal has been filed before the National Court of Spain in response, which appeal has been formalized.

With regard to the inspection activity pertaining to the Value Added Tax (VAT) for the years 2014-2016, a dissent was signed related to the impact of canons for the use of the MAPFRE brand. The settlement from this dissent is currently in the process of being appealed before the National Court of Spain, and a written statement of conclusions has been filed, to date.

In reference to the settlements from the above dissents, MAPFRE considers, based on the criteria of its fiscal advisors, that there are solid defense arguments in the legal proceedings, and therefore did not make specific provisions for this concept.

In 2022, MAPFRE S.A., as controlling company of Fiscal Group number 9/85, and with the aim of limiting the financial costs of the stay on the notices resulting from inspection activity regarding the years 2013 to 2016, proceeded to pay the tax liability related from the dissents for the Corporate tax for 2013 to 2015, along with the suspended interest. As long as there are solid defense arguments in the administrative and legal proceedings, the Group companies affected by the aforementioned notices recorded in accounting as an asset (either as a deferred tax asset, for temporary differences, or as tax credits from Spanish Tax Office for all other items) the amount of 110.0 million euros.

Additionally, in 2022, Fiscal Group number 9/85 urged the importance of the rectification of its Corporate tax for the years 2017 to 2019 in relation to the recovery of certain adjustments coming from the notices for the years 2013 to 216, and requested the recognition of eliminating the double taxation on certain equity investments that at Group level were considered qualifying holdings, requesting the recognition of a 61.0-million euro return that is recorded as a tax credit from Spanish Tax Office in accounting in the Group Companies affected by said rectification.

Regarding the deduction for technological innovation (TI) expenses, the Spanish Supreme Court has accepted appeals against four sentences from the National Court of Spain which, in contradiction with its own jurisprudence on the matter, accepted the arguments of the Tax Inspection Bureau to defend its authority to limit the scope of the deduction, and the consideration that the software is not a concept included in the deduction for TI expenses set out in the Corporate Tax law. Specifically, the Spanish Supreme Court will make a statement regarding the validity of the reports prepared by the Tax Authority to rectify the deduction for TI, and its capacity to contradict the binding reports issued by the Ministry of Science of Technology, under which taxpayers have been applying the deduction, as there are well-founded reasons to expect that the criteria used by the MAPFRE Fiscal group will be validated by the Supreme Court, revoking the abovementioned sentences from the National Court. The Fiscal Group has presented appeals against the inspection activity initiated regarding, among other concepts, the rectification of this deduction, the amount of which reaches 11.0 million euros (2013-2016). Additionally, the deduction applied in 2017-2022 was 48.2 million euros, and in 2023 5.9 million euros was generated.

In accordance with current legislation, the statements made for the different taxes may not be considered final until they have been inspected by the tax authorities or until the term of the statute of limitations has passed (four years for Spanish companies).

At December 31, 2023 the view of the Directors and advisors of the consolidated companies regarding the possibility of tax liabilities arising and significantly affecting the financial position of the consolidated companies was remote.

On January 18, 2024, the Constitutional Court of Spain (TC, in Spanish) handed down a ruling declaring the unconstitutionality of certain measures that were introduced in the Corporate Tax law by Royal Decree-Law 3/2016 of December 2 (RDL 3/2016), as it considers the regulatory vehicle used for its approval to be inadequate.

Of the measures declared unconstitutional, Fiscal Group 9/85 is only affected by the obligation to integrate into its taxable income, in fifths, starting in 2016, the impairments of controlled companies that would have been tax deductible until 2012. The nullity of the aforementioned measure, once declared unconstitutional, will initially have a favorable impact of 19 million euros on the Group. This will be recovered from the Public Treasury, although the amount is not yet final, as the impact the regulation in force prior to the approval of RDL 3/2016 could have on the recovery of impairments in controlled companies from 2021 to 2023 is pending quantification.

Regarding the non-deductibility of losses on transfer of controlled companies, also approved in the same RDL 3/2016, and which also affects the Fiscal Group, the TC has postponed its decision until it has to make a statement related to the appeal made as a result of the specific application of this measure. This future sentence will have a favorable impact for the Fiscal Group, the amount of which is pending quantification.

The regulations related to the OECD's minimal overall tax rate (Pillar 2) was approved or substantially approved in certain jurisdictions in which the Group operates. As its entry into force takes place in 2024, the Group has performed a preliminary assessment of exposure to Pillar 2 taxes that arise as a result of this legislation, concluding that the effective tax rate in all countries in which MAPFRE Group operates is above 15 percent, although two jurisdictions were detected - Peru and Paraguay - in which said percent is not reached. However, and beyond the increase in administrative work the the application of this new standard implies, its entry into force is not expected to have a significant economic impact for the Group.

6.17. REMUNERATION FOR EMPLOYEES AND ASSOCIATED LIABILITIES

Personnel expenses

The personnel expenses breakdown for the last two years is shown in the accompanying table:

Item	Amount	
	2023	2022
Short-term remuneration		
Wages and salaries	1,258.9	1,229.4
Social security	266.9	253.8
Other remuneration	136.0	150.1
Post-employment benefits	47.2	49.7
Other long-term remuneration	2.8	(4.6)
Termination payments	36.5	14.3
Share-based payments	0.7	3.7
TOTAL	1,749.0	1,696.4

Figures in millions of euros

Main post-employment benefits

Defined benefit plans

The commitments from defined benefit plans still on the balance sheet correspond exclusively to retired employees. The most relevant of the plans are instrumented through insurance policies, and are measured pursuant to the provisions described in the accounting policies.

In relation to the amounts recognized on the balance sheet, the obligations regarding defined benefit plans amounted to 38.1 and 38.9 million euros at December 31, 2023 and 2022, respectively, fully externalized through written policies with MAPFRE VIDA. Consequently, no assets allocated to these plans are recognized and the liability recognized on the consolidated balance sheet is recorded under the heading "Insurance contract liabilities".

There are also obligations relating to pension commitments, externalized through an insurance policy underwritten with MAPFRE ESPAÑA, amounting to 13.8 million euros at December 31, 2023 (13.1 million euros in 2022).

The main actuarial assumptions used at the close of the last two years have been the PERM/F-2020 longevity tables, annuities linked to the previous year's CPI in both years (3 percent revaluation guaranteed in the policy), with identical discount rates and expected returns of the related assets as the products have matched flows.

The net effect on equity and results of the actuarial loss and gains, interest expenses and return of the assets allocated to the plan is null, as the amounts corresponding to commitments and the assets allocated to the plan or reimbursement right are netted.

Other post-employment benefits

In 2023 and 2022, the personnel expenses correspond to Life insurance covering death between ages 65 and 77, amounting to 0.6 and 1.0 million euros, respectively. Said provision was calculated in 2023 and 2022 using the PASEM-2020 mortality tables.

Average number of employees:

2023

Segment	Board of Directors and Executive Management		Senior Management		Advisors		Associates		Total	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
IBERIA	7	—	1,230	781	2,590	2,796	890	1,862	4,717	5,439
MEXICO	1	—	215	213	382	342	91	147	689	702
LATAM SOUTH CENTRAL	12	5	638	590	1,325	1,486	709	1,075	2,684	3,156
BRAZIL	3	—	457	328	927	1,655	456	1,007	1,843	2,990
NORTH AMERICA	3	—	332	279	490	803	160	553	985	1,635
EMEA	5	—	261	233	373	539	170	192	809	964
ASISTENCIA - MAWDY	—	1	260	198	270	318	558	918	1,088	1,435
GLOBAL RISKS	1	—	35	28	49	80	1	6	86	114
REINSURANCE	2	—	89	49	127	171	5	19	223	239
CORPORATE AREAS	17	5	394	198	224	211	11	62	646	476
Average total number of employees	51	11	3,911	2,897	6,757	8,401	3,051	5,841	13,770	17,150

Other medium-term remuneration and share-based payments

On February 9, 2022, the Board of Directors of MAPFRE S.A. approved a new long-term incentive plan described in valuation method 5.18. The amount provisioned in the year for this Plan reached 5.46 million euros.

Number of employees

The following table shows the average number and final number of employees for the last two years, classified by category and gender, and distributed by segment.

2022

Segment	Board of Directors and Executive Management		Senior Management		Advisors		Associates		Total	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
IBERIA	8	—	1,188	712	2,761	2,812	947	1,965	4,904	5,489
MEXICO	1	—	199	186	396	356	93	162	689	704
LATAM SOUTH CENTRAL	13	4	607	557	1,318	1,476	745	1,097	2,683	3,134
BRAZIL	3	—	422	306	946	1,703	464	1,070	1,835	3,079
NORTH AMERICA	4	—	287	275	564	875	146	540	1,001	1,690
EMEA	6	1	273	238	583	727	264	426	1,126	1,392
ASISTENCIA - MAWDY	—	1	298	199	285	313	631	1,001	1,214	1,514
GLOBAL RISKS	1	—	33	26	46	76	2	8	82	110
REINSURANCE	2	—	85	52	125	156	6	24	218	232
CORPORATE AREAS	17	5	297	148	295	253	10	66	619	472
Average total number of employees	55	11	3,689	2,699	7,319	8,747	3,308	6,359	14,371	17,816

Number of employees at the end of the year:

2023

Segment	Board of Directors and Executive Management		Senior Management		Advisors		Associates		Total	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
IBERIA	7	—	1,208	777	2,585	2,808	898	1,864	4,698	5,449
MEXICO	1	—	205	210	389	356	82	141	677	707
LATAM SOUTH CENTRAL	12	5	647	620	1,292	1,424	744	1,131	2,695	3,180
BRAZIL	3	—	452	322	944	1,645	438	957	1,837	2,924
NORTH AMERICA	3	—	345	278	498	828	131	491	977	1,597
EMEA	5	—	242	205	401	566	157	179	805	950
ASISTENCIA - MAWDY	1	1	262	208	277	323	562	929	1,102	1,461
GLOBAL RISKS	1	—	35	29	49	79	1	6	86	114
REINSURANCE	2	—	91	53	131	169	3	19	227	241
CORPORATE AREAS	19	5	417	213	214	206	10	62	660	486
Total number of employees	54	11	3,904	2,915	6,780	8,404	3,026	5,779	13,764	17,109

2022

Segment	Board of Directors and Executive Management		Senior Management		Advisors		Associates		Total	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
IBERIA	8	—	1,202	740	2,772	2,831	926	1,927	4,908	5,498
MEXICO	1	—	218	204	368	339	89	154	676	697
LATAM SOUTH CENTRAL	13	3	621	574	1,333	1,501	686	1,069	2,653	3,147
BRAZIL	3	—	451	321	918	1,675	472	1,055	1,844	3,051
NORTH AMERICA	3	—	336	299	511	821	135	555	985	1,675
EMEA	5	—	232	197	400	582	191	212	828	991
ASISTENCIA - MAWDY	—	1	265	182	266	308	592	967	1,123	1,458
GLOBAL RISKS	1	—	33	27	48	79	1	7	83	113
REINSURANCE	2	—	86	52	126	165	5	21	219	238
CORPORATE AREAS	17	5	316	156	289	249	10	64	632	474
Total number of employees	53	9	3,760	2,752	7,031	8,550	3,107	6,031	13,951	17,342

The following table shows the number of employees in Spain with a degree of disability equal to or higher than 33 percent at the close of the last two years and the average during those years, indicating the categories to which they belong:

Item	2022		2021	
	Year-end close	Average	Year-end close	Average
Senior Management	29	29	27	28
Advisors	105	109	106	99
Associates	91	91	91	96
Total	225	229	224	223

6.18. EARNINGS ON FOREIGN EXCHANGE DIFFERENCES

Positive foreign exchange differences other than those arising from financial instruments measured at fair value, allocated to the consolidated income statement, amounted to 1.5 and 1.7 billion euros in 2023 and 2022, respectively.

Negative foreign exchange differences other than those arising from financial instruments measured at fair value, allocated to the consolidated income statement, amounted to 1.5 and 1.7 billion euros in 2023 and 2022, respectively.

The reconciliation of the currency conversion differences recognized in equity at the beginning and end of the year in 2023 and 2022 is shown in the accompanying table.

Description	Amount	
	2023	2022
Balance at the beginning of the period	(1,418.3)	(1,776.3)
Net foreign exchange differences on valuation of non-monetary items	—	1.5
Net foreign exchange differences on conversion of financial statements	64.4	356.5
Balance at the end of the period	(1,353.9)	(1,418.3)

Figures in millions of euros

At December 31, 2023 and 2022 the net foreign exchange differences arising from the translation into euros of the financial statements of the Group companies whose functional currency is:

Company/Subgroup	Geographic Area	Currency conversion differences					
		Gains		Losses		Net	
		2023	2022	2023	2022	2023	2022
MAPFRE RE	Europe, America and rest of world	13.3	26.3	(30.6)	(40.7)	(17.3)	(14.4)
MAPFRE INTERNACIONAL	Europe, America and rest of world	557.4	605.3	(1,795.9)	(1,925.8)	(1,238.5)	(1,320.5)
OTHER	—	21.7	22.1	(119.8)	(105.5)	(98.1)	(83.4)
TOTAL		592.4	653.7	(1,946.3)	(2,072.0)	(1,353.9)	(1,418.3)

Figures in millions of euros

6.19. CONTINGENT ASSETS AND LIABILITIES

At the end of 2023 and 2022, and at the time of preparing these consolidated annual accounts, there was no evidence of the existence of contingent assets and liabilities for significant amounts.

6.20. BUSINESS COMBINATIONS

In 2023 and 2022, there were no relevant business combinations.

6.21. TRANSACTIONS WITH RELATED PARTIES

All transactions with related parties have been conducted under market conditions.

In addition to the transactions described in the other notes accompanying the consolidated annual accounts, the balances and transactions between Group companies are explained in the following paragraphs.

Operations with Group companies

The operations conducted between Group companies, with a zero effect on results because they have been eliminated in the consolidation process, are shown in the accompanying chart:

Item	2023	2022
Received/provided services and other expenses/revenue	557.6	614.8
Expenses/revenue from real estate investment	24.7	25.3
Expenses/revenues from investments and financial accounts	15.8	19.5
Dividends distributed	1,699.8	1,820.4
TOTAL	2,297.9	2,480.0

Figures in millions of euros

Insurance and reinsurance operations

Reinsurance and insurance activities conducted between Group companies, which have been eliminated in the consolidation process, are shown in the accompanying chart:

Item	2023	2022
INSURANCE REVENUE	3,476.3	3,162.6
CLAIMS	2,012.0	1,693.1
ACQUISITION EXPENSES	583.7	561.1
OTHER INSURANCE REVENUE/ (EXPENSE)	171.0	143.5

Figures in millions of euros

The following table shows the balances for insurance and reinsurance operations with Group companies, all of which have been eliminated in the consolidation process:

Item	2023	2022
REINSURANCE CONTRACT ASSETS	3,602.4	3,283.6
INSURANCE CONTRACT LIABILITIES	3,673.7	3,349.3

Figures in millions of euros

Information related to controlled companies

The following table shows the dividends distributed by the controlled companies with significant non-controlling interests and the result for the period of these individually considered companies (prior to intercompany eliminations), attributable to the non-controlling interests:

Controlled company	Dividends distributed				Earnings attributable to non-controlling interests	
	Controlling company		Non-controlling company			
	2023	2022	2023	2022	2023	2022
MAPFRE RE COMPAÑÍA DE REASEGUROS, S.A.	86.5	24.1	5.2	1.6	14.4	12.4
BANKINTER SEGUROS DE VIDA, S.A.	27.1	33.3	27.1	33.3	30.8	27.6

Figures in millions of euros

The key figures for relevant controlled companies with non controlling interests and significant joint arrangements related to insurance activities are shown in the accompanying chart:

Entity	Total assets		Equity		Results	
	2023	2022	2023	2022	2023	2022
Controlled company						
MAPFRE RE COMPAÑÍA DE REASEGUROS, S.A.	9,321.6	9,103.6	2,009.2	1,813.3	248.3	146.8
BANKINTER SEGUROS DE VIDA, S.A.	1,853.1	1,876.9	130.3	124.6	61.5	55.1
SANTANDER MAPFRE SEGUROS Y REASEGUROS (HOLDING)	134.8	107.8	74.1	60.9	(4.8)	(1.3)
BANKINTER SEGUROS GENERALES, S.A.	28.6	25.6	11.2	11.6	0.6	1.3
Subtotal controlled companies	34,041.5	31,817.7	5,368.2	4,964.2	662.8	394.3
Joint Arrangement						
SOLUNION SEGUROS DE CREDITO S.A.	591.7	487.3	152.7	132.6	12.8	12.4
Subtotal Joint Arrangements	591.7	487.3	152.7	132.6	12.8	12.4

Figures in millions of euros

Of the most relevant companies, a breakdown of information on M.S.V. LIFE P.L.C., COMPANHIA DE SEGUROS ALIANÇA DO BRASIL, S.A., and BB MAPFRE PARTICIPAÇÕES, S.A. is not provided, as their data has not been made public at the date of presentation of MAPFRE S.A.'s annual accounts.

The cost and fair value of the shareholding in the SOLUNION joint venture at the close of the year were 75.9 and 88.6 million euros, respectively (75.9 and 77.9 million euros respectively in 2022). The following table contains the supplementary information for the joint ventures related to insurance business:

Information relating to joint arrangements and associated undertakings

In 2023 and 2022 MAPFRE Group did not receive any dividends from SOLUNION.

Joint Arrangement	Cash and cash equivalents		Financial liabilities		Revenue		Expenses		Expenses or income after tax on profit	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
SOLUNION SEGUROS DE CREDITO S.A.	20.3	5.1	4.7	0.2	4.9	3.9	1.7	2.4	(3.9)	(4.4)
TOTAL	20.3	5.1	4.7	0.2	4.9	3.9	1.7	2.4	(3.9)	(4.4)

Figures in millions of euros

Remuneration of key management personnel

- Board of Directors and other steering Committees

The following table shows the paid remuneration received in the last two years by members of the Board of Directors of the controlling company:

Item	Amount	
	2023	2022
Short-term remuneration		
Salary	3.0	2.3
Short-term variable remuneration	2.4	1.7
Fixed allowance	2.8	2.9
Travel allowance	—	0.1
Other items	0.3	0.2
Medium-term variable remuneration	—	—
TOTAL REMUNERATION	8.5	7.2
Other remuneration		
Life insurance	0.1	0.1

Figures in million euros

The basic remuneration for external directors consists of an annual fixed amount for membership to the Board of Directors, which was 110,000 euros the past two years. In the last two years, the Vice-Chairman-Coordinating Director had a fixed annual allowance of 220,000 euros. The members of the Steering Committee received 10,000 euros, and also had a travel, subsistence and accommodation allowance of 3,000 euros for the last two years. The Chair of the Audit and Compliance Committee received remuneration of 70,000 euros in 2023 and 2022, and the remuneration for members of the Audit and Compliance Committee reached 49,000 euros in 2023 and 2022. The chair of a Steering Committee received remuneration of 62,000 euros in 2023 and 2022, and members of other sub-steering committees received 40,000 euros in 2023 and 2022. The Chair of the Risks and Sustainability Committee received 65,000 euros in 2023 and 62,000 euros in 2022, and members of this committee received 45,000 euros in 2023 and 40,000 euros in 2022.

Members of the Boards of Directors of Spanish insurance companies receive a fixed allowance of 50,000 euros in 2023 and 48,000 euros in 2022. The external vice-chairmen of the Boards of Directors of Spanish companies received 59,000 euros in 2023 and 2022. Members of Steering Committees received 11,000 euros in 2023 and 2022.

Life insurance is also established in case of death, with an insured capital of 400,000 euros, as well as some of the staff benefits like medical insurance. In 2022, insured capital amounted to 150,253 euros.

Executive directors (who are deemed to be executives of the controlling company as well as those who perform executive functions in other MAPFRE Group companies) receive the remuneration established in their contracts, which includes a fixed salary, incentives with varying amounts linked to results, life and disability insurance, and other general benefits established for the Group's staff. They also receive certain pension commitments in the case of retirement, permanent disability or death, externalized through life insurance policies, all of which are included in the Remuneration Policy for Directors. Contributions to defined benefit plans (including employee pension plans) amounted to 2.9 million euros in 2023 (3.3 million in 2022), and were recognized as expenses for the year, with the accumulated rights reaching 39.5 and 34.0 million euros at December 31, 2023 and 2022, respectively.

Executive directors do not receive the fixed amount established for external directors.

Regarding variable short-term remuneration accrued in the current and previous years, in 2023 3.8 million euros are pending payment (3.2 million euros in 2022).

On February 9, 2022, the Board of Directors of MAPFRE S.A. approved, as proposed by the Appointments and Remuneration Committee, an extraordinary annual bonus aimed at a key group in the Company, linked to the Auto Combined Ratio as well as the percentage of earned Premium Growth and the variation in incurred expenses (excluding Life Savings). The accrued amount for this additional short-term component for members of the Board of Directors reached 0.09 million euros in 2023 (0.08 million in 2022).

Additionally, regarding incentive plans, on February 9, 2022, the Board of Directors of MAPFRE S.A. approved, as proposed by the Appointments and Remuneration Committee, a medium- and long-term incentive plan for the 2022-2026 period, comprising three overlapping cycles with a three-year target measurement period per cycle, aimed at Management and key professionals of the Company and Group companies. In 2022, the first overlapping cycle (2022-2024) was approved, with the second overlapping cycle (2023-2025) being approved by the Board of Directors on February 8, 2023, as recommended by the Appointments and Remuneration Committee. The total amount provisioned for 2023 and corresponding to i) a third of the first overlapping cycle (2022-2024), plus ii) a third of the second overlapping cycle (2023-2025), and iii) the rectification for the changes in value of the MAPFRE S.A. share, reached a total of 0.86 million euros in cash and equity instruments (0.42 million euros in 2022 for the first overlapping cycle 2022-2024).

The basic remuneration for external directors is approved by the Annual General Meeting at the recommendation of the Board of Directors and in keeping with the report drawn up by the company's Appointments and Remuneration Committee. The amount of the contractual remuneration for executive directors and the fixed allowance for membership to the Boards or Steering Committees are approved by the Board of Directors, subject to a report by the above mentioned committee.

• Senior Management

Remuneration paid in the last two years is as follows:

Item	Amount	
	2023	2022
No. of senior management members	7	8
Fixed remuneration	2.2	2.4
Variable remuneration	1.4	1.4
Other concepts	0.3	0.3
TOTAL REMUNERATION	3.9	4.1
Life insurance	0.04	0.04

Figures in million euros

Regarding short-term variable remuneration accrued in the current and previous years, at the close of 2023, 2.1 million euros are pending payment (2.2 million euros in 2022).

Contributions to defined benefit plans (including employee pension plans) amounted to 2 million euros in 2023 (2.2 million in 2022), and were recognized as expenses for the year, with the accumulated rights reaching 14.3 and 13.8 million euros at December 31, 2023 and 2022, respectively.

In 2022, the Board of Directors of MAPFRE S.A. approved, as proposed by the Appointments and Remuneration Committee, an extraordinary annual bonus aimed at a key group in the Company, linked to the Auto Combined Ratio as well as the percentage of earned Premium Growth and the variation in incurred expenses (excluding Life Savings). The accrued amount for this additional short-term component for members of Senior Management reached 0.08 million euros in 2023 (0.8 million in 2022).

Additionally, regarding incentive plans, on February 9, 2022, the Board of Directors of MAPFRE S.A. approved, as proposed by the Appointments and Remuneration Committee, a medium- and long-term incentive plan for the 2022-2026 period, comprising three overlapping cycles with a three-year target measurement period per cycle, aimed at Management and key professionals of the Company and Group companies. In 2022, the first overlapping cycle (2022-2024) was approved, with the second overlapping cycle (2023-2025) being approved by the Board of Directors on February 8, 2023,, as recommended by the Appointments and Remuneration Committee. The total amount provisioned for 2023 and corresponding to i) a third of the first overlapping cycle (2022-2024), plus ii) a third of the second overlapping cycle (2023-2025), and iii) the rectification for the changes in value of the MAPFRE S.A. share, reached a total of 0.71 million euros in cash and equity instruments (0.46 million euros in 2022 for the first overlapping cycle 2022-2024).

6.22. EVENTS SUBSEQUENT TO CLOSING

There are no relevant events subsequent to closing.

7. RISK MANAGEMENT

The Board of Directors of MAPFRE S.A. establishes the risk level that the Group would be ready to assume to attain its business objectives with no significant deviations, even in adverse situations. That level, which establishes limits applicable to risk taking, configures the MAPFRE Group's risk appetite.

MAPFRE's structure is based on Units and Companies that are highly autonomous insofar as their management. The governing and management bodies of the Group approve the Units' and Companies' lines of action regarding continuous risk management and supervision through indicators and risk exposure ratios.

To guarantee the effective administration of risks, the Group has developed a series of policies for managing and controlling key risks. The Risk Management policy establishes a framework for risk management and, at the same time, for the development of policies regarding specific risks. These are:

- They establish general guidelines, basic principles and a general framework of action for the type of risk, ensuring coherent application within the Group.
- Assign responsibilities and define strategies, processes and procedures regarding the information needed to identify, measure, monitor, manage and notify about the risks referred to.
- Establish reporting chains of command and communication responsibilities of the risk supervisor.

Risk management is a local responsibility. The Group Risk Management Area handles all significant aspects related to risk management corresponding to the Group as well as relevant aspects of the different legal undertakings belonging to it, establishing benchmark directives and criteria. Respecting the action framework established by the Group, the companies are autonomous and responsible for structuring their own Risk management system in line with the applicable legislation and the complexity of their risk profile.

The Governing Bodies receive information relating to the quantification of the main risks to which the Group is exposed and the capital resources available to cover them, as well as information relating to compliance with the established risk appetite limits.

Assigned capital is generally established prospectively based on budget estimates for the following year and it is periodically reviewed throughout the year in line with the development of risks in order to ensure compliance with the established risk appetite limits.

Exposure to the types of risk coming from the Group financial instruments and insurance contracts, as well as the processes and methods used for their management and measurement are explained in sections A), B), C) and D) of this Note.

A. INSURANCE RISK

The Group has a high degree of insurance risk diversification as it operates in virtually all lines in Spain and has a wide presence in international markets.

The Group applies a system of procedures and limits that allows it to control the level of insurance risk concentration. The aim of these limits is to avoid exposure to a risk or a combination or inter-related risks that could expose the Group or one of its companies to an unsustainable loss of solvency. These limits establish the maximum amount, in terms of loss of earnings or shareholders' equity, for any risk, that the Group is willing to accept.

It is standard practice to use reinsurance contracts to mitigate the insurance risk arising from the concentration or accumulation of guarantees exceeding the maximum acceptance levels.

1. Claims development

The development of real claims compared with what was previously estimated, for Non-Life direct insurance claims from the year of occurrence until the close of 2023 and 2022 is provided below:

2023

Year of occurrence of claims	Item	Year of occurrence	Changes in claim costs in the years after year of occurrence			
			1 year later	2 years later	3 years later	4 years later
2019	Pending provision	3,017.4	1,235.4	730.9	491.7	326.8
	Cumulative payments	5,345.6	7,097.7	7,772.7	8,100.7	8,234.1
	TOTAL COST	8,363.0	8,333.1	8,503.5	8,592.4	8,560.9
2020	Pending provision	2,759.3	1,396.3	672.2	500.9	
	Cumulative payments	4,783.3	6,419.4	7,154.1	7,381.0	
	TOTAL COST	7,542.6	7,815.6	7,826.3	7,881.8	
2021	Pending provision	2,766.7	1,375.1	678.4		
	Cumulative payments	5,255.9	7,752.4	8,349.2		
	TOTAL COST	8,022.6	9,127.5	9,027.6		
2022	Pending provision	3,509.4	1,462.5			
	Cumulative payments	5,762.1	8,359.7			
	TOTAL COST	9,271.5	9,822.2			
2023	Pending provision	4,136.6				
	Cumulative payments	5,958.1				
	TOTAL COST	10,094.7				

Figures in millions of euros

2022

Year of occurrence of claims	Item	Year of occurrence	Changes in claim costs in the years after year of occurrence		
			1 year later	2 years later	3 years later
2019	Pending provision	3,017.4	1,235.4	730.9	491.7
	Cumulative payments	5,345.6	7,097.7	7,772.7	8,100.7
	TOTAL COST	8,363.0	8,333.1	8,503.5	8,592.4
2020	Pending provision	2,759.3	1,396.3	672.2	
	Cumulative payments	4,783.3	6,419.4	7,154.1	
	TOTAL COST	7,542.6	7,815.6	7,826.3	
2021	Pending provision	2,766.7	1,375.1		
	Cumulative payments	5,255.9	7,752.4		
	TOTAL COST	8,022.6	9,127.5		
2022	Pending provision	3,509.4			
	Cumulative payments	5,762.1			
	TOTAL COST	9,271.5			

Figures in millions of euros

2. Amount of insurance revenue by product and segment

The following tables provide a breakdown of insurance and reinsurance revenue by product and segment for the last two years:

2023

Product	IBERIA	BRAZIL	MEXICO	LATAM SOUTH CENTRAL	NORTH AMERICA	EMEA	ASISTENCIA-MAWDY	GLOBAL RISKS	REINSURANCE	CORPORATE AREAS AND CONSOLIDATION ADJUSTMENTS	Total
Life	1,057.4	1,375.8	264.6	633.3	1.7	52.5	—	—	—	—	3,385.3
Automobile	2,541.5	632.8	178.8	591.9	1,514.5	978.2	19.5	—	—	—	6,457.2
Homeowners and commercial risks	1,225.7	508.7	20.7	332.8	944.6	121.7	—	—	—	—	3,154.2
Health	786.1	—	236.0	531.1	44.0	124.6	—	—	—	—	1,721.8
Accident	96.5	—	10.1	158.1	2.3	3.6	—	—	—	—	270.6
Other Non-Life	2,063.9	2,658.5	1,598.1	1,492.1	325.6	101.1	212.0	—	—	(3,476.5)	4,974.8
Reinsurance	—	—	—	—	—	—	—	2,481.1	7,384.7	(2,182.6)	7,683.2
TOTAL	7,771.1	5,175.8	2,308.3	3,739.3	2,832.7	1,381.7	231.5	2,481.1	7,384.7	(5,659.1)	27,647.2

Figures in millions of euros

2022

Product	IBERIA	BRAZIL	MEXICO	LATAM SOUTH CENTRAL	NORTH AMERICA	EMEA	ASISTENCIA-MAWDY	GLOBAL RISKS	REINSURANCE	CORPORATE AREAS AND CONSOLIDATION ADJUSTMENTS	Total
Life	927.7	1,266.0	246.1	579.9	1.9	51.0	—	—	—	—	3,072.6
Automobile	2,473.9	598.9	159.4	581.9	1,517.4	944.5	53.5	—	—	—	6,329.5
Homeowners and commercial risks	1,155.8	461.3	16.0	271.0	900.0	83.2	—	—	—	—	2,887.3
Health	723.0	—	184.6	518.1	41.6	92.2	—	—	—	—	1,559.5
Accident	101.4	—	8.0	162.2	5.0	5.3	—	—	—	—	281.9
Other Non-Life	1,812.5	2,600.0	822.1	1,774.9	394.1	138.6	237.1	—	—	(3,162.6)	4,616.7
Reinsurance	—	—	—	—	—	—	—	2,623.1	6,305.0	(2,328.2)	6,599.9
TOTAL	7,194.3	4,926.2	1,436.2	3,888.0	2,860.0	1,314.8	290.6	2,623.1	6,305.0	(5,490.8)	25,347.9

Figures in millions of euros

3. Amount of insurance revenue by currency

The following tables provide a breakdown of insurance revenue by currency for the last two years.

Currency	Income	
	2023	2022
EUROS	9,657.3	8,562.0
US DOLLAR	6,572.4	6,111.7
BRAZILIAN REAL	4,838.8	4,277.5
MEXICAN PESO	682.1	783.0
ARGENT. PESO	85.1	139.9
VENEZUELAN DIGITAL BOLIVAR	13.7	9.1
TURKISH LIRA	364.4	283.9
COLOMBIAN PESO	440.1	395.2
CHILEAN PESO	10.3	103.3
PERUVIAN SUN	264.0	260.1
OTHER CURRENCIES	1,852.8	1,791.5
TOTAL	24,781.0	22,717.2

Figures in millions of euros

B. CREDIT RISK

The Credit Risk Management Policy establishes exposure limits regarding counterparty credit quality, as well as a system of identification, measurement, surveillance, management and mitigation, in addition to monitoring and notifying exposure to this risk.

In the case of reinsurance counterparties, the Group strategy is to cede business to reinsurers with proven financial capacity, generally reinsuring with companies with a financial strength rating of at least "High" (credit rating level 2). The Security Committee is responsible for monitoring exposure to reinsurance counterparties.

The basic principles of mandatory compliance that inspire the reinsurance use management and other risk-reduction techniques are:

a. Capital consumption optimization.

b. Condition optimization.

c. Counterparty solvency.

d. Effective risk transferability.

e. Risk transfer level adequacy.

The following table shows the breakdown of reinsurer credit ratings with the net debit position:

CREDIT RATING	AMOUNT	
	2023	2022
AAA	4.0	2.9
AA	1,945.0	1,346.0
A	2,905.1	3,193.5
BBB	478.2	632.6
BB OR LESS	77.4	79.7
NO CREDIT RATING	512.8	397.3
TOTAL NET POSITION	5,922.6	5,652.0

Figures in millions of euros

The following table shows the type and amount of the guarantees granted by reinsurers in the last two years:

TYPE OF GUARANTEE	AMOUNT	
	2023	2022
Letters of credit	139.9	126.0
Guarantees	—	—
Pledged assets	—	—
Other guarantees	51.4	21.5
TOTAL	191.3	147.5

Figures in millions of euros

1. Credit risk arising from other financial instruments

The breakdown for the last two years of the portfolio of fixed-income securities and cash, based on the credit rating of issuers of fixed-income securities and financial institutions, is shown in the accompanying chart:

ISSUER CREDIT RATING	INTERNATIONAL RATING							
	PORTFOLIO AT FAIR VALUE THROUGH PROFIT AND LOSS		BOOK VALUE PORTFOLIO AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME		PORTFOLIO AT AMORTIZED COST		CASH	
	2023	2022	2023	2022	2023	2022	2023	2022
AAA	886.2	874.8	749.8	565.0	228.8	205.4	23.3	183.0
AA	1,972.9	1,548.4	2,109.2	1,904.9	40.6	2.6	283.2	260.4
A	2,021.2	1,766.2	10,426.7	8,792.8	80.5	22.5	934.7	1,484.2
BBB	2,047.1	1,936.6	5,364.8	4,595.4	82.8	184.9	567.7	215.6
BB OR LESS	2,600.0	2,043.2	1,702.3	1,379.4	723.9	592.1	148.3	99.2
NO CREDIT RATING	256.8	489.1	249.6	475.9	80.2	85.4	128.8	332.1
TOTAL	9,784.2	8,658.3	20,602.4	17,713.4	1,236.8	1,092.9	2,086.0	2,574.5

Figures in millions of euros

2. Fixed-income securities in default

There were no fixed-income securities in default for significant amounts at December 31, 2023 and 2022.

3. Receivables

The following table shows the composition of the receivables heading at December 31, 2023 and 2022, as well as impairment losses, gains on recorded impairment reversals, and amounts received for guarantees in the last two years:

Item	Net balance on balance sheet		Impairment				Guarantees Received	
			Recorded losses		Reversal gains			
	2023	2022	2023	2022	2023	2022	2023	2022
Tax receivables	514.9	447.5	—	—	—	—	—	—
Corporate and other receivables	766.3	746.1	(7.3)	(3.2)	4.9	2.4	—	—
TOTAL	1,281.2	1,193.6	(7.3)	(3.2)	4.9	13.1	—	—

Figures in millions of euros

The following table shows the maximum exposure to risk for assets and liabilities from insurance and reinsurance contracts at December 31, 2023 and 2022.

ITEM	MAXIMUM CREDIT RISK EXPOSURE	
	2023	2022
Insurance contract assets and liabilities	5,043.1	5,059.3
Reinsurance contract assets and liabilities	5,699.6	5,430.1
TOTAL	10,742.7	10,489.4

Figures in millions of euros

C. LIQUIDITY RISK

MAPFRE has a Liquidity Risk Management Policy and an Asset and Liability Management Policy, which together comprise the benchmark framework for acting in this regard. In MAPFRE, the general practice is based on maintaining sufficient cash balances to comfortably cover the commitments arising from its obligations to insured parties and creditors. Thus, at December 31, 2023, the cash and cash equivalent balance amounted to 2.1 billion euros (2.6 billion euros the previous year), equivalent to 5.2 percent of total financial investments and cash (6.9 percent at the close of 2022).

For Life and Savings insurance, the investment criteria of matching the maturities of investments with those of the obligations entered into under the terms of insurance contracts which mitigates long-term liquidity risk. In addition, most fixed-income investments are investment grade and are traded in organized markets, providing ample capacity to act against potential liquidity stress.

In the face of extreme events, liquidity risk is minimized via the use of reinsurance as a technique to reduce underwriting risk concentration and the selection of reinsurers with high credit quality.

Assets with maturity exceeding one year are described in the "Interest rate risk" section.

Lastly, MAPFRE's low level of debt as regards shareholders' equity, combined with the undrawn amount from the syndicated loan taken out by the controlling company, provides additional liquidity through financing operations.

Note 6.11 "Financial liabilities" provides information on the Group's debt with credit institutions and its other financial liabilities.

1. Liquidity risk arising from insurance contracts

The following table shows the estimated schedule of disbursements for insurance contract assets and liabilities recorded at December 31, 2023 and 2022, based on estimates of nominal cash flows that the Group expects in the indicated years.

2023

ITEM	ESTIMATED CASH OUTFLOWS IN THE YEARS						Final balance
	2024	2025	2026	2027	2028	Subsequent	
BBA							
· Insurance contract assets	8.4	7.4	6.5	5.7	4.9	25.5	58.4
· Insurance contract liabilities	1,547.8	1,296.7	990.6	650.2	594.2	9,922.7	15,002.2
VFA							
· Insurance contract assets	-	-	-	-	-	-	-
· Insurance contract liabilities	1,263.9	859.5	858.7	667.2	691.6	5,602.3	9,943.2
PAA							
· Insurance contract assets	4,005.1	1,494.2	666.4	295.6	185.7	328.4	6,975.4
· Insurance contract liabilities	8,751.2	2,919.7	1,474.2	809.9	566.4	1,938.2	16,459.6
TOTAL	(7,549.4)	(3,574.3)	(2,650.6)	(1,826.0)	(1,661.6)	(17,109.3)	(34,371.2)

Figures in millions of euros

2022

ITEM	ESTIMATED CASH OUTFLOWS IN THE YEARS						Final balance
	2023	2024	2025	2026	2027	Subsequent	
BBA							
· Insurance contract assets	4.8	4.2	3.7	3.2	2.8	14.5	33.2
· Insurance contract liabilities	(1,034.8)	(778.1)	(666.1)	(718.0)	(559.1)	(9,069.7)	(12,825.8)
VFA							
· Insurance contract assets	-	-	-	-	-	-	-
· Insurance contract liabilities	(911.6)	(726.4)	(644.1)	(658.9)	(530.3)	(4,607.7)	(8,079.0)
PAA							
· Insurance contract assets	3,419.0	1,607.1	652.4	296.3	143.2	222.2	6,340.2
· Insurance contract liabilities	(7,518.6)	(3,113.8)	(1,626.0)	(843.8)	(553.9)	(2,169.1)	(15,825.2)
TOTAL	(6,041.2)	(3,007.0)	(2,280.1)	(1,921.2)	(1,497.3)	(15,609.8)	(30,356.6)

Figures in millions of euros

2. Liquidity risk arising from subordinated liabilities and financial liabilities

The breakdown for the last two years of disbursement maturities for subordinated and financial liabilities, excluding the financial discount, is shown in the accompanying chart:

2023

Item	Maturity in						Total
	2024	2025	2026	2027	2028	Subsequent	
Subordinated liabilities	61.3	61.3	61.3	641.5	528.5	518.4	1,872.3
Issue of debentures and other negotiable securities	13.9	13.9	862.6	—	—	—	890.4
Due to credit institutions	56.0	114.4	32.9	9.4	9.8	31.9	254.4
Other financial liabilities (excluding for trading, others at fair value and w/o maturity)	600.0	12.1	18.4	14.8	18.4	7.9	671.6
TOTAL	731.2	201.7	975.2	665.7	556.7	558.2	3,688.7

Figures in millions of euros

2022

Item	Maturity in						Total
	2023	2024	2025	2026	2027	Subsequent	
Subordinated liabilities	60.0	61.3	61.3	61.3	61.3	1,625.9	1,931.1
Issue of debentures and other negotiable securities	13.9	13.9	13.9	862.6	—	—	904.3
Due to credit institutions	51.5	51.0	269.4	30.5	9.9	48.0	460.3
Other financial liabilities (excluding for trading, others at fair value and w/o maturity)	580.7	0.7	—	0.5	0.3	1.8	584.0
TOTAL	706.1	126.9	344.6	954.9	71.5	1,675.7	3,879.7

Figures in millions of euros

D. MARKET RISK

The MAPFRE Risk Management Area carries out resilience and sensitivity tests regarding the impact of financial variables from the market on its solvency position.

The Group's Investment Area regularly conducts analyses of the sensitivity of the investment portfolio's value to market risk. Among others, the most usual indicators are the modified duration for fixed-income securities, and the VaR, or value at risk, for equity instruments.

1. Interest rate risk

The following tables show the significant information of the last two years regarding the level of exposure to interest rate risk of the financial assets and liabilities:

ITEM	AMOUNT OF ASSETS EXPOSED TO INTEREST RATE RISK IN:							
	FAIR VALUE (FIXED I.R.)		CASH FLOWS (VARIABLE I.R.)		NOT EXPOSED TO RISK		TOTAL	
	2023	2022	2023	2022	2023	2022	2023	2022
FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH P&L	9,106.3	8,406.5	1,461.5	838.3	4,505.0	3,813.5	15,072.8	13,058.3
FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	20,100.9	17,184.4	570.3	573.8	1,010.7	2,545.0	21,681.9	20,303.2
FINANCIAL INVESTMENTS AT AMORTIZED COST	1,181.7	1,133.4	103.5	94.4	10.7	39.1	1,295.9	1,266.9
OTHER INVESTMENTS	122.0	68.8	31.2	8.4	534.7	1,053.2	687.9	1,130.4
TOTAL	30,510.9	26,793.1	2,166.5	1,514.9	6,061.1	7,450.8	38,738.5	35,758.8

Figures in millions of euros

Item	Amount of liabilities exposed to interest rate risk at fair value					
	Fixed interest rate		Not exposed to risk		Total	
	2023	2022	2023	2022	2023	2022
Subordinated liabilities	1,628.4	1,627.0	—	—	1,628.4	1,627.0
Issue of debentures and other negotiable securities	864.2	863.5	—	—	864.2	863.5
Due to credit institutions	96.8	70.4	153.8	373.9	250.6	444.3
Other financial liabilities	890.3	885.4	343.1	1,161.6	1,233.4	2,047.0
TOTAL	3,479.7	3,446.3	496.9	1,535.5	3,976.6	4,981.8

Figures in millions of euros

The following tables show the breakdown of financial investments by maturity for 2023 and 2022.

2023

ITEM	FINAL BALANCE	MATURITY IN					
		2024	2025	2026	2027	2028	SUBSEQUENT
<u>FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH IN P&L</u>							
Forward foreign exchange contracts	2.0	2.0	–	–	–	–	–
Options	0.4	0.5	–	-0.2	–	–	–
Fixed Income	9,784.2	3,226.7	1,754.0	1,433.6	993.1	679.4	1,697.3
Hybrid instruments	16.1	–	–	16.1	–	–	–
Other	27.7	8.4	0.9	0.5	–	–	17.9
TOTAL PORTFOLIO AT FAIR VALUE THROUGH THE INCOME STATEMENT	9,830.2	3,237.6	1,754.9	1,450.0	993.1	679.4	1,715.2
<u>FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME</u>							
	–	–	–	–	–	–	–
Fixed Income	20,620.7	2,159.0	2,048.7	1,959.7	1,752.9	1,165.5	11,534.8
Other Investments	3.9	3.7	–	–	–	–	0.2
TOTAL PORTFOLIO AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	20,624.5	2,162.7	2,048.7	1,959.7	1,752.9	1,165.5	11,535.0
<u>FINANCIAL INVESTMENTS AT AMORTIZED COST</u>							
	–	–	–	–	–	–	–
Fixed Income	1,286.2	228.1	120.4	136.7	23.7	78.2	699.2
Other Investments	9.7	2.9	0.7	0.2	–	1.2	4.6
TOTAL PORTFOLIO AT AMORTIZED COST	1,295.9	231.0	121.1	136.9	23.7	79.4	703.8

Figures in millions of euros

2022

ITEM	FINAL BALANCE	MATURITY IN					
		2023	2024	2025	2026	2027	SUBSEQUENT
<u>FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH IN P&L</u>							
Forward foreign exchange contracts	2.7	2.7	-	-	-	-	-
Options	1.5	-	-	-	-0.2	-	1.7
Fixed Income	8,658.3	2,494.5	1,136.3	1,435.8	1,038.3	798.1	1,755.3
Hybrid instruments	15.3	-	-	-	15.3	-	-
Other	9.5	7.5	0.6	0.7	0.5	-	0.2
TOTAL PORTFOLIO AT FAIR VALUE THROUGH THE INCOME STATEMENT	8,687.3	2,504.7	1,136.9	1,436.5	1,053.9	798.1	1,757.2
<u>FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME</u>							
	-	-	-	-	-	-	-
Fixed Income	17,724.1	1,300.6	1,242.4	1,418.5	1,560.8	2,172.9	10,028.8
Other Investments	-	-	-	-	-	-	-
TOTAL PORTFOLIO AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	17,724.1	1,300.6	1,242.4	1,418.5	1,560.8	2,172.9	10,028.8
<u>FINANCIAL INVESTMENTS AT AMORTIZED COST</u>							
	-	-	-	-	-	-	-
Fixed Income	1,206.2	417.1	120.8	75.5	52.2	69.8	470.9
Other Investments	60.7	16.8	0.8	-	0.2	3.0	39.8
TOTAL PORTFOLIO AT AMORTIZED COST	1,266.9	433.9	121.6	75.5	52.4	72.8	510.7

Figures in millions of euros

The average interest rate and modified duration for fixed income investments was 4.50% and 5.22% respectively, (4.25% and 5.46% in 2022).

The modified duration reflects the sensitivity of the value of the assets to movements in interest rates and represents an approximation of the percentage variation that the value of financial assets would experience for every percentage point (100 bp) of variation of interest rates. The balances included in the "Receivables" heading under the assets on the balance sheet and in the "Tax liabilities" and "Other debts" heading under the liabilities on the balance sheet do not accrue interest and they are usually settled the following year.

Liabilities with a maturity exceeding one year are covered in the section "Liquidity risk arising from subordinated liabilities and financial liabilities".

2. Exchange rate risk

The following table shows the breakdown of assets and liabilities regarding the currencies in which they are recorded at the end of the last two years.

CURRENCY	INSURANCE ASSETS		OTHER ASSETS		INSURANCE LIABILITIES		OTHER LIABILITIES		NET TOTAL	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
EUROS	624.6	1,096.5	31,372.9	31,626.9	22,724.0	21,421.1	4,982.5	6,097.7	4,291.0	5,204.6
US DOLLAR	4,291.2	3,269.0	7,451.2	5,888.7	8,562.9	7,386.0	471.0	385.8	2,708.5	1,385.9
BRAZILIAN REAL	594.3	807.2	5,322.1	4,506.7	3,836.6	3,571.3	943.8	695.7	1,136.0	1,046.9
MEXICAN PESO	282.8	203.0	728.7	858.3	629.5	626.1	95.4	127.5	286.6	307.7
COLOMBIAN PESO	109.2	55.6	1,161.2	778.3	917.2	584.0	46.9	91.1	306.3	158.8
OTHER CURRENCIES	45.2	241.4	2,963.6	2,865.6	1,707.0	1,990.6	374.0	350.6	927.9	765.8
TOTAL	5,947.3	5,672.7	48,999.7	46,524.5	38,377.2	35,579.1	6,913.6	7,748.4	9,656.3	8,869.7

Figures in millions of euros

The following provides a sensitivity analysis obtained from the effect of a 10% variation of the most relevant currencies against the euro:

Currency	Effect on			
	OCI		P&L	
	2023	2022	2023	2022
US DOLLAR	270.8	138.6	[0.2]	[6.9]
BRAZILIAN REAL	113.6	104.7	23.3	13.9
MEXICAN PESO	28.6	30.8	4.4	2.8
COLOMBIAN PESO	30.6	15.9	1.7	6.8

Figures in millions of euros

3. Stock market risk

The VaR or value at risk (maximum variation expected in a one-year time horizon and at a confidence level of 99 percent) of equities and mutual funds exposed to stock market risk, at December 31, 2023 and 2022 reached 1.2 and 1.1 billion euros, respectively.

4. Real estate risk

At December 31, 2023 the Group had real estate assets representing approximately 4.5 percent of total investments and cash (5.1 percent at December 31, 2022), of which approximately 50.1 percent corresponds to its own offices (52.5 percent at December 31, 2022). This investment serves the dual function of providing administrative and sales support as well as generating revenue and diversifying investments. The breakdown of these real estate assets is shown in the following table:

Item	Net book value		Market value	
	2023	2022	2023	2022
Real estate investments	973.0	980.8	1,287.4	1,489.9
Real estate for own use	978.2	1,084.7	1,357.5	1,422.6
TOTAL	1,951.2	2,065.5	2,644.9	2,912.5

Figures in millions of euros

Unrealized gains would offset a fall in the price of the properties equivalent to approximately 26.2 percent of their market value at the close of 2023 (29.1 percent at the close of 2022).

E. ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RISKS

MAPFRE is constantly analyzing all factors that, should they materialize, would or could impact the business. This analysis includes environmental, social and governance (ESG) factors, which makes it possible to obtain additional information about social movements and transformations, stakeholder expectations as well as those of the market, which affect the organization.

Similarly, as a global insurance company, MAPFRE plays an important role when it comes to helping society identify sustainable development opportunities for the insurance industry and offering products and services that contribute to the transition to a low-carbon economy.

Based on the analysis of these ESG factors and how they can affect the business in the short, medium and long-term, they are included in the typology of risks established by the company, and measures for their prevention and mitigation are adopted.

With the aim of meeting the commitments included in the Environmental Policy and meeting the public target of carbon neutrality for the Group in 2030, the Corporate Environmental Footprint Plan 2021-2030 was developed to reduce and compensate our environmental footprint in the countries where the Group operates.

In 2023, progress was made in the development of the various strategic projects included in said Plan. In line with the defined targets, for another year, the 2023 carbon footprint of MAPFRE companies located in Spain and Portugal was neutralized.

In the context of the new Environmental Footprint Plan, the Group has established the following objectives:

Targets to 2024:

- Reduce the Group's carbon footprint by 19 percent compared to the 2019 baseline.
- Neutralize MAPFRE's carbon footprint in Spain, Portugal, Brazil, the United States, Mexico, Peru, Puerto Rico, Germany, Italy and Turkey.

Targets to 2030:

- Reduce the Group's carbon footprint by 50 percent compared to the 2019 baseline.
- Neutralize the remaining carbon footprint for the Group as a whole.

These lines of action define the Group's roadmap to fight climate change.

The following is a list of the key environmental commitments regarding underwriting and investment applicable to all Group entities:

UNDERWRITING COMMITMENTS:

In 2012, we adopted the Principles for Sustainable Insurance (PSI) promoted by the United Nations Environment Programme Finance Initiative (UNEPFI), committing to integrate environmental, social, and governance (ESG) issues into our decision-making for the underwriting processes of the Group's insurance operations.

These commitments are defined in the Underwriting Policy, approved by MAPFRE SA's Board of Directors, and are applicable to all insurance and reinsurance companies and in line with the corporate business strategy. MAPFRE has a Global Business Committee which meets monthly, and an Underwriting Policy Committee which meets each semester and is responsible for, among other things, the correct application of this policy, as well as to analyze and propose operating standards of exclusion for ESG matters.

In line with the ESG risk analysis model, at the close of 2023, 90% of underwriting portfolios have been analyzed with environmental, social and governmental (ESG) criteria.

MAPFRE Group maintains environmental commitments in its insurance and reinsurance underwriting business to contribute to the transition toward a low-carbon economy, reinforcing the commitment to be a net zero company by 2050.

These commitments are applicable to all Group companies as of 2023, and the MAPFRE Group Underwriting Policy Committee monitors their compliance:

Carbon

MAPFRE will not insure:

- The construction of new coal-fired electric plants or the operation of new coal mines.
- The construction of new infrastructure that exclusively service the construction and/or operation of thermal coal mines or thermal coal power plants.

Case-by-case exceptions can be made, which must be assessed by taking into account the company's internal ESG analysis systems.

- Companies that derive 20 percent or more of their revenues and/or power generation from thermal coal-produced energy.
- Companies with thermal coal-based energy expansion plans of more than 300 MW.

- New mining companies that obtain 20 percent or more of their revenues from annual thermal coal extraction and/or production of more than 20 million tons.
- Companies that derive 30 percent of their revenues from transporting thermal coal.

In the case of reinsurance, these commitments will apply to the facultative business and to all reinsurance contracts with entities controlled by the MAPFRE Group. From 2024, MAPFRE RE will establish specific coal exposure thresholds for non-group contracts in the Property & Casualty, Engineering, Accident, Credit and Surety and Marine cargo lines of business.

- By 2030, MAPFRE's portfolio will no longer include insurance programs related to coal-fired power plants or the operation of thermal coal mines in OECD countries, for companies that have not implemented commitments pertaining to energy transition and decarbonization. Beginning in 2040, this commitment will also apply to the rest of the world, in all countries where MAPFRE operates.

Oil and gas

MAPFRE will not insure:

- New individual projects, or their associated infrastructure, for oil and gas extraction and production of any nature, including Shale Oil & Gas and Ultra Deep Water (UDW).
- New projects related to extracting or transporting tar sands. MAPFRE pledges that by 2030 its portfolio will not include any insurance projects related to the extraction or transport of tar sands.
- Any single new offshore/onshore natural gas or petroleum extraction or transport projects taking place in the Arctic.

Protection emerging economies

- We can contribute to narrowing the insurance protection gap by providing reinsurance for natural catastrophes to the insurance sector in developing countries, as well as by seeking out collaboration opportunities in public-private initiatives.

In 2023, the established commitments regarding carbon, oil and gas have all been met, and there have been no exceptions approved for these issues.

INVESTMENT COMMITMENTS:

In 2017, we became signatories to the United Nations Principles for Responsible Investment (PRI), and have a global Responsible Investment Framework which was updated in 2023 and is determined by the PRI.

The PRI, which aims to reflect the growing relevance of environmental, social and governmental (ESG) issues in investment processes, coexists with the obligation that the company accepts as a custodian of its clients' savings and investments, and of its own balance sheet's strength. As such, prudent criteria are applied to investment, with the aim of creating long-term value and incorporating, as a complement to traditional information, ESG factors.

MAPFRE has an Investment Policy, approved by MAPFRE SA's Board of Directors, applicable to all insurance and reinsurance companies and with a series of policies that complement this commitment to sustainable investment:

- Voting Rights Policy.
- ESG Risk Integration Policy.
- Engagement Policy.
- Due Diligence policy in respect of the Principal Adverse Impact

The Corporate Investment Area is the guarantor ensuring that the organization complies with the established principles for responsible investment and of informing the Sustainability Committee of this compliance on an annual basis. The Risks Committees of the various Management centers regularly analyze the composition of the managed portfolios, their ESG evaluation and any controversies that could arise from the application of the exclusion clauses approved by MAPFRE, as well as the investment portfolio's carbon footprint.

With the aim of advancing MAPFRE'S contribution to decarbonization, MAPFRE will not invest in coal, gas and oil companies that are not committed to an energy transition plan that allows global warming to be kept at approximately 1.5°C.

Carbon

MAPFRE will not invest in:

- a. Companies where 20 percent or more of their revenues and/or generation comes from coal-fired power.
- b. Companies with thermal coal-based energy expansion plans of more than 300 MW in place.

- c. Companies that generate 20 percent or more of their revenues from the extraction and/or annual production of thermal coal in excess of 20 million tons.
- d. By 2040, MAPFRE will no longer hold investments in coal-fired power plants or thermal coal mining.

Oil and gas

MAPFRE will not invest in:

- a. Companies where more than 15 percent of their revenues are directly or indirectly linked to oil sands activity.

In line with the United Nations 2030 Agenda, MAPFRE has measured the impact of the portfolios on its balance sheet on the Sustainable Development Objectives, using the methodology developed in 2019 with the University of Siena. We continue working to further develop the methodology and integrate it with the rest of the tools used in ESG investments.

The following targets are established within the 2022-2024 Sustainability Plan:

- 90 percent of the total investment portfolio ESG-rated by 2024.
- 10 percent emissions reduction in the MAPFRE AM investment portfolio at the close of 2024 (v. 2019 base line, for the relevant indicator: TonCO2e/Million €).

Further, as part of our commitment to be a net zero company by 2050, MAPFRE has joined the Net Zero Asset Owner Alliance, defining intermediate targets to align our investment portfolios to a scenario of 1.5°C.

More detail on MAPFRE Group environmental risks and management is available in the Integrated Report.

F. SENSITIVITY ANALYSIS

The scope of financial and underwriting risks arising from our contracts is determined by the nature of the business underwritten.

For Life contracts, this is determined based on the following risk typology:

- a. Risks associated with mortality and longevity experience. These risks can materialize as they are affected by unexpected events (for example, epidemics like COVID), however the most significant changes in insurance risk factors (for example, changes in life style, medical advances and improved social conditions), tend to take place over the longer-term. As such, the longer the coverage period is, the greater the Group exposure to mortality and/or longevity. Adequate diversification minimizes the impacts at a Group level.
 - b. Life Protection and Life Savings contracts expose the Group to interest rate risk. This comes from the degree to which the real returns on financial assets held to finance the liquidation of liabilities differs from the returns guaranteed in the contracts. This risk is more important for contracts that have long durations and when it is not possible to obtain equivalent assets with similar durations. They are managed with an adequate Group ALM policy and sufficiently prudent criteria for establishing guaranteed interest rates in the contracts.
 - c. For savings products with and without direct participation, there is risk from the behavior of the insured parties, specifically, the risk that contracts are surrendered or significant quantities are withdrawn before they have earned enough to cover the initial commissions and acquisition expenses incurred. This risk is mitigated through penalty fees for early surrenders of contracts or limiting initial acquisition expenses paid. The contracts with traditional participation features provide the insured parties guaranteed minimum returns on the premiums, and a minimum participation in the performance of a clearly identified group of underlying items (if this is greater). The real participation allocated to the insured parties in a specific period can exceed the guaranteed minimum.
- a. If there is an instant and permanent 5 percent decrease in mortality assumptions used to calculate cash outflows for insurance contract liabilities, assuming all other variables are constant, in MAPFRE Group, there would be increases in the contractual service margin, increases in the annual P&L, and an insignificant reduction in equity. This effect would have the same intensity before and after risk mitigation through reinsurance, and similarly to the previous year.
 - b. If there is a permanent 10 percent decrease in surrender rate assumptions used to calculate insurance contract liabilities, assuming all other variables are constant, in MAPFRE Group, there would be insignificant increases in the contractual service margin, the P&L, and equity. This effect would have the same intensity before and after risk mitigation through reinsurance, and similarly to the previous year.
 - c. If there is a 10 percent decrease in maintenance expense assumptions used to calculate insurance contract liabilities, assuming all other variables are constant, in MAPFRE Group, there would be insignificant increases in the contractual service margin, the P&L, and equity. This effect would have the same intensity before and after risk mitigation through reinsurance, and similarly to the previous year.
 - d. If there is a 1 percent decrease in the final incurred claims cost assumptions, assuming all other variables are constant, in MAPFRE Group, there would be no impact on the contractual service margin, and insignificant increases in the P&L, and OCI. This effect would have different intensity if the impacts are analyzed before and after risk mitigation through reinsurance, and similarly to the previous year.

The changes in underwriting risk variables primarily affect the CSM, P&L and OCI as follows:

a.CSM

Changes in fulfillment flows not related to any loss component, except those recognized as insurance finance income or expenses.

b. P&L

Changes in fulfillment flows related to loss components.

Changes in fulfillment flows recognized as insurance finance income or expenses in the P&L.

Release of the CSM according to (a).

Changes in the liability for incurred claims variation.

The following points analyze how the CSM, the P&L and OCI would vary if reasonably possible underwriting risk variables had changed at the reporting date.

c. OCI

Changes in fulfillment flows recognized as insurance finance income or expenses in OCI.

The effect on P&L according to (b).

For Non-Life insurance, the key risks are the uncertainty related to the frequency and/or severity of claims, which are influenced by the nature and geographic location of the risks covered. For certain products or covers, the cost of claims is affected by the occurrence of extreme weather conditions (for example, floods, tropical cyclones and hurricanes) and other natural catastrophes (for example, earthquakes). Specifically, the cost of rebuilding or repairing property, along with the cost of business interruption in some lines, is an important characteristic in the final value of claims. Additionally, the increase in climate risk could potentially introduce material uncertainty in the assumptions and lead to an inexact insurance risk valuation.

With regard to the economic assumptions, the variations produced in the discount rates affect the valuation of assets and liabilities on the balance sheet. As such, market risk associated with changes in financial variables such as, for example, exchange rates, interest rates, or share prices would affect the insurance and reinsurance contract fulfillment cash flows, as well as the fair value or the future cash flows from associated financial instruments. The aim of market risk management is to maintain exposure to financial variables within acceptable parameters while at the same time optimize returns.

The Group supervises the implementation of the ALM strategy. The ALM framework aims to make cash flows arising from the Group's financial investments coincide with cash flows arising from its insurance and investment contracts, simultaneously optimizing long-term investment return from its financial investments representing accounting capital for an acceptable risk level. On a day-to-day basis, the local Companies are responsible for monitoring market risk exposure. For products measured using the VFA, changes in fair value of underlying items due to changes in market variables are largely reflected in the related insurance and investment contract values, without significant effects in P&L or equity. For products measured using BBA, changes in interest rates are reflected in OCI movements, not affecting the P&L. For products measured using the PAA, interest rate movements, both for associated assets as well as liabilities, are reflected in the P&L, affecting, to the extent that there is one, a significant difference in durations that is controlled and minimized through the ALM.

8. OTHER INFORMATION

8.1. INFORMATION RELATED TO THE GOVERNING BODY

In the last two years, there have not been any conflicts of interest, either direct or indirect, between the directors or the people connected to them and the Group.

In the last two years, the controlling company's directors did not carry out any operations with the controlling company itself or with any other Group company either outside the scope of the companies' ordinary trading activities or outside normal market conditions.

The insurance premium paid on behalf of the administrators for liability damages was 1.1 million euros (1.2 million euros in 2022).

8.2. FEES EARNED BY THE AUDITORS

The annual accounts of the controlling company and of the main Group companies for the financial year 2022 have been audited by the firm KPMG, with the main exception of the subsidiaries with registered offices in Turkey and Ecuador, whose auditors are RSM Turkey Arkan & Ergin and GRANT THORNTON, respectively.

The remuneration accrued by the main auditor is shown in the accompanying chart. It is deemed that these fees do not compromise the independence of the auditors.

Item	Amount	
	2023	2022
Audit services	11.6	9.4
Other verification services	3.2	1.6
Tax services	—	—
Other services	0.1	0.1
TOTAL	14.9	11.1

Figures in millions of euros

The above mentioned amounts include those paid to the company KPMG Auditores, S.L. to the Group in 2023 for the amount of 3.3 million euros for audit services (3.0 million euros in 2022) and 1.6 million euros for Other verification services (0.6 million in 2022). The amounts paid to KPMG in countries other than Spain reached 8.3 million euros for audit services (6.4 million euros in 2022) and 1.7 million euros for Other verification services (1.0 million euros in 2022).

These include, most notably, other required reviews (by regulation or requirement of external partners), as well as services regarding regulatory compliance, the most relevant of which are those corresponding to the review of the Solvency Reports (0.4 million euros in Spain and 0.3 million euros in the rest of the countries).

Other entities associated with KPMG International (KPMG Asesores, S.L.) have invoiced 0.01 million euros for an independent review of the Non-Financial Information Statement.

Fees related to account auditing services provided by auditors other than the main auditor amounted to 0.1 million euros in 2023 and 2022, in each year.

8.3. ENVIRONMENTAL INFORMATION

The Group companies do not have any environment-related item in the last two financial years that might be significant or specifically included in these consolidated annual accounts.

8.4. INFORMATION ON AVERAGE PROVIDER PAYMENT PERIOD

Details of the payments made by the Group's fully consolidated Spanish companies to providers in the financial years 2023 and 2022:

Item	Days	
	2023	2022
Average provider payment period	6.4	6.1
Ratio of paid operations	6.2	5.7
Ratio of operations pending payment	17.8	22.0

Item	Million euros	
	2023	2022
Total payments made	1,781.9	1,762.7
Total pending payments exceeding the maximum statutory term	32.7	37.5

Information regarding invoices paid in a period of time less than the maximum established in the late payment regulation is as follows:

Item	2023	2022
Monetary volume paid	1,781.9	1,762.7
Percentage over total monetary payments to providers	1.0	1.0
Number of invoice paid	263,421.0	262,135.0
Percentage over total number of invoices paid to providers	1.0	1.0

APPENDIX 1: SUBSIDIARIES, ASSOCIATED UNDERTAKINGS AND JOINT VENTURES AT DECEMBER 31, 2023 AND 2022

Name	Address	Participation in Capital		Consolidati on method	Integration method for Solvency	
		Holder	Percentage			
			2023			2022
IBERIA						
MAPFRE ESPAÑA COMPAÑÍA DE SEGUROS Y REASEGUROS S.A.	Ctra. Pozuelo, 50. Majadahonda.	MAPFRE, S.A.	99.9994	100.0000	(A)	(1)
	Madrid (España)	MAPFRE TECH, S.A.	0.0006	—		
CLUB MAPFRE, S.A.	Ctra. Pozuelo, 50. Majadahonda.	MAPFRE ESPAÑA, S.A.	99.9875	99.9875	(A)	(1)
	Madrid (España)	MAPFRE AUTOMOCIÓN S.A.U	0.0125	0.0125		
CENTRO DE EXPERIMENTACIÓN Y SEGURIDAD VIAL MAPFRE, S.A.	Ctra.Valladolid, km 1	MAPFRE ESPAÑA, S.A.	99.9982	99.9982	(A)	(1)
	Ávila (España)	MAPFRE, S.A.	0.0018	0.0018		
MAPFRE AUTOMOCIÓN S.A.U	Ctra. Pozuelo, 50. Majadahonda. Madrid (España)	MAPFRE ESPAÑA, S.A.	100.0000	100.0000	(A)	(1)
VERTI ASEGURADORA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A	Ctra. Pozuelo, 52. Majadahonda.	MAPFRE ESPAÑA, S.A.	99.9991	99.9991	(A)	(1)
	Madrid (España)	CLUB MAPFRE, S.A.	0.0009	0.0009		
VERTI MEDIACION SOCIEDAD DE AGENCIA DE VALORES VINCULADA, S.L. (Dissolved in 2023)	Doctor esquierdo, 138	VERTI ASEGURADORA S.A.	—	98.0000	(H)	(H)
	Madrid (España)	CLUB MAPFRE, S.A.	—	2.0000		
MAPFRE CONSULTORES DE SEGUROS Y REASEGUROS, S.A. (Dissolved in 2023)	Ctra. Pozuelo, 50. Majadahonda.	MAPFRE ESPAÑA, S.A.	—	50.0000	(H)	(H)
	Madrid (España)	MAPFRE, S.A.	—	50.0000		
MULTISERVICIOS MAPFRE MULTIMAP, S.A.	Ctra. Pozuelo, 52. Majadahonda.	MAPFRE ESPAÑA, S.A.	97.5000	97.5000	(A)	(1)
	Madrid (España)	CENTROS MÉDICOS S.A.	2.5000	2.5000		
FUNESPAÑA, S.A.U.	C/ Doctor Esquerdo, 138 5º Madrid (España)	MAPFRE ESPAÑA, S.A.	99.7864	99.7864	(A)	(1)
FUNESPAÑA DOS, S.L.	C/ Doctor Esquerdo, 138 5º Madrid (España)	FUNESPAÑA, S.A.	100.0000	100.0000	(A)	(1)
POMPES FÚNEBRES DOMINGO, S.L.	C/ Mercaderes, 5 Bajo Tortosa. Tarragona (España)	FUNESPAÑA DOS, S.L.	100.0000	100.0000	(A)	(1)
SERVICIOS FUNERARIOS FUNEMADRID, S.A.U.	C/ Doctor Esquerdo, 138 5º Plta Madrid (España)	FUNESPAÑA DOS, S.L.	100.0000	100.0000	(A)	(1)
CEMENTERIO JARDÍN DE ALCALA DE HENARES, S.A.	Carretera de Pastrana,Km 3 Alcala de Henares. Madrid (España)	FUNEMADRID	49.0000	49.0000	(C)	(3)
EMPRESA MIXTA SERVEIS MUNICIPALS DE TARRAGONA, S.L.	Carretera Villa de Valencia, 2 Tarragona (España)	FUNESPAÑA DOS, S.L.	49.0000	49.0000	(C)	(3)
CEMENTERIO PARQUE ANDUJAR, S.A.	C/ Cementerio, 4 Andujar. Jaén (España)	FUNESPAÑA DOS, S.L.	100.0000	72.8200	(A)	(1)
SERVICIOS FUNERARIOS DE ZARAGOZA, S.L.	C/ Doctor Esquerdo, 138 5º Plta Madrid (España)	FUNESPAÑA DOS, S.L.	70.0000	70.0000	(A)	(1)
TANATORIUM ZRT	Joseph Krt, 49 Budapest (Hungría)	FUNESPAÑA, S.A.	100.0000	100.0000	(A)	(1)
INICIATIVAS ALCAÉSAR, S.L.	C / Viena, 2 1º A Cáceres (España)	FUNESPAÑA DOS, S.L.	40.0000	40.0000	(C)	(3)
SALZILLO SERVICIOS FUNERARIOS, S.L.	C/ Doctor Esquerdo, 138 5º Plta Madrid (España)	FUNESPAÑA DOS, S.L.	45.0000	45.0000	(C)	(3)
DE MENA SERVICIOS FUNERARIOS, S.L.	C/ Doctor Esquerdo, 138 5º Plta Madrid (España)	FUNESPAÑA DOS, S.L.	70.0000	70.0000	(A)	(1)
ISABELO ALVAREZ MAYORGA, S.A.	Carretera Ávila - Valladolid Km 08 Ávila (España)	FUNESPAÑA DOS, S.L.	50.0000	50.0000	(C)	(3)
SERVICIOS FUNERARIOS DEL NERVIÓN, S.L.	Alameda de Recalde 10 Bilbao (España)	FUNESPAÑA DOS, S.L.	50.0000	50.0000	(C)	(3)

APPENDIX 1: SUBSIDIARIES, ASSOCIATED UNDERTAKINGS AND JOINT VENTURES AT DECEMBER 31, 2023 AND 2022

Name	Address	Holder	Participation in Capital		Consolidation method	Integration method for Solvency
			2023	2022		
NUEVO TANATORIO, S.L.	Avenida Hermanos Bou, 251 Castellón (España)	FUNESPAÑA DOS, S.L.	50.0000	50.0000	(C)	(3)
SERVICIOS FUNERARIOS LA CARIDAD, S.L.	Carretera Sanlúcar - Trebujena Km 1,5 Sanlúcar de Barrameda. Cádiz (España)	FUNESPAÑA DOS, S.L.	50.0000	50.0000	(C)	(3)
TANATORIO DE ÉCIJA, S.L.	C / Camino del Valle Écija. Sevilla (España)	FUNESPAÑA DOS, S.L.	33.3300	33.3300	(C)	(3)
TANATORIO SE-30 SEVILLA, S.L.	C/ San Juan Bosco, 58 Zaragoza (España)	FUNESPAÑA DOS, S.L.	10.0000	10.0000	(C)	(3)
ALL FUNERAL SERVICES, S.L.	C/ Doctor Esquerdo, 138 5º Plta Madrid (España)	FUNESPAÑA, S.A.U	100.0000	100.0000	(A)	(1)
FUNESPAÑA CHILE, S.A.	Santiago de Chile (Chile)	FUNESPAÑA, S.A.U	50.0000	50.0000	(B)	(B)
FUNEUROPA CHILE, S.A.	Santiago de Chile (Chile)	FUNESPAÑA, S.A.U	50.0000	50.0000	(B)	(B)
FUNERARIAS REUNIDAS DEL BIERZO, S.A.	C/ Doctor Esquerdo, 138 5º Plta Madrid (España)	FUNESPAÑA DOS, S.L.	85.8200	85.8200	(A)	(1)
SERVICIOS FUNERARIOS LUCEM S.L.	C/ La Costera número 20, Polígono Industrial Bovalar 46970 Alaquás. Valencia (España)	FUNESPAÑA DOS, S.L.	50.0000	50.0000	(C)	(3)
FUNERARIA SAN VICENTE, S.L.	C/ Restauración, número 2-bajo, Polígono Industrial y de Servicios "Matallana" 41440-Lora del Río. Sevilla (España)	FUNESPAÑA DOS, S.L.	50.0000	50.0000	(C)	(3)
INVERSIONES FUNERARIAS ANDALUZAS, S.L. (Sold in 2023)	C/Torredonjimeno s/n Martos. Jaén (España)	FUNESPAÑA DOS, S.L.	—	33.3300	(H)	(H)
FUNERARIA ALIANZA CANARIA, S.L.	Luis Doreste Silva, 18B 35004 Las Palmas de Gran Canaria (España)	FUNESPAÑA DOS, S.L.	100.0000	100.0000	(A)	(1)
MEDISEMAP, AGENCIA DE SEGUROS, S.L.	Ctra. Pozuelo, 52. Majadahonda Madrid (España)	MAPFRE ESPAÑA, S.A. MAPFRE VIDA, S.A.	66.6667 33.3333	66.6667 33.3333	(A)	(1)
CENTROS MÉDICOS MAPFRE, S.A.	Ctra. Pozuelo, 50. Majadahonda. Madrid (España)	MAPFRE ESPAÑA, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE VIDEO Y COMUNICACIÓN S.A. (Sold in 2023)	Ctra. Pozuelo, 50. Majadahonda Madrid (España)	MAPFRE ESPAÑA, S.A. MAPFRE VIDA, S.A.	— —	75.0000 25.0000	(H)	(H)
BANKINTER SEGUROS GENERALES, CIA DE SEGUROS Y REASEGUROS S.A.	Avda. Bruselas, 12 Alcobendas. Madrid (España)	MAPFRE ESPAÑA, S.A.	50.1000	50.1000	(A)	(1)
AUDATEX ESPAÑA, S.A.	Av de Barajas, 34 Parque Empresarial Omega 28108 Alcobendas. Madrid (España)	MAPFRE ESPAÑA, S.A.	12.5000	12.5000	(C)	(3)
TECNOLOGÍAS DE LA INFORMACIÓN Y REDES PARA LAS ENTIDADES ASEGURADORAS, S.A	C/ García Paredes, 55 Madrid (España)	MAPFRE ESPAÑA, S.A.	22.9506	22.9506	(C)	(3)
AGROSEGURO	C/ Gobelás, 23 Madrid (España)	MAPFRE ESPAÑA, S.A.	19.2300	19.2300	(C)	(3)
SALVADOR CAETANO AUTO (SGPS), S.A.	Avenida Vasco da Gama 14-10 4430-247 Vila Nova de Gaia (Portugal)	MAPFRE ESPAÑA, S.A.	24.6100	24.6100	(C)	(3)
SALUD DIGITAL MAPFRE S.A.	Ctra. Pozuelo, 50. Majadahonda Madrid (España)	MAPFRE ESPAÑA, S.A. CENTROS MÉDICOS MAPFRE, S.A.	97.5000 2.5000	97.5000 2.5000	(A)	(1)

APPENDIX 1: SUBSIDIARIES, ASSOCIATED UNDERTAKINGS AND JOINT VENTURES AT DECEMBER 31, 2023 AND 2022

Name	Address	Participation in Capital			Consolidati on	Integration method for
		Holder	Percentage			
			2023	2022	method	Solvency
PUY DU FOU ESPAÑA,S.A.	C/ Cuesta de Carlos V, 9 45001 Toledo (España)	MAPFRE ESPAÑA, S.A.	19.6414	19.5430	(C)	(3)
SANTANDER MAPFRE SEGUROS Y REASEGUROS S.A	Ctra. Pozuelo, 50. Majadahonda Madrid (España)	MAPFRE ESPAÑA, S.A.	50.0100	50.0100	(A)	(1)
SANTANDER ASSURANCE SOLUTIONS, S.A.	C/ Juan Ignacio Luca de Tena, 11 28027 Madrid (España)	SANTANDER MAPFRE SEGUROS Y REASEGUROS, S.A.	33.0000	33.0000	(C)	(3)
MAPFRE INMUEBLES, S.G.A.	Ctra. Pozuelo, 52 Majadahonda Madrid (España)	MAPFRE ESPAÑA, S.A.	82.9732	82.9732	(A)	(1)
		MAPFRE, S.A.	9.9983	9.9983		
		MAPFRE VIDA, S.A.	7.0279	7.0279		
DESARROLLOS URBANOS CIC. S.A.	Ctra. Pozuelo, 52. Majadahonda Madrid (España)	MAPFRE INMUEBLES, S.G.A.	99.9216	99.9216	(A)	(1)
		MAPFRE, S.A.	0.0784	0.0784		
SERVICIOS INMOBILIARIOS MAPFRE S.A.	Ctra. Pozuelo, 52. Majadahonda Madrid (España)	MAPFRE INMUEBLES, S.G.A.	99.9000	99.9000	(A)	(1)
		DESARROLLOS URBANOS CIC. S.A	0.1000	0.1000		
MAP SL EROPEAN INVEST SARL	3 Rue Gabriel Lippmann L- 5365 Munsbach Grand Duchy of luxembourg	MAPFRE INMUEBLES, S.G.A.	50.0000	50.0000	(E)	(3)
MAPAR IMPERIAL 14, S.L.	Cra. Húmera, 52 28023 Madrid (España)	MAPFRE INMUEBLES, S.G.A.	100.0000	100.0000	(A)	(1)
MAPFRE TECH, S.A.	Ctra. Pozuelo, 52 Majadahonda Madrid (España)	MAPFRE ESPAÑA, S.A.	100.0000	100.0000	(A)	(1)
		MAPFRE VIDA, S.A.	—	—		
		MAPFRE RE, S.A.	—	—		
MAPFRE SEGUROS GERAIS S.A.	Rua Doutor António Loureiro Borras 9 Algés (Portugal)	MAPFRE ESPAÑA, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE SEGUROS DE VIDA S.A.	Rua Doutor António Loureiro Borras 9 Algés (Portugal)	MAPFRE SEGUROS GERAIS S.A.	100.0000	100.0000	(A)	(1)
JORNADA ANCESTRAL, S.A.	Rua Doutor António Loureiro Borras 9 Algés (Portugal)	MAPFRE SEGUROS GERAIS S.A.	100.0000	—	(G)(A)	(G)(1)
MAPFRE SANTANDER PORTUGAL COMPANHIA DE SEGUROS, S.A.	Rua Doutor António Loureiro Borras 9 Algés (Portugal)	MAPFRE SEGUROS GERAIS S.A.	50.0100	50.0100	(A)	(1)
MAPFRE VIDA SOCIEDAD ANÓNIMA DE SEGUROS Y REASEGUROS SOBRE LA VIDA HUMANA	Carretera de Pozuelo, 50. (28222) Majadahonda. Madrid (España)	MAPFRE, S.A.	100.0000	99.9234	(A)	(1)
CONSULTORA ACTUARIAL Y DE PENSIONES MAPFRE VIDA S.A.	Carretera de Pozuelo, 50 (28222) Majadahonda Madrid (España)	MAPFRE VIDA, S.A.	99.9339	99.9339	(A)	(1)
		MAPFRE, S.A.	0.0661	0.0661		
GESTIÓN MODA SHOPPING S.A.	Avda.General Perón,40 Madrid (España)	MAPFRE VIDA, S.A.	99.8215	99.8215	(A)	(1)
		MAPFRE, S.A.	0.1785	0.1785		
MAPFRE INVERSIÓN SOCIEDAD DE VALORES S.A.	Carretera de Pozuelo, 50-1, M-4. 2º Planta Módulo Sur. (28222) Majadahonda	MAPFRE VIDA, S.A.	99.9991	99.9991	(A)	(4)
		MAPFRE, S.A.	0.0009	0.0009		
MAPFRE ASSET MANAGEMENT, S.G.I.I.C., S.A	Carretera de Pozuelo, 50-1, M-4. 2º Planta Módulo Norte. (28222) Majadahonda. Madrid (España)	MAPFRE INVERSIÓN, S.A.	99.9853	99.9853	(A)	(4)
		MAPFRE, S.A.	0.0147	0.0147		
MAPFRE VIDA PENSIONES, ENTIDAD GESTORA DE FONDOS DE PENSIONES S.A	Carretera de Pozuelo, 50-1, M-4. 2º Planta Módulo Norte. Madrid (España)	MAPFRE INVERSIÓN, S.A.	99.9971	99.9971	(A)	(4)
		MAPFRE, S.A.	0.0029	0.0029		

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Name	Address	Participation in Capital		Consolidati on	Integration method for	
		Holder	Percentage			
			2023	2022	method	Solvency
MIRACETI S.A.	Carretera de Pozuelo, 50	MAPFRE VIDA, S.A.	99.9991	99.9991	(A)	(1)
	28222 (Majadahonda)					
	Madrid (España)	MAPFRE, S.A.	0.0009	0.0009		
BANKINTER SEGUROS DE VIDA, S.A. DE SEGUROS Y REASEGUROS	Avda. Bruselas, 12	MAPFRE VIDA, S.A.	50.0000	50.0000	(A)	(1)
	Alcobendas. Madrid (España)					
MAPFRE AM- GOOD GOVERNANCE (Not consolidated in 2023)	60, avenue J.F. Kennedy	MAPFRE VIDA, S.A.	—	33.7119	(H)	(H)
	L-1855 Luxembourg	OTHER GROUP COMPANIES	—	22.5640		
	Grand Duchy of Luxembourg					
MAPFRE AM- IBERIAN EQUITIES	60, avenue J.F. Kennedy	MAPFRE VIDA, S.A.	38.9114	44.2173	(A)	(3)
	L-1855 Luxembourg	OTHER GROUP COMPANIES	16.2985	19.6045		
	Grand Duchy of Luxembourg					
MAPFRE AM-EUROPEAN EQUITIES (Not consolidated in 2023)	60, avenue J.F. Kennedy	MAPFRE VIDA, S.A.	—	46.5176	(H)	(H)
	L-1855 Luxembourg	OTHER GROUP COMPANIES	—	18.7100		
	Grand Duchy of Luxembourg					
MAPFRE AM-MULTI ASSET STRATEGY	60, avenue J.F. Kennedy	MAPFRE ESPAÑA, S.A.	40.0618	44.2679	(A)	(3)
	L-1855 Luxembourg	MAPFRE RE, S.A.	47.6805	46.3691		
	Grand Duchy of Luxembourg	OTHER GROUP COMPANIES	12.2577	9.3630		
FONDMAPFRE ELECCION DECIDIDA (Not consolidated in 2023)	Ctra. Pozuelo, 50.	MAPFRE VIDA, S.A.	—	38.4656	(H)	(H)
	Majadahonda	OTHER GROUP COMPANIES	—	26.1010		
	Madrid (España)					
FONDMAPFRE ELECCION MODERADA (Not consolidated in 2023)	Ctra. Pozuelo, 50.	MAPFRE VIDA, S.A.	—	45.0771	(H)	(H)
	Majadahonda	OTHER GROUP COMPANIES	—	12.0472		
	Madrid (España)					
FONDMAPFRE ELECCION PRUDENTE (Not consolidated in 2023)	Ctra. Pozuelo, 50.	MAPFRE VIDA, S.A.	—	44.3462	(H)	(H)
	Majadahonda	OTHER GROUP COMPANIES	—	10.6556		
	Madrid (España)					
FONDMAPFRE BOLSA AMERICA (Not consolidated in 2023)	Ctra. Pozuelo, 50.	MAPFRE VIDA, S.A.	—	31.9098	(H)	(H)
	Majadahonda	MAPFRE ESPAÑA, S.A.	—	20.7919		
	Madrid (España)	OTHER GROUP COMPANIES	—	14.4734		
FONDMAPFRE GLOBAL F.I. (Not consolidated in 2023)	Ctra. Pozuelo, 50.	MAPFRE VIDA, S.A.	—	43.2321	(H)	(H)
	Majadahonda	OTHER GROUP COMPANIES	—	1.9864		
	Madrid (España)					
FONDMAPFRE BOLSA MIXTO F.I.	Ctra. Pozuelo, 50.	MAPFRE VIDA, S.A.	59.3064	58.5200	(A)	(3)
	Majadahonda	OTHER GROUP COMPANIES	—	3.4879		
	Madrid (España)					
FONDMAPFRE BOLSA EUROPA F.I (Not consolidated in 2023)	Ctra. Pozuelo, 50.	MAPFRE VIDA, S.A.	—	9.2931	(H)	(H)
	Majadahonda	MAPFRE RE, S.A.	—	22.5386		
	Madrid (España)	OTHER GROUP COMPANIES	—	18.3976		
MAPFRE AM- SHORT TERM EURO I	60, avenue J.F. Kennedy	MAPFRE ESPAÑA, S.A.	38.8709	32.5587	(A)	(3)
	L-1855 Luxembourg	MAPFRE RE, S.A.	56.6517	44.5393		
	Grand Duchy of Luxembourg	OTHER GROUP COMPANIES	3.4758	3.3558		
FONDMAPFRE GARANTIA, F.I (Not consolidated in 2023)	Ctra. Pozuelo, 50.	MAPFRE VIDA, S.A.	—	99.9989	(H)	(H)
	Majadahonda					
	Madrid (España)					

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			2023	2022	method	Solvency
FONDMAPFRE GARANTIA II, F.I (Not consolidated in 2023)	Ctra. Pozuelo, 50. Majadahonda Madrid (España)	MAPFRE VIDA, S.A.	—	99.9970	(H)	(H)
STABLE INCOME EUROPEAN REAL ESTATE FUND	60, avenue J.F. Kennedy	MAPFRE ESPAÑA, S.A.	—	—	(C)	(3)
	L-1855 Luxembourg	MAPFRE RE, S.A.	16.2600	16.0000		
	Grand Duchy of Luxembourg	MAPFRE VIDA, S.A.	19.9000	20.0000		
		OTHER GROUP COMPANIES	8.4500			
MAPFRE AM-BEHAVORIAL FUND I (Not consolidated in 2023)	60, avenue J.F. Kennedy	MAPFRE RE, S.A.	—	25.9254	(H)	(H)
	L-1855 Luxembourg	OTHER GROUP COMPANIES	—	13.5998		
	Grand Duchy of Luxembourg		—			
MAPFRE AM-INCLUSION RESPONSABLE (Not consolidated in 2023)	60, avenue J.F. Kennedy	MAPFRE ESPAÑA, S.A.	—	8.7409	(H)	(H)
	L-1855 Luxembourg	MAPFRE RE, S.A.	—	22.7889		
	Grand Duchy of Luxembourg	OTHER GROUP COMPANIES	—	29.0887		
MAPFRE AM-US FORGOTTEN VALUE	60, avenue J.F. Kennedy	MAPFRE ESPAÑA, S.A.	34.8445	34.4366	(A)	(3)
	L-1855 Luxembourg	MAPFRE RE, S.A.	23.3762	23.0684		
	Grand Duchy of Luxembourg	OTHER GROUP COMPANIES	9.8790	9.7818		
MAPFRE AM GLOBAL BOND FUND (Not consolidated en 2023)	60, avenue J.F. Kennedy	MAPFRE VIDA, S.A.	—	39.7719	(H)	(H)
	L-1855 Luxembourg	MAPFRE ESPAÑA, S.A.	—	9.3791		
	Grand Duchy of Luxembourg	OTHER GROUP COMPANIES	—	13.8924		
SWISSLIFE SPPICAV	60, avenue J.F. Kennedy	SIEREFF MAPFRE	49.7404	14.9800	(C)	(3)
	L-1855 Luxembourg		—	16.9800		
	Grand Duchy of Luxembourg		—	17.1900		
OLIFAN INMO 18 OPCI	60, avenue J.F. Kennedy	SIEREFF MAPFRE	75.1073	24.2422	(A)	(3)
	L-1855 Luxembourg		—	30.2062		
	Grand Duchy of Luxembourg		—	4.4109		
MAPFRE INFRAESTRUCTURAS FCR	Ctra. Pozuelo, 50.	MAPFRE ESPAÑA, S.A.	5.6700	8.0654	(C)	(3)
	Majadahonda	MAPFRE RE, S.A.	6.5600	9.3366		
	Madrid (España)	OTHER GROUP COMPANIES	19.0500	4.5148		
MAPFRE PRIVATE EQUITY I FCR	Ctra. Pozuelo, 50.	MAPFRE ESPAÑA, S.A.	31.3900	28.0800	(A)	(3)
	Majadahonda	MAPFRE RE, S.A.	40.6000	35.7600		
		OTRAS SOCIEDADES DEL GRUPO	11.0300	14.6400		
MAPFRE ENERGÍAS RENOVABLES I, F.C.R.	Avda. de Bruselas, 13 pl.1, pta. C	MAPFRE ESPAÑA, S.A.	26.4900	26.4900	(F)(A)	(3)
	28108 Alcobendas	MAPFRE RE, S.A.	25.3600	25.3600		
	Madrid (España)	OTRAS SOCIEDADES DEL GRUPO	27.9300	27.9300		
ENERGÍAS RENOVABLES IBERMAP, S.L.	C/ Tomás Redondo, 1 Madrid (España)	MAPFRE ENERGÍAS RENOVABLES I, F.C.R.	49.0000	80.0000	(F)(C)	(3)
FONDMAPFRE RENTA FIJA FLEXIBLE (Not consolidated in 2023)	Ctra. Pozuelo, 50.	MAPFRE VIDA, S.A.	—	41.5233	(F)(A)	(H)
	Majadahonda	OTRAS SOCIEDADES DEL GRUPO	—	1.0625		
	Madrid (España)					
MAPFRE AM SELECTION (Not consolidated in 2023)	60, avenue J.F. Kennedy	MAPFRE ESPAÑA, S.A.	—	100.0000	(H)	(H)
	L-1855 Luxembourg					
	Grand Duchy of Luxembourg					
FONDMAPFRE GARANTIA III, F.I.	Ctra. Pozuelo, 50.	MAPFRE ESPAÑA, S.A.	21.8736	20.0109	(F)(A)	(F)(3)
	Majadahonda	MAPFRE RE, S.A.	24.0609	22.0119		
	Madrid (España)	OTRAS SOCIEDADES DEL GRUPO	7.2180	13.6947		
FONDMAPFRE GARANTIA IV, F.I. (Not consolidated in 2023)	Ctra. Pozuelo, 50. Majadahonda	MAPFRE VIDA, S.A.	100.0000	100.0000	(H)	(H)

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			2023	2022		
	60, avenue J.F. Kennedy	MAPFRE S.A.	5.0000	5.0000	(C)	(3)
MEAG EUROPE OFFICE SELECT EOS SCSP	L-1855 Luxembourg	MAPFRE ESPAÑA, S.A.	22.5000	22.5000		
	Grand Duchy of Luxembourg	MAPFRE RE, S.A.	22.5000	22.5000		
	60, avenue J.F. Kennedy	MAPFRE VIDA, S.A.	12.6984	12.6984	(C)	(3)
SIEREFF MACQUURIE 2	L-1855 Luxembourg	MSV LIFE PLC	15.8730	15.8730		
	Grand Duchy of Luxembourg	OTRAS SOCIEDADES DEL GRUPO	19.0476	19.0476		
	60, avenue J.F. Kennedy	MAPFRE ESPAÑA, S.A.	23.6900	—	(G)(A)	(G)(3)
SIEREFF MAPFRE	L-1855 Luxembourg	MAPFRE RE, S.A.	40.5400	—		
	Grand Duchy of Luxembourg	OTRAS SOCIEDADES DEL GRUPO	19.7600	—		
	Ctra. Pozuelo, 50.	MAPFRE ESPAÑA, S.A.	39.6300	—	(G)(A)	(G)(3)
MAPFRE PRIVATE DBT, FII	Majadahonda	MAPFRE RE, S.A.	32.7500	—		
	Madrid (España)	OTRAS SOCIEDADES DEL GRUPO	15.9200	—		
BRAZIL						
	Avd.Naões Unidas, 11711 16.	MAPFRE PARTICIPAÇÕES, S.A.	100.0000	100.0000	(A)	(7)
MAPFRE SEGUROS GERAIS S.A.	Andar Brooklin					
	São Paulo. (Brasil)					
	Avd.Naões Unidas, 11711 16.	MAPFRE BRASIL PARTICIPAÇÕES, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE VERA CRUZ CONSULTORIA E ADMINISTRACAO DE FUNDOS LTDA.	Andar Brooklin					
	São Paulo (Brasil)					
	Avd.Naões Unidas, 11711 16.	MAPFRE BRASIL PARTICIPAÇÕES, S.A.	25,0100(*)	25,0100(*)	(A)	(1)
BB MAPFRE PARTICIPAÇÕES, S.A.	Andar Brooklin					
	São Paulo (Brasil)					
	Avd.Naões Unidas, 11711 16.	MAPFRE PARTICIPAÇÕES, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE CAPITALIZAÇÃO S.A.	Andar Brooklin					
	São Paulo (Brasil)					
	Avd.Naões Unidas, 11711 16.	MAPFRE BRASIL PARTICIPAÇÕES, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE PARTICIPAÇÕES, S.A.	Andar Brooklin					
	São Paulo (Brasil)					
	Avd.Naões Unidas, 11711 16.	MAPFRE INTERNACIONAL, S.A.	99.1700	99.1700	(A)	(1)
MAPFRE BRASIL PARTICIPAÇÕES, S.A.	Andar Brooklin	MAPFRE INVESTMENT S.A.	0.8300	0.8300		
	São Paulo (Brasil)					
	Avd.Naões Unidas, 11711 16.	MAPFRE PARTICIPAÇÕES, S.A.	100.0000	100.0000	(A)	(7)
MAPFRE VIDA S.A.	Andar Brooklin					
	São Paulo (Brasil)					
	Avd.Naões Unidas, 11711 16.	MAPFRE INVESTIMENTOS E PARTICIPAÇÕES SA	—	99.9900	(A)	(9)
MAPFRE INVESTIMENTOS LTDA.	Andar Brooklin					
	São Paulo (Brasil)	MAPFRE BRASIL PARTICIPAÇÕES, S.A.	100.0000	0.1000		
	Avda.Mª Coelho Aguiar 215	MAPFRE PARTICIPAÇÕES, S.A.	100.0000	100.0000	(A)	(7)
MAPFRE PREVIDENCIA S.A.	Jardim São Luis Bloco F - 2º andar					
	São Paulo (Brasil)					
	Avd.Naões Unidas, 11711 17.	MAPFRE BRASIL PARTICIPAÇÕES, S.A.	—	100.0000	(H)	(1)
MAPFRE INVESTIMENTOS E PARTICIPAÇÕES, S.A. (Merged with Mapfre Brasil Participações S.A. in 2023)	Andar Brooklin					
	São Paulo (Brasil)					

APPENDIX 1: SUBSIDIARIES, ASSOCIATED UNDERTAKINGS AND JOINT VENTURES AT DECEMBER 31, 2023 AND 2022

Name	Address	Holder	Participation in Capital		Consolidation method	Integration method for Solvency
			2023	2022		
ALIANÇA DO BRASIL SEGUROS, S.A.	R.Manuel da Nobrega, 12809. Andar, Rio de Janeiro Sao Paulo (Brasil)	BB MAPFRE PARTICIPAÇÕES S.A.	100.0000	100.0000	(A)	(7)
BRASILSEG COMPANHIA DE SEGUROS S.A.	R.Senador Dantas, 105 29 parte, 30 e 31. Andares. São Paulo-SP	BB MAPFRE PARTICIPAÇÕES S.A.	100.0000	100.0000	(A)	(7)
BROTO, S.A.	R.Senador Dantas, 105 29 parte, 30 e 31. Andares. São Paulo-SP	ALIANÇA DO BRASIL SEGUROS, S.A.	50.0000	—	(G)(A)	(G)(7)
MAC INVESTIMENTOS S.A	Avenida das Nações Unidas, 12.495 11º Andar Brooklin São Paulo-SP (Brasil)	MAPFRE INVESTIMENTOS E PARTICIPAÇÕES SA	—	100.0000	(A)	(1)
		MAPFRE BRASIL PARTICIPAÇÕES, S.A.	100.0000			
MAPFRE SAUDE LTDA (Merged with Mapfre Brasil Participações S.A in 2023)	Avenida das Nações Unidas, 12.495 11º Andar Brooklin São Paulo-SP (Brasil)	MAPFRE BRASIL PARTICIPAÇÕES, S.A.	—	99.9900	(H)	(1)
PROTENSEG CORRETORA DE SEGUROS LTDA	Avenida das Nações Unidas, 12.495 11º Andar Brooklin São Paulo-SP (Brasil)	MAPFRE BRASIL PARTICIPAÇÕES, S.A.	100.0000	100.0000	(A)	(1)
MEXICO						
MAPFRE MÉXICO S.A.	Avenida Paseo de la Reforma 243 Colonia Cuauhtémoc Delegación Cuauhtémoc. Distrito Federal C.P. 06500 (México)	MAPFRE INTERNACIONAL, S.A. GRUPO CORPORATIVO LML S.A.	55.6602 44.3398	55.6602 44.3398	(A)	(7)
GRUPO CORPORATIVO LML S.A. DE C.V.	Avenida Paseo de la Reforma 243 Colonia Cuauhtémoc Delegación Cuauhtémoc. Distrito Federal C.P. 06500 (México)	MAPFRE INTERNACIONAL, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE UNIDAD DE SERVICIOS S.A. DE C.V.	Avenida Paseo de la Reforma 243 Colonia Cuauhtémoc Delegación Cuauhtémoc. Distrito Federal C.P. 06500 (México)	MAPFRE MÉXICO S.A.	99.9982	99.9982	(A)	(7)
MAPFRE DEFENSA LEGAL S.A. DE C.V.	Avenida Paseo de la Reforma 243 Colonia Cuauhtémoc Delegación Cuauhtémoc. Distrito Federal C.P. 06500 (México)	MAPFRE MÉXICO S.A.	100.0000	100.0000	(A)	(7)
MAPFRE TEPEYAC INC.	109 Este San Ysidro Blvd No. 65 San Isidro California, EEUU	MAPFRE MÉXICO S.A.	100.0000	100.0000	(A)	(7)
MAPFRE SERVICIOS MEXICANOS S.A.	Avenida Paseo de la Reforma 243 Colonia Cuauhtémoc Delegación Cuauhtémoc. Distrito Federal C.P. 06500 (México)	MAPFRE MÉXICO S.A.	99.9900	99.9900	(A)	(7)
CESVI MÉXICO, S.A.	Calle 1 Sur No. 101 Parque Industrial Toluca 2000 Toluca. Estado de México (Mexico)	MAPFRE MÉXICO S.A.	16.6700	16.6700	(D)	(7)
MAPFRE FIANZAS S.A.	Avenida Paseo de la Reforma 243 Colonia Cuauhtémoc Delegación Cuauhtémoc. Distrito Federal C.P. 06500 (México)	MAPFRE MÉXICO S.A.	100.0000	100.0000	(A)	(7)
LATAM SOUTH-CENTRAL						
MAPFRE TENEDORA DE ACC, S.A.	Costa del Este, diagonal al Business Park Panamá (Panamá)	MAPFRE AMERICA CENTRAL, S.A.	100.0000	100.0000	(A)	(9)

APPENDIX 1: SUBSIDIARIES, ASSOCIATED UNDERTAKINGS AND JOINT VENTURES AT DECEMBER 31, 2023 AND 2022

Name	Address	Participation in Capital			Consolidati on	Integration method for
		Holder	Percentage			
			2023	2022	method	Solvency
MAPFRE AMERICA CENTRAL S.A	Costa del Este, diagonal al Rincón Park Panamá (Panamá)	MAPFRE INTERNACIONAL, S.A.	99.9000	99.9000	(A)	(1)
MAPFRE SEGUROS HONDURAS S.A.	Avenida Berlín y Calle Viena, piso 7	MAPFRE TENEDORA DE ACC, S.A.	73.2569	73.2569	(A)	(9)
	Lomas del Guijarro Sur. Edificio Plaza Azul Tegucigalpa, M.D.C. (Honduras)	MAPFRE AMERICA CENTRAL, S.A.	25.1031	25.1031		
MAPFRE PANAMÁ S.A.	Costa del Este, diagonal al Rincón Park Panamá (Panamá)	MAPFRE AMERICA CENTRAL, S.A.	99.3772	99.3772	(A)	(1)
MAPFRE S.E.M. S.A.	Costa del Este, diagonal al Rincón Park Panamá (Panamá)	MAPFRE INTERNACIONAL, S.A.	100.0000	—	(G)(A)	(G)(1)
MAPFRE SEGUROS EL SALVADOR, S.A.	Alameda Roosevelt, 3107 Nivel 7 San Salvador (El Salvador)	MAPFRE AMERICA CENTRAL, S.A.	78.1065	78.1065	(A)	(9)
INMOBILIARIA AMERICANA S.A.	Alameda Roosevelt, 31-07 San Salvador (El Salvador)	MAPFRE AMERICA CENTRAL, S.A.	78.9000	78.9000	(A)	(9)
MAPFRE SEGUROS COSTA RICA S.A.	Barrio Tournón, Edificio Alvasa, 2do Piso	MAPFRE TENEDORA DE ACC, S.A.	100.0000	100.0000	(A)	(9)
	Diagonal al Periódico La República en intersección con Ctra de Guapiles (Ruta 32) San José (Costa Rica)					
MAPFRE SEGUROS GUATEMALA S.A.	5a Avenida 5-55 Zona 14 Europlaza	MAPFRE TENEDORA DE ACC, S.A.	100.0000	100.0000	(A)	(9)
	Europlaza Torre 4 Nivel 16 y PH. Ciudad de Guatemala(Guatemala)					
MAPFRE SEGUROS NICARAGUA S.A.	Edificio Invercasa, 1er. Piso Managua (Nicaragua)	MAPFRE TENEDORA DE ACC, S.A.	100.0000	100.0000	(A)	(9)
MAPFRE DOMINICANA S.A.	Ave Abraham Lincoln, 952 esq. José Amado Soler Ensanche Piantini, Santo Domingo (República Dominicana)	MAPFRE INTERNACIONAL, S.A.	99.9999	99.9999	(A)	(9)
		CREDIPRIMAS, S.A.	0.0001	0.0001		
MAPFRE BHD COMPAÑÍA DE SEGUROS, S.A.	Ave Abraham Lincoln, 952 esq. José Amado Soler Ensanche Piantini, Santo Domingo (República Dominicana)	MAPFRE DOMINICANA S.A.	51.0000	51.0000	(A)	(9)
CREDIPRIMAS, S.A.	Ave Abraham Lincoln, 952 esq. José Amado Soler Ensanche Piantini, Santo Domingo (República Dominicana)	MAPFRE BHD COMPAÑÍA DE SEGUROS S.A.	100.0000	100.0000	(A)	(9)
MAPFRE SALUD ARS	Av. 27 de Febrero No. 50. Edificio ARS Palic, Urb. El Vergel, Santo Domingo (República Dominicana)	MAPFRE DOMINICANA S.A.	51.0000	51.0000	(A)	(9)
MAPFRE ARGENTINA HOLDING S.A.	Avda. Juana Manso, 205 C 1107CBE Puerto Madero Buenos Aires (Argentina)	MAPFRE INTERNACIONAL, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE ARGENTINA SEGUROS S.A.	Avda. Juana Manso, 205 C 1107CBE Puerto Madero Buenos Aires (Argentina)	MAPFRE ARGENTINA HOLDING S.A.	99.9988	99.9988	(A)	(1)
CLUB MAPFRE ARGENTINA S.A.	Avda. Juana Manso, 205 C 1107CBE Puerto Madero Buenos Aires (Argentina)	MAPFRE ARGENTINA HOLDING S.A.	97.0000	97.0000	(A)	(1)
		MAPFRE ARGENTINA SEGUROS DE VIDA S.A.	3.0000	3.0000		
MAPFRE ARGENTINA SEGUROS DE VIDA S.A.	Avda. Juana Manso, 205 C 1107CBE Puerto Madero Buenos Aires (Argentina)	MAPFRE INTERNACIONAL, S.A.	64.0000	64.0000	(A)	(9)
		MAPFRE ARGENTINA HOLDING S.A.	36.0000	36.0000		

APPENDIX 1: SUBSIDIARIES, ASSOCIATED UNDERTAKINGS AND JOINT VENTURES AT DECEMBER 31, 2023 AND 2022

Name	Address	Holder	Participation in Capital		Consolidation method	Integration method for Solvency
			2023	2022		
CESVI ARGENTINA, S.A.	Calle 9 y 17. Parque Ind.Pilar Buenos Aires (Argentina)	MAPFRE ARGENTINA SEGUROS S.A.	60.6400	60.6400	(A)	(1)
MAPFRE CHILE SEGUROS S.A.	Isidora Goyenechea 3520 p 16 Las Condes Santiago de Chile (Chile)	MAPFRE INTERNACIONAL, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE CHILE ASESORÍAS, S.A.	Isidora Goyenechea 3520 p 16 Las Condes Santiago de Chile (Chile)	MAPFRE CHILE SEGUROS S.A.	99.9999	99.9999	(A)	(1)
		MAPFRE INTERNACIONAL, S.A.	0.0001	0.0001		
MAPFRE COMPAÑÍA DE SEGUROS GENERALES DE CHILE S.A.	Isidora Goyenechea 3520 p 16 Las Condes Santiago de Chile (Chile)	MAPFRE CHILE SEGUROS S.A.	87.2900	87.2900	(A)	(1)
		MAPFRE CHILE ASESORÍAS, S.A.	12.7100	12.7100		
MAPFRE CHILE VIDA, S.A.	Isidora Goyenechea 3520 p 16 Las Condes Santiago de Chile (Chile)	MAPFRE INTERNACIONAL, S.A.	100.0000	100.0000	(A)	(9)
MAPFRE COMPAÑÍA DE SEGUROS DE VIDA DE CHILE S.A.	Isidora Goyenechea 3520 p 16 Las Condes Santiago de Chile (Chile)	MAPFRE CHILE VIDA S.A.	99.9968	99.9968	(A)	(9)
		MAPFRE INTERNACIONAL, S.A.	0.0032	0.0032		
MAPFRE SEGUROS GENERALES DE COLOMBIA S.A.	Carrera, 14, nº 96-34 Santa Fé de Bogotá (Colombia)	MAPFRE INTERNACIONAL, S.A.	93.8525	93.8525	(A)	(1)
		APOINT S.A.	6.1425	6.1425		
		MAPFRE COLOMBIA VIDA SEGUROS S.A.	—	—		
CREDIMAPFRE S.A.	Carrera, 14, nº 96-34 Santa Fé de Bogotá (Colombia)	MAPFRE SEGUROS GENERALES DE COLOMBIA S.A.	100.0000	100.0000	(A)	(1)
MAPFRE COLOMBIA VIDA SEGUROS S.A.	Carrera, 14, nº 96-34 Santa Fé de Bogotá (Colombia)	MAPFRE INTERNACIONAL, S.A.	94.3541	94.3541	(A)	(1)
		APOINT S.A.	5.6459	5.6459		
CESVI COLOMBIA, S.A.	Carrera 87, Num.15-87 Santa Fé de Bogotá (Colombia)	MAPFRE SEGUROS GENERALES DE COLOMBIA S.A.	67.7723	67.7723	(A)	(1)
MAPFRE SERVICIOS EXEQUIALES SAS	Carrera, 14, nº 96-34 Santa Fé de Bogotá (Colombia)	CREDIMAPFRE S.A.	100.0000	100.0000	(A)	(1)
MAPFRE ATLAS COMPAÑÍA DE SEGUROS, S.A.	Kennedy e Norte, Justino Cornejo y Avda, Luis Orrantia. Edificio Torres Atlas Guayaquil (Ecuador)	MAPFRE INTERNACIONAL, S.A.	68.5490	67.6550	(A)	(9)
MAPFRE PARAGUAY COMPAÑÍA DE SEGUROS S.A.	Av.Mariscal López, 910 Asunción (Paraguay)	MAPFRE INTERNACIONAL, S.A.	89.5400	89.5400	(A)	(9)
MAPFRE PERÚ ENTIDAD PRESTADORA DE SALUD	Av.Veintiocho de Julio, 873 Miraflores- Lima 18 (Perú)	MAPFRE INTERNACIONAL, S.A.	100.0000	98.5866	(A)	(9)
		MAPFRE PERU CIA. SEGUROS Y REASEGUROS S.A.	—	1.4134		
MAPFRE PERÚ COMPAÑÍA DE SEGUROS Y REASEGUROS S.A.	Av.Veintiocho de Julio, 873 Miraflores- Lima 18 (Perú)	MAPFRE INTERNACIONAL, S.A.	99.5900	99.5900	(A)	(1)
CORPORACIÓN FUNERARIA, S.A.	Av.Veintiocho de Julio, 873 Miraflores- Lima 18 (Perú)	MAPFRE PERÚ COMPAÑÍA DE SEGUROS Y REASEGUROS S.A.	100.0000	100.0000	(A)	(1)
APOINT S.A.	Col. 993 Piso 3 Montevideo (Uruguay)	MAPFRE INTERNACIONAL, S.A.	100.0000	100.0000	(A)	(9)
MAPFRE URUGUAY SEGUROS S.A.	Juncal 1385 piso 2 Montevideo (Uruguay)	MAPFRE INTERNACIONAL, S.A.	100.0000	100.0000	(A)	(9)
MAPFRE LA SEGURIDAD C.A. DE SEGUROS	Avenida Francisco de Miranda, Torre Financiera Caracas, piso 14, Urbanización La Castellana. Chacao, Estado Miranda (Venezuela)	MAPFRE INTERNACIONAL, S.A.	99.5159	99.5159	(A)	(9)

APPENDIX 1: SUBSIDIARIES, ASSOCIATED UNDERTAKINGS AND JOINT VENTURES AT DECEMBER 31, 2023 AND 2022

Name	Address	Holder	Participation in Capital		Consolidation method	Integration method for Solvency
			2023	2022		
CENTRO DE FORMACION PROFESIONAL SEGUROS LA SEGURIDAD C.A.	Avenida Francisco de Miranda, Torre Financiera Caracas, piso 14, Urbanización La Castellana. Chacao, Estado Miranda (Venezuela)	MAPFRE LA SEGURIDAD C.A. DE SEGUROS	100.0000	100.0000	(A)	(9)
INVERSORA SEGURIDAD-FINANCIADORA DE PRIMAS, C.A.	Avenida Francisco de Miranda, Torre Financiera Caracas, piso 14, Urbanización La Castellana. Chacao, Estado Miranda (Venezuela)	MAPFRE LA SEGURIDAD C.A. DE SEGUROS	100.0000	100.0000	(A)	(9)
CLUB MAPFRE S.A.	Avenida Francisco de Miranda, Torre Financiera Caracas, piso 14, Urbanización La Castellana. Chacao, Estado Miranda (Venezuela)	MAPFRE LA SEGURIDAD C.A. DE SEGUROS	100.0000	100.0000	(A)	(9)
AUTOMOTRIZ MULTISERVICAR-VENEZUELA, C.A.	Avenida Francisco de Miranda, Torre Financiera Caracas, piso 14, Urbanización La Castellana. Chacao, Estado Miranda (Venezuela)	MAPFRE LA SEGURIDAD C.A. DE SEGUROS	97.0000	97.0000	(A)	(9)
AMA-ASISTENCIA MEDICA ADMINISTRADA, C.A.	Avenida Francisco de Miranda, Torre Financiera Caracas, piso 14, Urbanización La Castellana. Chacao, Estado Miranda (Venezuela)	MAPFRE INTERNACIONAL, S.A.	99.7000	99.7000	(A)	(9)
UNIDAD EDUCATIVA D.R FERNANDO BRAVO PEREZ CA	Avenida Francisco de Miranda, Torre Financiera Caracas, piso 14, Urbanización La Castellana. Chacao, Estado Miranda (Venezuela)	MAPFRE LA SEGURIDAD C.A. DE SEGUROS	99.7000	99.7000	(A)	(9)
NORTH AMERICA						
MAPFRE INSURANCE COMPANY OF FLORIDA	5959 Blue Lagoon Drive, Suite 400, Miami (E.E.U.U)	COMMERCE INSURANCE	100.0000	100.0000	(A)	(7)
MAPFRE INSURANCE COMPANY	100 Campus Drive New Jersey 07932-2007 (E.E.U.U.))	COMMERCE INSURANCE	100.0000	100.0000	(A)	(7)
MAPFRE INTERMEDIARIES	5959 Blue Lagoon Drive, Suite 400, Miami (E.E.U.U)	COMMERCE INSURANCE	100.0000	100.0000	(A)	(7)
MAPFRE USA CORPORATION INC	211 Main Street, Webster, MA 01570 (EE.UU.)	MAPFRE INTERNACIONAL, S.A.	100.0000	100.0000	(A)	(1)
THE COMMERCE INSURANCE COMPANY	211 Main Street, Webster, MA 01570 (EE.UU.)	MAPFRE USA CORPORATION	100.0000	100.0000	(A)	(7)
THE CITATION INSURANCE COMPANY	211 Main Street, Webster, MA 01570 (EE.UU.)	MAPFRE USA CORPORATION	100.0000	100.0000	(A)	(7)
MAPFRE TECH USA CORPORATION	211 Main Street, Webster, MA 01570 (EE.UU.)	MAPFRE USA CORPORATION	100.0000	100.0000	(A)	(1)
ACIC HOLDINGS COMPANY, INC.	215 Main Street, Webster, MA 01570 (EE.UU.)	MAPFRE USA CORPORATION	100.0000	100.0000	(A)	(1)
AMERICAN COMMERCE INSURANCE COMPANY	3590 Twin Creeks Drive, Columbus, OH 43204 (EE.UU.)	ACIC HOLDINGS	100.0000	100.0000	(A)	(7)
MM REAL ESTATE, LLC	Blue Lagoon, Drive Suite, 200 Miami (E.E.U.U)	COMMERCE INSURANCE	100.0000	100.0000	(A)	(7)

APPENDIX 1: SUBSIDIARIES, ASSOCIATED UNDERTAKINGS AND JOINT VENTURES AT DECEMBER 31, 2023 AND 2022

Name	Address	Holder	Participation in Capital		Consolidation method	Integration method for Solvency
			2023	2022		
THE COMMERCE WEST INSURANCE COMPANY	4301 Hacienda Drive, Suite 200, Pleasanton, CA 94588 (EE.UU.)	ACIC HOLDINGS	100.0000	100.0000	(A)	(7)
BIGELOW & OLD WORCESTER, LLC	211 Main Street, Webster, MA 01570 (EE.UU.)	COMMERCE INSURANCE	100.0000	100.0000	(A)	(7)
BFC HOLDING CORPORATION	211 Main Street, Webster, MA 01570 (EE.UU.)	MAPFRE USA CORPORATION	100.0000	100.0000	(A)	(1)
VERTI INSURANCE COMPANY	211 Main St, Webster, MA 01570 (EE.UU.)	MAPFRE USA CORPORATION	100.0000	100.0000	(A)	(7)
AUTO CLUB MAPFRE INSURANCE	4400 Easton Commons Way, Suite 175, Columbus, OH 43219	MAPFRE USA CORPORATION	68.3800	68.3800	(F)(A)	(F)(7)
MAPFRE ASSISTANCE USA INC.	7300 Corporate Center Drive, Suite 601, Miami, FL 33126 (E.E.U.U.)	MAPFRE ASISTENCIA, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE WARRANTY CORPORATION OF FLORIDA	5959 Blue Lagoon Drive, Suite 400, Miami, FL 33126 (E.E.U.U.)	MAPFRE ASSISTANCE USA INC	100.0000	100.0000	(A)	(1)
CENTURY AUTOMOTIVE SERVICES COMPANY	6565 Americas Parkway NE, Suite 1000, Albuquerque NM 87110 (E.E.U.U.)	MAPFRE ASSISTANCE USA INC	100.0000	100.0000	(A)	(1)
FEDERAL ASSIST COMPANY	7300 Corporate Center Drive, Suite 601, Miami, Florida 33126 (U.S.A.)	MAPFRE ASSISTANCE USA INC.	100.0000	100.0000	(A)	(1)
MAPFRE PRAICO CORPORATION	Urb. Tres Monjitas Industrial 297, Avda.Carlos Chardón Hato Rey, San Juan (Puerto Rico)	MAPFRE INTERNACIONAL, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE PRAICO INSURANCE COMPANY	Urb. Tres Monjitas Industrial 297, Avda.Carlos Chardón Hato Rey, San Juan (Puerto Rico)	MAPFRE PRAICO CORPORATION	100.0000	100.0000	(A)	(1)
MAPFRE PAN AMERICAN INSURANCE COMPANY	Urb. Tres Monjitas Industrial 297, Avda.Carlos Chardón Hato Rey, San Juan (Puerto Rico)	MAPFRE PRAICO CORPORATION	100.0000	100.0000	(A)	(1)
MAPFRE INSURANCE AGENCY OF PUERTO RICO, INC.	Urb. Tres Monjitas Industrial 297, Avda.Carlos Chardón Hato Rey, San Juan (Puerto Rico)	MAPFRE PRAICO CORPORATION	100.0000	100.0000	(A)	(1)
MAPFRE FINANCE OF PUERTO RICO CORP.	Urb. Tres Monjitas Industrial 297, Avda.Carlos Chardón Hato Rey, San Juan (Puerto Rico)	MAPFRE PRAICO CORPORATION	100.0000	100.0000	(A)	(1)
MAPFRE LIFE INSURANCE COMPANY OF PUERTO RICO	Urb. Tres Monjitas Industrial 297, Avda.Carlos Chardón Hato Rey, San Juan (Puerto Rico)	MAPFRE PRAICO CORPORATION	100.0000	100.0000	(A)	(1)
MAPFRE SOLUTIONS, INC	Urb. Tres Monjitas Industrial 297, Avda.Carlos Chardón Hato Rey, San Juan (Puerto Rico)	MAPFRE PRAICO CORPORATION	100.0000	100.0000	(A)	(1)
EMEA						
VERTI VERSICHERUNG AG	Rheinstraße 7a, 14513 Teltow (Alemania)	MAPFRE INTERNACIONAL, S.A.	100.0000	100.0000	(A)	(1)

APPENDIX 1: SUBSIDIARIES, ASSOCIATED UNDERTAKINGS AND JOINT VENTURES AT DECEMBER 31, 2023 AND 2022

Name	Address	Holder	Participation in Capital		Consolidation method	Integration method for Solvency
			2023	2022		
VERTI ASSICURIZIONI S.P.A.	Via Alessandro Volta, 16 20093 Cologno Monzese MI (Italia)	MAPFRE INTERNACIONAL, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE MIDDLESEA P.L.C.	Middle Sea House Floriana JTL, 16 (Malta)	MAPFRE INTERNACIONAL, S.A.	55.8325	55.8325	(A)	(1)
MAPFRE M.S.V. LIFE P.L.C.	Middle Sea House Floriana FRN 9010 (Malta)	MAPFRE MIDDLESEA INSURANCE P.L.C.	50.0000	50.0000	(A)	(1)
BEE INSURANCE MANAGEMENT LTD	4th Floor Development House st.Anne Street Floriana FRN 9010 (Malta)	MAPFRE MIDDLESEA INSURANCE P.L.C.	100.0000	100.0000	(A)	(1)
	Pjazza Papa Giovanni XXIII, Floriana FRN 1420, (Malta)	MAPFRE M.S.V. LIFE P.L.C.	100.0000	100.0000	(A)	(4)
CHURCH WARF PROPERTIES	Middle Sea House, St Publius Street Floriana FRN 1442 (Malta)	MAPFRE MIDDLESEA INSURANCE P.L.C.	50.0000	50.0000	(B)	(10)
		MAPFRE M.S.V. LIFE P.L.C.	50.0000	50.0000		
EURO GLOBE HOLDINGS LIMITED	Middle Sea House, St Publius Street Floriana FRN 1442 (Malta)	MAPFRE MIDDLESEA INSURANCE P.L.C.	100.0000	100.0000	(B)	(10)
EUROMED RISKS SOLUTIONS LIMITED	4th Floor Development House st.Anne Street Floriana FRN 9010 (Malta)	BEE INSURANCE MANAGEMENT LTD	100.0000	100.0000	(A)	(1)
MAPFRE SIGORTA, A.S.	Yenişehir Mah. Irmak Cad. No:11. 34435 Salıpazari Istanbul (Turquía)	MAPFRE INTERNACIONAL, S.A.	99.7450	99.7450	(A)	(1)
MAPFRE YASAM SIGORTA, A.S.	Yenişehir Mah. Irmak Cad. No:11. 34435 Salıpazari Estambul (Turquía)	MAPFRE SIGORTA, A.S.	99.7778	99.7778	(A)	(1)
GENEL SERVIS YEDEK PARCA DAGITIM TICARET A.S.	Çevreyolu Caddesi No.2 34020 Bayrampaşa Estambul (Turquía)	MAPFRE SIGORTA, A.S.	51.0000	51.0000	(A)	(1)
ASSISTANCE						
MAPFRE ASISTENCIA COMPAÑÍA INTERNACIONAL DE SEGUROS Y REASEGUROS, S.A.	Ctra. Pozuelo, 52	MAPFRE, S.A.	99.9970	99.9970	(A)	(1)
	Majadahonda Madrid (España)	MAPFRE ESPAÑA, S.A.	0.0030	0.0030		
IBERO ASISTENCIA, S.A.	Edifício Europa, Av. José Malhoa, 16 F, 7º, 1070-159 Lisboa, (Portugal)	MAPFRE ASISTENCIA, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE ASISTENCIA LTDA	Alameda Rio Negro 503, 24º andar, Barueri/SP, CEP 06454-000	MAPFRE ASISTENCIA, S.A.	99.9990	99.9990	(A)	(1)
	São Paulo (Brasil)	MAPFRE BRASIL PARTICIPACOES, S.A.	0.0010	0.0010		
AFRIQUE ASSISTANCE, S.A.	Immeuble Tamayouz, 4ème Etage, 1082 Centre Urbain Nord Tunis 1002 (Túnez)	MAPFRE ASISTENCIA, S.A.	49.0000	49.0000	(A)	(1)
SERVICIOS GENERALES VENEASISTENCIA, S.A.	4ta transversal de Motecristo, Edificio Ayva, Planta Baja, Los Dos	MAPFRE ASISTENCIA, S.A.	99.9980	99.9980	(A)	(1)
		MAPFRE RE, S.A.	0.0020	0.0020		
ANDIASISTENCIA COMPAÑÍA DE ASISTENCIA DE LOS ANDES, S.A.S	Carrera 14 N 96 -34 Piso 2 Bogotá (Colombia)	MAPFRE ASISTENCIA, S.A.	98.0900	98.0900	(A)	(1)
		IBEROASISTENCIA S.A.	1.9100	1.9100		

APPENDIX 1: SUBSIDIARIES, ASSOCIATED UNDERTAKINGS AND JOINT VENTURES AT DECEMBER 31, 2023 AND 2022

Name	Address	Participation in Capital		Consolidati on	Integration method for	
		Holder	Percentage			
			2023			2022
IBEROASISTENCIA, ARGENTINA S.A.	Lavalle 344/346/348, PB y 3º	MAPFRE ASISTENCIA, S.A.	98.4200	98.4200	(A)	(1)
	Ciudad de Buenos Aires	IBEROASISTENCIA S.A.	1.5800	1.5800		
	(Argentina)					
SUR ASISTENCIA, S.A.	Av.Apoquindo 4499	MAPFRE ASISTENCIA, S.A.	99.0000	99.0000	(A)	(1)
	Santiago de Chile (Chile)	IBEROASISTENCIA S.A.	1.0000	1.0000		
IBEROASISTENCIA, S.A.	Ctra, Pozuelo, 52	MAPFRE ASISTENCIA, S.A.	99.9300	99.9300	(A)	(1)
	Majadahonda. Madrid (España)	MAPFRE ESPAÑA, S.A.	0.0700	0.0700		
IRELAND ASSIST, LTD	22-26 Prospect Hill Galway	MAPFRE ASISTENCIA, S.A.	100.0000	100.0000	(A)	(1)
	(Irlanda)					
EUROSOS ASSISTANCE, S.A.	473 Messogion Avenue 15343	IBEROASISTENCIA S.A.	25.0000	25.0000	(C)	(3)
	Agia Paraskevi.		—	—		
	Atenas (Grecia)					
CARIBE ASISTENCIA, S.A.	Avda. Tiradentes Esq.Pres. González. Edif.La Cumbre. Ens. Naco.Domingo (República Dominicana)	MAPFRE ASISTENCIA, S.A.	83.5823	83.5823	(A)	(1)
ECUASISTENCIA, S.A.	Avda.Doce de Octubre, N42 -562	MAPFRE ASISTENCIA, S.A.	99.0000	99.2600	(A)	(1)
	N42 -562 y Luis Cordero	ANDIASISTENCIA S.A.	1.0000	0.7399		
	Quito (Ecuador)					
MÉXICO ASISTENCIA, S.A.	Av. Insurgentes Sur no.2453 Piso 15,	MAPFRE ASISTENCIA, S.A.	99.9998	99.9998	(A)	(1)
	Col. Tizapán San Angel Deleg.					
	Alvaro Obregón. C.P. 01090 México D.F. (México)					
PANAMÁ ASISTENCIA, S.A.	Costa del Este – Avenida la Rotonda, Torre GMT, Piso 1 – Edificio Mapfre Ciudad de Panamá (Panamá)	MAPFRE ASISTENCIA, S.A.	84.0000	84.0000	(A)	(1)
URUGUAY ASISTENCIA,S.A.	Plaza Cagancha 1335, oficina 901	MAPFRE ASISTENCIA, S.A.	97.3317	97.3317	(A)	(1)
	Montevideo (Uruguay)	IBEROASISTENCIA S.A.	2.6683	2.6683		
QUETZAL ASISTENCIA, S.A.	8a. Ave. 3-80 Zona 14	MAPFRE ASISTENCIA, S.A.	99.9920	99.9920	(A)	(1)
	Edificio La Rambla II nivel 5 Of. 5-2 (Guatemala)					
EL SALVADOR ASISTENCIA, S.A.	Alameda Roosevelt No. 3107	MAPFRE ASISTENCIA, S.A.	99.9900	99.9900	(A)	(1)
	Edificio La Centro Americana, Nivel 7 San Salvador (El Salvador)	IBEROASISTENCIA S.A.	0.0100	0.0100		
NICASSIST, S.A.	Edificio Invercasa, Torre II, 5to. piso, modulo # 501	MAPFRE ASISTENCIA, S.A.	100.0000	100.0000	(A)	(1)
	Managua, (Nicaragua)					

APPENDIX 1: SUBSIDIARIES, ASSOCIATED UNDERTAKINGS AND JOINT VENTURES AT DECEMBER 31, 2023 AND 2022

		Participation in Capital		Consolidati on	Integration method for	
Name	Address	Holder	Percentage			
			2023	2022	method	Solvency
MAPFRE WARRANTY S.P.A.	Strada Trossi 66 13971	MAPFRE ASISTENCIA, S.A.	100.0000	100.0000	(A)	(1)
	Verrone (Italia)					
ROAD CHINA ASSISTANCE Co, LTD	Suite 603, Zhongyu Plaza,	MAPFRE ASISTENCIA, S.A.	100.0000	100.0000	(A)	(1)
	A6 Gongti North Road, Chaoyang District, Beijing, PR (China)					
INDIA ROADSIDE ASSISTANCE PRIVATE LIMITED	602, Thawar Apartment, Opp. Heena Residency	MAPFRE ASISTENCIA, S.A.	99.6300	99.6300	(A)	(1)
	Main Carter Road, Kasturba Rd, 400066-Maharashtra (India)	IBEROASISTENCIA S.A.	0.3700	0.3700		
ROADSIDE ASSIST ALGERIE SPA	45, Rue des Freres Adessalami 5eme étage. Vieux Kouba.	MAPFRE ASISTENCIA, S.A.	60.3000	60.3000	(A)	(1)
		IBEROASISTENCIA S.A.	0.4000	0.4000		
	Alger 16050 (Argelia)	CONSULTING SOL.Y TEC. SIAM S.A	0.3000	0.3000		
NILE ASSIST	18th Floor, Apartment No. 1804 of Holiday Inn Maadi Hotel building Comeish Maadi Cairo - (Egipto)	MAPFRE ASISTENCIA, S.A.	98.0000	98.0000	(A)	(1)
		IBEROASISTENCIA S.A.	1.0000	1.0000		
		CONSULTING SOL.Y TEC. SIAM S.A	1.0000	1.0000		
MIDDLESEA ASSIST LIMITED	18ª, Europa Centre, John Lopez Str Floriana, FRN 1400, (Malta)	MAPFRE ASISTENCIA, S.A.	51.0000	51.0000	(A)	(1)
		MIDDLESEA INSURANCE P.L.C.	49.0000	49.0000		
PARAGUAY ASISTENCIA CIA. DE SERVICIOS S.A.	Av.Mariscal López, 930	MAPFRE ASISTENCIA, S.A.	98.9500	98.9500	(A)	(1)
	Asunción (Paraguay)	IBEROASISTENCIA S.A.	1.0500	1.0500		
GENYO SERVIZI E SOLUZIONI S.R.L	Corso Italia, n. 22 - 20122 Milano	MAPFRE ASISTENCIA, S.A.	50.0000	—	(G)(E)	(G)(3)
REINSURANCE						
MAPFRE RE COMPAÑÍA DE REASEGUROS, S.A.	Paseo de Recoletos, 25	MAPFRE, S.A.	94.2086	94.2086	(A)	(1)
	Madrid (España)	MAPFRE ESPAÑA, S.A.	0.0003	0.0003		
MAPFRE CHILE REASEGUROS, S.A.	Avda.Apoquindo, 4499	MAPFRE RE, S.A.	99.9900	99.9900	(A)	(1)
	Santiago de Chile (Chile)					
CAJA REASEGURADORA DE CHILE S.A.	Avda.Apoquindo, 4499	MAPFRE CHILE REASEGUROS S.A.	99.8467	99.8467	(A)	(1)
	Santiago de Chile (Chile)					
C R ARGENTINA, S.A.	Bouchard 547 piso 14	MAPFRE CHILE REASEGUROS S.A.	99.9960	99.9960	(A)	(1)
	Buenos Aires (Argentina)					
MAPFRE RE DO BRASIL COMPAÑÍA DE REASEGUROS S.A.	Rua Olimpiadas, 242,5º andar	MAPFRE RE, S.A.	99.9999	99.9999	(A)	(1)
	conjunto 52 Vila Olimpia; São Paulo (Brasil)	MAPFRE ASISTENCIA LTDA	0.0001	0.0001		
MAPFRE RE ESCRITORIO DE REPRESENTACION COMPAÑÍA DE REASEGUROS	Rua Olimpiadas, 242,5º andar	MAPFRE RE, S.A.	99.9999	99.9999	(B)	(10)
	conjunto 52 Vila Olimpia; São Paulo (Brasil)	MAPFRE RE DO BRASIL S.A.	0.0001	0.0001		
INMOBILIARIA PRESIDENTE FIGUEROA ALCORTA, S.A.	Bouchard 547 piso 14	MAPFRE RE, S.A.	99.9985	99.9985	(B)	(10)
	B. Aires (Argentina)					
REINSURANCE MANAGAMENT INC.	100 Campus Drive	MAPFRE RE, S.A.	100.0000	100.0000	(A)	(1)
	07932 New Jersey (E.E.U.U.)					
MAPFRE EURO BONDS FUND	Ctra. Pozuelo, 50.	MAPFRE RE, S.A.	100.0000	100.0000	(A)	(3)
	Majadahonda (Madrid)					

APPENDIX 1: SUBSIDIARIES, ASSOCIATED UNDERTAKINGS AND JOINT VENTURES AT DECEMBER 31, 2023 AND 2022

Name	Address	Holder	Participation in Capital		Consolidation method	Integration method for Solvency
			2023	2022		
MAPFRE RE VERMONT CORPORATION	122 Cherry Tree Hill Road 05651 East Montpelier Vermont (E.E.U.U.)	MAPFRE RE, S.A.	100.0000	100.0000	(A)	(1)
RISK MED SOLUTIONS, S.L.	Paseo de Recoletos, 25 Madrid (España)	MAPFRE RE, S.A.	100.0000	100.0000	(A)	(1)
OTHER						
MAPFRE INTERNACIONAL S.A.	Ctra. Pozuelo, 52. Majadahonda. Madrid (España)	MAPFRE, S.A.	99.9999	100.0000	(A)	(1)
MAPFRE INVESTMENT S.A.	Avda. 18 de Julio, 841 Montevideo (Uruguay)	MAPFRE GLOBAL RISK AGENCIA	0.0001	100.0000	(A)	(1)
LA FINANCIERE RESPONSABLE	52, rue dePonthieu 75008 Paris (Francia)	MAPFRE S.A.	51.0000	24.9500	(A)	(1)
STABLE INCOME REAL STATE FUN GP S.A.R.L.	15, rue Bender L-1229 (Luxemburgo)	MAPFRE S.A.	100.0000	100.0000	(A)	(10)
MAPFRE GLOBAL RISK AGENCIA DE SUSCRIPCION	Ctra. Pozuelo, 52. Majadahonda. Madrid (España)	MAPFRE, S.A.	100.0000	100.0000	(A)	(1)
SOLUNION SEGUROS COMPAÑIA INTERNACIONAL DE SEGUROS Y REASEGUROS S.A. (In 2022 Solunón Seguros de Crédito S.A)	Avda.General Perón,40 Madrid (España)	MAPFRE S.A.	50.0000	50.0000	(E)	(3)
ALMA MUNDI INSURTECH FUND, FCRE	Plaza Santa Bárbara, 2 Madrid (España)	MAPFRE S.A.	24.9400	26.3992	(C)	(3)
ALMA MUNDI INSURTECH II FUND, FCRE	Plaza Santa Bárbara, 2 Madrid (España)	MAPFRE S.A.	35.4700	35.4700	(G)(C)	(F)(3)
SANTANDER MAPFRE HIPOTECA INVERSA EFC, S.A.	Calle Juan Ignacio Luca de Tena, 11 Madrid (España)	MAPFRE S.A.	50.0000	50.0000	(F)(C)	(F)(3)

CONSOLIDATION METHOD OR PROCEDURE

- (A) Subsidiaries consolidated by global integration
- (B) Subsidiaries excluded from consolidation
- (C) Equity-accounted associated and investee companies
- (D) Associated and investee companies excluded from consolidation
- (E) Joint ventures consolidated using the equity method
- (F) Companies added to the scope of consolidation in 2022
- (G) Companies added to the scope of consolidation in 2023
- (H) Companies removed from the scope of consolidation in 2023

INTEGRATION METHOD FOR SOLVENCY CALCULATION

- (1) Full consolidation
- (3) Adjusted equity-accounting
- (4) Sectorial standards
- (7) Local standards
- (9) Exclusion from the scope of group supervision, pursuant to article 214 of Directive 2009/138/EC
- (10) Consolidated as an equity investment
- (*) MAPFRE holds the majority voting rights in the Annual General Shareholders' Meeting

APPENDIX 2. INFORMATION FOR CORPORATE ACTIVITY AT DECEMBER 31, 2023

Name	Effective tax rate	Activity
MAPFRE ESPAÑA COMPAÑÍA DE SEGUROS Y REASEGUROS S.A.	25% (1)(2)	Insurance and reinsurance
VERTI ASEGURADORA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A	25% (1)(2)	Insurance and reinsurance
FUNESPAÑA, S.A.U.	25% (1)	Burial services
FUNESPAÑA DOS, S.A.	25% (1)	Burial services
SANTANDER MAPFRE SEGUROS Y REASEGUROS S.A	25%(2)	Insurance and reinsurance
MAPFRE INMUEBLES, S.G.A.	25% (1)(2)	Real Estate
MAPFRE TECH, S.A.	25% (1)(2)	IT
MAPFRE VIDA SOCIEDAD ANÓNIMA DE SEGUROS Y REASEGUROS SOBRE LA VIDA HUMANA	25% (1)(2)	Insurance and reinsurance
MAPFRE INVERSIÓN SOCIEDAD DE VALORES S.A.	25% (1)(2)	Investment company
BANKINTER SEGUROS DE VIDA, S.A.	25%(2)	Insurance and reinsurance
MAPFRE ASISTENCIA COMPAÑÍA INTERNACIONAL DE SEGUROS Y REASEGUROS, S.A.	25% (1)(2)	Insurance and reinsurance
MAPFRE RE COMPAÑÍA DE REASEGUROS, S.A.	25% (1)(2)	Reinsurance

TAX GROUP

(1) Company belonging to Tax Group 9/85

(2) Company belonging to VAT Group 87/10

CONSOLIDATED MANAGEMENT REPORT

YEAR 2023

MAPFRE S.A.

CONSOLIDATED MANAGEMENT REPORT 2023

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The content of this Consolidated Management Report (hereinafter "the Report") was prepared in accordance with the recommendations set out in the "Guide for the preparation of management reports by listed companies" published by the Spanish National Securities and Exchange Commission (the "CNMV").

The Alternative Performance Measures (APM) used in this report, which correspond to those financial measures that are used but not defined or explained in the applicable financial information framework, can be consulted at the following web page: <https://mapfre.com/media/shareholders/2023/2023-12-alternate-performance-measures.pdf>.

Some of the figures included in this Report have been rounded. Therefore, discrepancies may occur in the tables between the totals and the amounts listed due to this rounding.

ORGANIZATION OVERVIEW

BUSINESS MODEL

MAPFRE's Vision is to be "YOUR TRUSTED INSURANCE COMPANY" for all of our clients worldwide, achieving this through a global presence and offering a wide range of insurance and reinsurance products and services. We aim to become a leader in the markets we operate in by executing on a sustainable, proprietary, and differentiated business model that is based on transformation and innovation. The overriding objective is to deliver profitable growth with a clear and decisive focus on the client, both private and enterprise, creating relationships founded on fairness and transparency, with a multi-channel approach and a firm vocation for service.

Our corporate Purpose, the company's day-to-day *raison d'être*, is defined when we tell our customers that "we are by your side every step of the way, accompanying you to move forward with peace of mind, contributing to the development of a more sustainable and supportive society." In other words, we are committed to helping our customers now and in the future. We are ready to support them and give them what they need, today and tomorrow, just as we have been doing for many years. In an uncertain world, we are defined by the capacity of more than 250,000 employees, collaborators, and providers delivering the best service, innovating, adapting to customers' needs, and being there when people need us.

We execute on this commitment through the following Values, which help us make good on our Purpose and achieve the Vision of the company:

-Solvency: financial strength with sustainable results over time and full capacity to meet all obligations to stakeholders.

-Integrity: ethical action as the axis of behavior for everyone (managers, employees, agents and collaborators), with a socially responsible approach in all activities and long-term commitments.

-Service: with the objective of delivering excellence and continuous improvement, aimed at creating more value for the client, and making service quality the relationship with the client differentiating elements.

-Innovation: differentiation as a key aspect to delivering constant growth and improvement, with technology at the service of businesses and its objectives.

-Multicultural and diverse team: attracting and retaining the best global talent to the company, and with the full involvement of employees, managers, agents and other collaborators with the MAPFRE project.

MAPFRE's business model, which promotes profitable growth, is also geared toward contributing to the social development of the countries where we are present.

Accordingly, MAPFRE:

- Is firmly committed to growth in terms of both business volume and geographic development, generating suitable and sufficient profitability from its activities.
- Manages its business in an efficient manner and constantly improves productivity, reducing structural costs continuously in order to enhance its competitiveness.
- Professionally manages the risks it assumes, ensuring sustainable growth and results.
- Deploys a global management model with ample capacity for local implementation, ensuring a balance between corporate involvement and business development in each country.
- Makes its resources available to the entire organization, thus harnessing the synergies derived from sharing talent, processes and tools.
- Promotes specialized management as a means of continuously optimizing results and enhancing service quality.

ORGANIZATIONAL STRUCTURE AND GOOD GOVERNANCE

A. ORGANIZATIONAL STRUCTURE

MAPFRE is a multinational company chiefly devoted to insurance and reinsurance activities, and operates in 38 countries worldwide.

The Group's parent company is the holding company MAPFRE S.A., the shares of which are listed on the Spanish stock exchange. At year-end, the company was part of the IBEX 35, IBEX Top Dividend, FTSE All-World, FTSE Developed Europe and the MSCI World Small Cap Index, Bloomberg Europe 500 Insurance Index and Dow Jones Spain Titans 30 Index Euro, as well as the FTSE4Good, FTSE4Good IBEX, Bloomberg Gender Equality Index and IBEX Gender Equality Index sustainability indices.

MAPFRE S.A. is a subsidiary of CARTERA MAPFRE, S.L. Sociedad Unipersonal, which is wholly controlled by Fundación MAPFRE.

During 2023, the Group conducted its business activities through an organizational structure made up of four Business Units (Insurance, Assistance, Global Risks, and Reinsurance) and five Regional Areas¹: Iberia (Spain and Portugal), Brazil, LATAM South-Central (the sub-region of Central America and the Dominican Republic, Argentina, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay, and Venezuela), North America (the United States and Puerto Rico), and EMEA (Italy, Germany, Turkey, and Malta), as well as Mexico, which is considered a strategic country.

The Insurance Business Unit is organized in line with the MAPFRE Regional Areas, which are the geographic units that plan, support, and oversee the region.

The Reinsurance and Global Risks units are integrated within MAPFRE RE.

In 2023 the Assistance Unit has unified its brand as MAWDY in all markets.

The activities of the various Business Units are supplemented by those of the Corporate Areas² (Internal Audit, Strategy and M&A, Finance and Resources, Investment, Business, People and Organization, External Relations and Communication, General Counsel and Legal Affairs, Operational Transformation, Technology, and Operations), which have global competences for all MAPFRE companies in the world in terms of the definition, development, implementation, and monitoring of global, regional, and local corporate policies.

The fact that the different MAPFRE companies belong to a business group implies, without prejudice to their legal autonomy, that they form an integral part of an organic structure that regulates their interrelations, the coordination of their activities and the oversight of the controlled companies by the controlling companies and, in the final instance, by the parent company.

The MAPFRE S.A. Board of Directors is the senior management and supervisory body for the entire Group. It has a Steering Committee that acts within all of its powers, except those which cannot be ceded by law, bylaws, or the regulations of the Board of Directors, and three delegate committees (Audit and Compliance, Appointments and Remuneration, and Risks and Sustainability).

The Executive Committee is the body that exercises direct supervision over management of the Business Units and coordinates the various Areas and Units in the Group. The Transformation and Innovation Committee reports to the Executive Committee and has decision-making powers in relation to all transformation and innovation initiatives within MAPFRE.

The Global Business Committee is also responsible for analyzing the development of MAPFRE's insurance business and services throughout the world, its compliance with approved plans, and for proposing measures to correct or improve them.

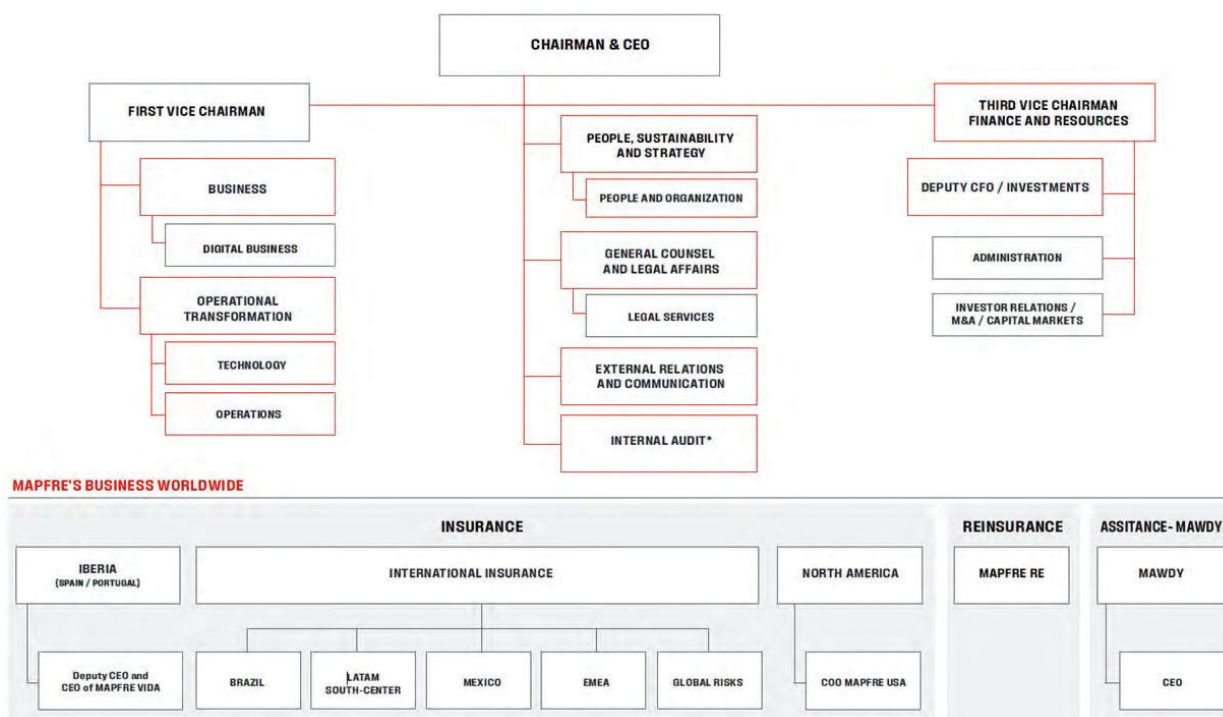
The management, coordination and supervision of the activities of the different Units and Areas are carried out, according to their respective remit, by the local, regional and business unit management committees as well as the Executive Committee.

¹ As of January 2024, the entire insurance business consists of three geographical areas: Iberia (Spain and Portugal), International (Brazil, LATAM South-Central, Mexico, EMEA, and Global Risks), and North America (United States and Puerto Rico).

² As of January 1, 2024, the corporate areas are: Internal Audit, Finance and Resources, Investment, Business, People, Strategy and Sustainability, People and Organization, External Relations and Communication, General Counsel and Legal Affairs, Operational Transformation, Technology, and Operations.

Each of the subsidiary companies has its own governing bodies, in which the structure and complexity depend on the importance of their activities and any legal provisions that may be applicable. They usually have a Board of Directors and, depending on the importance of their activities, a Management Committee as well. In the case of shell or very small companies, these bodies are replaced by two administrators.

The Group organizational structure in place from 2024 is shown in the accompanying chart.



*Reporting functionally to the Audit and Compliance Committee

B. GOOD GOVERNANCE

MAPFRE has constantly and decidedly striven from the start to adopt the best corporate governance practices. MAPFRE's good governance practices are oriented toward creating sustained financial and social value over the long-term. The company's objective is to ensure financial stability and safeguard the interests of shareholders, while maximizing the positive impact on society as a whole.

MAPFRE is governed by the Recast Text of the Spanish Companies Act and has a series of Institutional, Business and Organizational Principles in place that have been approved by the Board of Directors of MAPFRE S.A., which, together with its Bylaws and the Board of Directors' Regulations, define the structure, composition and functions of each of its governing bodies and make up the minimum mandatory compliance framework for all

of the companies in the MAPFRE Group and their respective governing bodies. In addition, MAPFRE's governance system is supplemented by a group of corporate policies³.

MAPFRE complies fully with 90.62%, and fully or partially with 96.87%, of the recommendations set out in the Spanish National Securities Market Commission's Good Governance Code for listed companies at December 31, 2023.

³ The Institutional, Business and Organizational Principles of the MAPFRE Group and other corporate regulations are available on the Company's website (www.mapfre.com).

The Annual Corporate Governance Report 2023 offers a detailed explanation of the structure of MAPFRE's governance system and its operation in practice⁴, providing the minimum content established by Article 540 of the Recast Text of the Spanish Companies Act.

OPERATIONAL FRAMEWORK

MAPFRE is committed to multichannel distribution, and adapts its commercial structure to the legislation in the different countries it operates in.

Customer orientation, the global product offering and adaptation to the legal and commercial particularities of each of the markets in which it is present are some of the hallmarks of the successful business model.

MAPFRE's distribution network is the largest in the insurance sector in Spain and one of the largest for a financial group in Latin America.

At the close of 2023, the Company's distribution network consisted of 4,741 proprietary offices (4,814 in 2022).

MAPFRE's own network is complemented by the distribution capacity provided by agreements with different entities, and especially those of bancassurance (Banco Santander, Bankinter, Banco do Brasil, Bhd Leon and Bank of Valleta, among others). During 2023, MAPFRE distributed its products through 7,541 bancassurance offices (7,573 in 2022).

During fiscal year 2023, 81,000 intermediaries, including agents, delegates and brokers collaborated in the distribution of MAPFRE's products.

Within insurance activity, MAPFRE is the largest Spanish insurer in the world, with Non-Life and Life market shares in the Spanish market of 13.8% and 7.5% respectively. In addition, it is the ninth largest insurance group in Europe by premium volume, and is established in practically every county in Latin America, where it is the leading multinational insurance group, with a market share of 5.3% (as per figures for 2022, the latest available). Likewise, the Group's reinsurer (MAPFRE RE) is ranked 17th in the world reinsurance ranking⁵.

⁴ For further information, please consult the Annual Corporate Governance Report 2023, which forms an integral part of this Consolidated Management Report.

⁵ Source: S&P Global Ratings

BUSINESS PERFORMANCE AND RESULTS

ECONOMIC CONTEXT AND PERFORMANCE OF INSURANCE MARKETS

Economic context

The second half of 2023 was marked by tensions in the Middle East, with the resurgence of the Gaza-Israel conflict. This event is keeping that region and the West on high alert, especially due to the potential escalation of the conflict. The situation serves as a reminder that geopolitical tensions can have significant implications for the global economic context, as they influence supply risk in energy and commodity markets, and consequently price dynamics.

Against this backdrop, the price of Brent oil ended the year at USD 77/barrel after having rebounded in the summer and prevented further drops in inflation. Oil price levels are affected by a complex balance of forces, including: i) geopolitical uncertainty; ii) the global economic slowdown; iii) the energy transition process; and iv) production adjustments agreed by the Organization of Petroleum Exporting Countries (OPEC).

Economic activity in 2023 brought positive surprises in some countries, including the United States and Spain (but not Germany), thanks to the resilience of private consumption, accumulated savings, the use of credit, government spending, the effects of inflation reduction investment plans, such as the Inflation Reduction Act (United States), and the Recovery and Resilience Facility (Eurozone). Employment levels also remained stronger than expected in the face of tightening financial conditions.

Inflation control made good progress. However, in many countries, inflation picked up in September-October. This suggests that getting it down to the central banks' target levels will be harder than anticipated, as the base effects are disappearing, support measures are expiring, energy costs are rising, employment remains strong, and salaries are being updated.

To a large extent, central banks have completed the interest rate hike cycle. Rates are now expected to remain high, at least until the second half of 2024. It has been confirmed that the transmission of monetary policy is strong, as it's affecting credit conditions. This can be seen in the performance of both the Euribor (3.51% at year end) and in lending conditions for companies and households. The impact is reflected in the granting of mortgages and vehicle loans, as well as credit in the residential construction sector, while slowly spreading to other sectors, such as industry.

In December, the U.S. Federal Reserve put interest rates at 5.50% and changed the tone of its policy, forecasting at least three rate cuts in 2024 (75 basis points). The markets are discounting twice as many cuts, 150 basis points from March onward, and interest rates are expected to stand at 4.00% by the end of 2024. The likelihood of recession in the next 12 months, according to the consensus of analysts, has fallen in the United States to 50%, in the Eurozone to 65%, and in Germany to 75%.

In the eurozone, the European Central Bank (ECB) also halted its interest rate hikes in October, leaving the main refinancing rate at 4.50% and the deposit facility at 4.00%. Regarding the balance sheet, the ECB will gradually reduce the Asset Purchase Program (APP), while in the Pandemic Emergency Purchase Program (PEPP), maturing principal payments will continue to be reinvested until at least the end of 2024. The ECB will adapt the management of its balance sheet to avoid interfering with the monetary policy bias.

In the sovereign bond markets, interest rates across the curve reflect the weighting of different factors: i) weaker economic prospects; ii) the weight of interest in the budgets of the countries; iii) expected large issuing volumes; and to the contrary, iv) anticipated rate cuts by central banks in 2024, which are leading investors to seek longer durations.

For 2024, the dollar is expected to lose some value against the euro, should the Federal Reserve lower rates more quickly than the ECB.

A more detailed analysis of the most important markets in which MAPFRE operates is presented here.

Spain

Spain's GDP grew by an estimated 2.5% in 2023. It outperformed other European economies due to its strong exports, the positive effect of European Union funds, aid for energy costs, and resilient consumption in a context of tightening financial conditions.

Inflation stood at 3.1% at the end of the year, rebounding from 1.9% in June, among other factors, due to base effects that are no longer favorable. Inflation has also moderated month-on-month, but its contribution to the rise of the headline index continues. Unless extended, fuel aid will end in January 2024, which may once again strain price dynamics.

While 2023 was good for economic activity, the transmission of monetary policy is strong. The Euribor exceeded 4.2% in September but eased to 3.5% by the end of the year. The tightening of financial conditions is reflected in the decline of more than 20% in mortgage approvals. As a result, the outstanding mortgage balance has fallen below 2006 levels.

As far as outlook indicators are concerned, the purchasing managers' indexes (PMIs) remained marginally positive, with the composite and services indexes at 50.4 and 51.5 points, respectively, while the manufacturing index continued to anticipate worsening conditions (46.2 points in December) and stood in the contraction zone. Consumer confidence remained very negative (-18.6), as a result of poor prospects related to the loss of purchasing power and the tightening of credit conditions.

Finally, the IBEX 35 Index gained 22.8%, finishing the year at 10,095 points.

United States

The U.S. economy performed better than expected in 2023, with 2.5% estimated growth. This was due, among other factors, to the positive effect of spending packages implemented by the government to cushion the impact of inflation (Inflation Reduction Act), as well as the fact that households used savings to maintain their spending level.

The Federal Reserve held interest rates stable at 5.50% from June onward, awaiting the impact on economic activity of the hikes made so far. The Federal Reserve is maintaining its restrictive rhetoric in order to moderate inflation expectations, but the market is already discounting interest rate cuts from mid-2024.

With regard to the forecast of future economic activity levels, the December PMIs were marginally positive, with the composite indicator at 50.9 points, manufacturing at 47.9, and services at 51.4.

The tightening of financial conditions is being passed on to the cost of mortgages, the cost of borrowing for companies and consumers, and specifically automobile loans. However, credit cards volume is

accelerating as many households turn to this from of credit to help fund regular consumption.

The 10-year Treasury bond yield reached 5.00% in October before moderating to 3.9% at the end of the year, as investors' demand for long-term instruments is returning thanks to the prospect of rate cuts. The rate curve remains heavily inverted between six months and five years, while for longer periods the slope is already normalizing.

The CPI for December in the United States stood at 3.4%, with a rebound trend (+ 0.3% MoM). Core inflation fell to 3.9%.

The dollar began to lose ground to the euro in the last few months of the year, given the prospect of interest rate cuts starting earlier in the United States than in the Eurozone. In 2023, the dollar depreciated by 3.0% and closed at 1.10 EUR/USD.

The S&P500 index finished the year up 24.2% at 4,770 points.

Brazil

The Brazilian economy performed better than initially expected, with estimated growth of 3.1% in 2023. A certain slowdown is anticipated for 2024 due to restrictive interest rates and a weaker external context.

Brazil's interest rate cycle is more advanced than that of developed economies, so it started to lower rates in August, almost a year before this is expected to happen in the United States. Inflation stood at 4.6% at the end of the year, rebounding from 3.2% in June. Consumption is estimated to have grown by 3.1% in the year and exports by 8.6%, while investment decreased by approximately 3.4%.

The PMIs for December were positive, with the composite indicator at 50.0 points and services indicator at 50.5. However, manufacturing continues to contract at 48.4 points. Consumer confidence has recovered to 2018-2019 levels, but has moderated in the final stretch of the year.

In 2023, the Brazilian real appreciated 5.2% against the euro, ending at 0.1867 euros.

The BOVESPA index ended the year at around 134,185 points, a 22.3% increase.

Mexico

The Mexican economy grew by an estimated 3.3% in 2023, a positive surprise thanks to the strength of investment, with anticipated growth of more than 10%, helping to reinforce the Mexican peso. The nearshoring process (relocation of supply chains, especially to the United States) also contributed to this situation, which is associated with a certain reversal of globalization after the world experienced significant interruptions in supply chains in 2022.

The slowdown in the U.S. economy, as well as the more restrictive financial conditions, suggests a loss of momentum for Mexico's economic growth in 2024. As inflation moderates and interest rates remain high, there is a monetary tightening in real terms that will affect activity levels.

The December manufacturing PMI was positive (52.0 points), and other industry surveys were also positive, except for anticipated factory order volume. Automobile sales and production have been recovering in the last two years. The construction sector is expanding greatly, especially infrastructure works.

Inflation in December stood at 4.7%, with core inflation at 5.1%. In addition, the price increases are beginning to be reflected in salaries, which in December increased 9% year-on-year, with a 9.7% increase in the private sector. The central bank's monetary policy interest rate stood at 11.25% at year-end 2023 after remaining stable since March.

The peso appreciated 11.2% against the euro throughout the year, finishing at 0.0534 euros.

The Mexican Stock Exchange gained 18.4%, finishing the year at 57,386 points.

Performance of insurance markets

Spanish market⁶

Throughout 2023, the Spanish insurance industry showed considerable momentum in the issuing of premiums, with a nominal increase of 18% to 76.5 billion euros. Economic growth, which exceeded forecasts, helped to drive the insurance business, where the main boost came from the Life line of business, which was up 36.3% in terms of premium volume, and a very favorable performance in Non-Life insurance, where revenue was up 6.8% compared to December 2022.

The rise in interest rates that began in 2022 is being reflected in guaranteed Savings insurance, which is gaining an appeal that it previously lacked. The statistics until December 2023 confirm this change of trend in Life Savings insurance, which became the driving force behind the growth of Spanish insurance during the year, with this modality in the Life segment increasing by 46.8%. At the other end of the spectrum, premium revenue from the Life Protection business fell by 2.8% at the end of 2023.

Furthermore, the main Non-Life business lines showed great dynamism throughout 2023. Automobile insurance, which started on the path to recovery in 2022, exceeded the growth rate obtained that year by three percentage points (pp), reaching 6.6%. The Health line continued the upward trend of recent years, with a 6.6% increase in premiums owing to the momentum of Expense Reimbursement, which grew by 9.0%, and Health Care, which grew by 6.6%. Multirisk insurance premiums rose 6.8% year-on-year, with Industrial (9.3%) and Homeowners and Condominiums (6.4%) standing out.

With regard to technical profitability, the Automobile line continues to be affected by the high inflation scenario that is continuing to cause an increase in costs, although an improvement in technical profitability is expected as upward pricing revisions materialize on the back of adapting insurance premiums to inflation and cost growth moderates. Health insurance and Multirisk insurance show some stability compared to the previous year.

Latin American markets

The Latin American insurance markets continued to show very positive growth rates in 2023, in local currency and at current prices, in both the Life and Non-Life segments. With the exception of Guatemala, all countries in the region enjoyed positive growth rates in Non-Life insurance, with double-digit growth in many cases. A very significant boost came from the Automobile line, which continues to be the main driver of growth in this segment. Other main lines, Fire and Health, also contributed strongly to the increase in Non-Life premiums. Life insurance also performed quite well, with increases in virtually all markets.

Premium revenue from the Brazilian insurance industry to September 2023 were up 8.4%. The Non-Life segment saw 10.8% growth in cumulative premiums, with a 12.3% increase in Automobile insurance. Life insurance rose by 7.0%.

⁶ Source: ICEA

Mexico presented growth of 14.2% in direct insurance premiums to September 2023, driven by both segments of the market, but mainly by Non-Life, which grew 16.2%.

Other markets

United States⁷

Premium income from the Life, Property & Casualty (P&C) and Health segments in the United States enjoyed a positive performance in the first half of 2023, with increases of 4.0%, 10.3% and 6.7%, respectively.

This behavior has been influenced by the increase in prices as a result of the continued hardness of the market due to inflation. Earnings suffered compared to the first half of 2022. Despite the significant price adjustment and underwriting measures taken by insurers, the P&C insurance business recorded a strong technical loss, which was offset by financial income to deliver a positive result.

Life insurance premiums and direct deposits issued improved by 4.0%

⁷ Information obtained from the half-yearly reports of the National Association of Insurance Commissioners (NAIC) for the Property & Casualty, Life and Accident, and Health segments.

BUSINESS DEVELOPMENT

Revenues on operations

ITEM	DECEMBER 2023	DECEMBER 2022	Δ %
Insurance revenue	24,781.0	22,717.2	9.1%
Reinsurance revenue	2,866.1	2,630.8	8.9%
Financial income	4,961.2	4,583.1	8.2%
Revenue from non-insurance entities and other revenue	782.7	700.7	11.7%
Total consolidated revenue	33,391.0	30,631.7	9.0%

Figures in million euros

The Group's consolidated revenue reached 33.4 billion euros, up by 9%. This increase consolidates the trend of recent quarters and reflects both a significant increase in business volumes and an improvement in financial income.

Insurance revenue amounted to 24.8 billion euros, with an increase of 9.1%.

Non-Life insurance revenue grew by 6.9%, mainly due to the improvement in issuing in the General P&C, Health and Accident and Automobile insurance lines.

Life insurance revenue grew by 21.1%, driven by Life Savings in Spain, good technical performance in all geographies and strong financial income, especially in Latin America.

Earnings

The net result of 677.2 million euros includes the following unique events that occurred during the fiscal year.

- The occurrence of two relevant catastrophic events, the earthquake in Turkey and Hurricane Otis in Mexico, with an aggregate impact of 159 million euros. In 2022, there was a drought in the Paraná River basin with an impact of 113 million. In addition, the higher frequency of weather-related events in Europe had a net impact of more than 115 million euros over the figure for 2022.
- Net receipt of 46.5 million euros as a result of arbitration that followed the breach of the alliance with Bankia.
- The 75 million euros in goodwill impairment in insurance operations in the United States. This has had no impact on the generation of cash, solvency or the Group's ability to pay dividends.

- Hyperinflation in Venezuela, Argentina and Turkey had a negative impact, net of taxes, of 47 million euros (41 million in 2022).

Balance sheet

Consolidated assets reached 54.9 billion euros in December 2023 and grew by 5.3% compared to the previous year, due to the increase in investment portfolios.

Equity stood at 9.6 billion euros at December 31, 2023, compared to 8.9 billion euros at December 31, 2022.

Key indicators

Return on shareholders' equity (ROE)

ROE is a key profitability index, represented by the proportion between the net profit attributable to the parent company (deducting the participation of non-controlling interests) and average shareholders' equity, came in at 8.3% (9.2% excluding the impact of the goodwill impairment in the United States).

Management ratios

The combined ratio measures the impact of management costs and claims for a year on the premiums for that year. In the years 2023 and 2022 this ratio was at 96.6% and 96.5%, respectively.

Information by Business Unit

MAPFRE structures its business around the Insurance, Reinsurance, Global Risks and Assistance Units, with the Reinsurance and Global Risks Units integrated into MAPFRE RE.

Key figures

AREA / BUSINESS UNIT	Insurance revenue			Attributable result		
	2023	2022	Δ %	2023	2022	Δ %
IBERIA	6,978.1	6,517.4	7.1%	341.4	187.0	82.6%
BRAZIL	4,823.7	4,234.6	13.9%	138.6	227.5	64.2%
OTHER LATAM*	4,451.0	4,202.6	5.9%	185.3	120.6	-34.9%
NORTH AMERICA	2,584.5	2,551.6	1.3%	(69.3)	14.4	120.8%
EMEA	1,179.1	1,139.5	3.5%	(73.2)	(39.4)	46.2%
TOTAL INSURANCE	20,016.3	18,645.7	7.4%	368.4	664.6	80.4%
REINSURANCE BUSINESS	8,016.8	6,953.2	15.3%	174.9	252.1	44.1%
ASISTENCIA - MAWDY	224.2	280.9	-20.2%	7.3	5.6	-22.2%
Holding, eliminations and other	(3,476.3)	(3,162.7)	-9.9%	13.0	(245.1)	0.0%
MAPFRE S.A.	24,781.0	22,717.2	9.1%	563.6	677.2	20.2%

Figures in million euros

*Includes Mexico and LATAM South-Center

**In 2022, the attributable result includes the "classification overlay" adjustment discussed in section "2.5 Comparison of information" of the annual accounts, in the amount of 152.4 million euros. In 2023, the attributable result includes the goodwill impairment in the U.S. in the amount of 75.0 million euros

Insurance Entities

IBERIA

IBERIA takes in the activity of MAPFRE ESPAÑA and its subsidiary in Portugal and the Life business activity managed by MAPFRE VIDA and its bancassurance subsidiaries.

Key figures

ITEM	DECEMBER 2023	DECEMBER 2022	Δ %
Investments, real estate and cash	22,923.8	21,001.0	9.2 %
Insurance contract liabilities	19,965.4	18,133.2	10.1 %
CSM	1,686.5	1,531.6	10.1 %
Shareholders' equity	3,256.8	3,080.4	5.7p.p.

Figures in million euros

Information by country

REGION / COUNTRY	Insurance revenue			Attributable result		
	DECEMBER 2023	DECEMBER 2022	Δ %	DECEMBER 2023	DECEMBER 2022	Δ %
IBERIA	6,978.1	6,517.4	7.1%	341.4	187.0	82.6%
SPAIN*	6,823.7	6,369.0	7.1%	332.6	183.0	81.7%
PORTUGAL	154.4	148.3	4.1%	8.8	4.0	119.9%

Figures in million euros

IBERIA's insurance revenue reached almost 7 billion euros (+7.1%), with Spain accounting for the vast majority of this, at 6,8 billion euros (+ 7.1%). Revenue in Portugal amounted to 154.4 million (+4.1%).

The result for the period includes the positive impact of 46.5 million as a result of arbitration due to the breach of the alliance with Bankia (29.4 and 17.1 million in Life and Non-Life, respectively).

The attributable result amounted to 341.4 million euros (+82.6%). Spain's contribution to the result for the period is 332.6 million euros (+81.7%).

Information by most relevant business line

	Insurance revenue			Attributable result		
	DECEMBER 2023	DECEMBER 2022	Δ %	DECEMBER 2023	DECEMBER 2022	Δ %
LIFE	1,039.3	916.8	13.4%	164.4	73.8	122.9%
LIFE PROTECTION	326.7	306.3	6.7%	75.9	121.2	-37.4%
LIFE SAVINGS	712.6	610.5	16.7%	63.0	(55.1)	0.0%
OTHER	0.0	0.0	0.0%	25.5	7.7	0.0%
NON-LIFE	5,938.7	5,600.6	6.0%	177.0	113.3	56.3%
AUTO	2,322.5	2,258.7	2.8%	13.9	17.1	-19.1%
GENERAL P&C	2,386.3	2,214.0	7.8%	59.0	45.1	31.0%
ACCIDENT & HEALTH	879.7	816.7	7.7%	30.2	30.2	0.0%
OTHER NON LIFE	350.3	311.2	12.6%	73.9	20.8	0.0%
TOTAL	6,978.1	6,517.4	7.1%	341.4	187.0	82.6%

Figures in million euro

*Other Non-Life mainly includes Third-party liability and Consolidation adjustment.

The Life business grew by 13.4% compared to the previous year, reaching more than 1.0 billion euros, of which 712.6 correspond to Life Savings (610.5 million euros in 2022).

Revenue in the Non-Life business grew by 6.0% and reflect the good performance of the General P&C business (+7.8%) driven by the Enterprise line, and the Accident and Health lines (+7.70%).

Automobile revenue grew by 2.8%, reflecting the progressive adaptation of rates to the inflationary context. The portfolio in this business line included more than 6.1 million insured vehicles, slightly down on the previous year as a result of the implementation of risk selection measures.

The Automobile and General P&C businesses were affected by weather-related events, especially the strong storms in Spain in the second half of the year.

The Life business continues to contribute strongly to earnings, both in the Protection and Savings segments, with a total contribution of 164.4 million euros.

The market share in the Non-Life business in Spain amounted to 13.8% at the close of the last two fiscal years. The share of the Life business in 2023 was 7.5% (7.1% in 2022).

In Portugal, the market share in the Non-Life and Life business for 2023 was 2.3% and 1% respectively, (2% and 1.4% in 2022, respectively).

BRAZIL

This regional area encompasses the insurance activity in Brazil.

Key figures

ITEM	DECEMBER 2023	DECEMBER 2022	Δ %
Investments, real estate and cash	3,733.1	3,076.1	21.4%
Insurance contract liabilities	3,465.0	3,275.5	5.8%
CSM	570.0	455.9	25.0%
Shareholders' equity	1,034.6	866.0	19.5%

Figures in million euro

Information by most relevant business line

BRAZIL	Insurance revenue			Attributable result		
	DECEMBER 2023	DECEMBER 2022	Δ %	DECEMBER 2023	DECEMBER 2022	Δ %
LIFE	1,365.7	1,257.4	8.6%	69.0	50.4	36.7%
LIFE PROTECTION	1,346.3	1,229.1	9.5%	51.5	44.5	15.7%
LIFE SAVINGS	19.5	28.3	-31.2%	6.1	(2.6)	332.6%
AUTOMOBILE	632.1	598.9	5.5%	16.5	(35.3)	146.7%
GENERAL P&C	2,825.4	2,377.6	18.8%	131.3	112.9	16.3%
OTHER	0.5	0.7	-28.6%	10.7	10.6	0.9%
TOTAL	4,823.7	4,234.6	13.9%	227.5	138.6	64.2%

Figures in million euro

In Brazil, revenue amounted to 4.8 billion euros (+13.9%). This improvement is mainly due to the positive performance of the General P&C and Life Protection businesses, which grew by 18.8% and 9.5% in euros respectively.

The Automobile business recorded a revenue increase of 5.5% and the rapid adaptation of rates to inflation continues.

The attributable result improved by 64.2%, thanks mainly to the contribution of the General P&C, Automobile and Life Protection businesses, the latter driven by the country's high interest rates.

OTHER LATAM

This regional area includes Mexico, Peru and other Latin American countries.

Key figures

ITEM	DECEMBER 2023	DECEMBER 2022	Δ %
Investments, real estate and cash	4,572.8	3,831.3	19.4%
Insurance contract liabilities	5,109.4	3,956.7	29.1%
CSM	249.9	246.1	1.6%
Shareholders' equity	1,491.4	1,330.7	12.1%

Figures in million euros

Information related to the principal countries

COUNTRY	Insurance revenue			Attributable result		
	DECEMBER 2023	DECEMBER 2022	Δ %	DECEMBER 2023	DECEMBER 2022	Δ %
MEXICO	1376.8	1272.1	8.2%	49.1	27.9	75.7%
PERU	697.4	697.4	10.9%	13.8	57.0	-75.9%
DOMINICAN REPUBLIC	452.4	452.4	2.5%	8.5	5.4	57.7%
CHILE	412.2	412.2	5.9%	10.8	7.1	53.5%
COLOMBIA	437.5	437.5	13.3%	13.9	67.7	-79.4%

The region's revenue grew by 5.9% to just under 4.5 billion euros, while the net result stood at 120.6 million euros, with significant contributions from Mexico, Peru and Colombia.

As far as net results go, the strong growth in Mexico (+75.7%) and the positive performances in the Dominican Republic (+57.7%) and Chile (+53.5%) are worthy of note.

In terms of revenue, the positive performance from Uruguay (+14.9%), Colombia (+13.3%) and Peru (+10.9%) stand out.

Information by most relevant business line

OTHER LATAM	Insurance revenue			Attributable result		
	DECEMBER 2023	DECEMBER 2022	Δ %	DECEMBER 2023	DECEMBER 2022	Δ %
LIFE	848.4	767.0	10.6%	61.7	95.1	-35.1%
LIFE PROTECTION	775.0	648.1	19.6%	19.0	43.5	-56.2%
LIFE SAVINGS	73.4	118.9	-38.2%	35.3	49.8	-29.2%
AUTOMOBILE	764.3	735.5	3.9%	24.6	15.3	61.3%
GENERAL P&C	1,901.4	1,836.2	3.6%	29.3	39.6	-26.0%
ACCIDENT & HEALTH	882.9	821.0	7.5%	(12.1)	30.3	-140.0%
OTHER	54.0	42.9	25.9%	17.1	5.0	242.0%
TOTAL	4,451.0	4,202.6	5.9%	120.6	185.3	-34.9%

Figures in million euros

Market shares in the main Latin American countries

The market shares in Non-Life direct insurance in the main Latin American countries are shown in the accompanying table.

COUNTRY	Ranking (at December 2022)	Market share ⁽¹⁾	Market share date
Argentina	16	1.70%	June 2023
Brazil	2	13.50%	Sept 2023
Chile	6	6.30%	Sept 2023
Colombia	7	5.60%	Sept 2023
Honduras	3	16.40%	Sept 2023
Mexico	7	5.40%	Sept 2023
Panama	2	14.70%	Sept 2023
Peru	3	18.40%	Sept 2023
Dominican Republic	4	9.80%	Sept 2023

(1) Figures according to the latest available information for each market.

Source: MAPFRE Economic Research, using data from the supervisors in each country.

NORTH AMERICA

This regional area has its headquarters in Webster, Massachusetts and encompasses operations in United States and Puerto Rico.

Key figures

ITEM	DECEMBER 2023	DECEMBER 2022	Δ %
Investments, real estate and cash	2,260.3	2,312.7	-2.3%
Insurance contract assets	0.0	0.0	0.0%
Insurance contract liabilities	2,332.7	2,479.7	-5.9%
CSM	2.8	2.0	41.2%
Shareholders' equity	1,149.9	1,152.6	-0.2%

Figures in million euros

Information by country

COUNTRY	Insurance revenue			Attributable result		
	December 2023	December 2022	Δ %	December 2023	December 2022	Δ %
UNITED STATES	2,174.8	2,154.6	0.9%	(11.6)	(88.0)	86.8%
PUERTO RICO	409.6	397.1	3.2%	26.0	18.7	39.6%
TOTAL	2,584.5	2,551.6	1.3%	14.4	(69.3)	120.8%

Figures in million euros

Insurance revenue in NORTH AMERICA exceeded 2.5 billion euros (+1.3%), with the United States delivering almost 2.2 billion euros (+0.9%) and Puerto Rico contributing 409.6 million (+3.2%).

The attributable result amounted to 14.4 million euros (+120.8%), with the contribution trend for both Puerto Rico and the United States favorable during the period.

Information by most relevant business line

NORTH AMERICA	Insurance revenue			Attributable result		
	DECEMBER 2023	DECEMBER 2022	Δ %	DECEMBER 2023	DECEMBER 2022	Δ %
LIFE	1.8	2.1	-18.1%	0.6	1.1	-45.7%
AUTOMOBILE	1,479.1	1,467.4	0.8%	(13.5)	(101.2)	86.7%
GENERAL P&C	819.5	776.4	5.5%	16.2	16.6	-2.3%
ACCIDENT & HEALTH	45.1	45.5	-1.0%	1.3	0.0	0.0%
OTHER	239.0	260.2	-8.1%	9.8	14.2	-31.0%
TOTAL	2,584.5	2,551.6	1.3%	14.4	(69.3)	120.8%

Figures in million euros

The Automobile business shows a stable claim frequency, and the rate increases already implemented in the United States (more than 29% since January 2022) should offset the expected increase in claims costs.

The General P&C result was affected by several weather events during the year, as well as the significant increase in the cost of catastrophic reinsurance protection. The rate increase trend continues in the Homeowners line.

The market shares for the state of Massachusetts (USA) are shown in the accompanying table.

LINE	MASSACHUSETTS	
	DECEMBER 2022	DECEMBER 2021
Automobile	18.3 %	18.4 %
Total Non-Life	8.7 %	9.0 %
Total Life	-%	-%
TOTAL	2.4 %	2.5 %

Source: MAPFRE Economics, using data from the supervisors in each country

The market shares in Puerto Rico are shown in the accompanying table.

LINE	PUERTO RICO	
	DECEMBER 2022	DECEMBER 2021
Automobile	9.4%	9.9 %
Property and Contingency	11.7%	12.9 %
Total Non-Life	2.2%	2.5 %
Total Life	0.1%	0.1 %
TOTAL	2.0%	2.2 %

Source: MAPFRE Economics, using data from the supervisors in each country.

EMEA

This regional area takes in the insurance operations in Italy, Germany, Turkey and Malta.

Key figures

ITEM	DECEMBER 2023	DECEMBER 2022	Δ %
Investments, real estate and cash	3,534.8	3,498.0	1.1%
Insurance contract liabilities	3,218.7	3,214.1	0.1%
CSM	90.5	68.3	32.5%
Shareholders' equity	486.2	477.1	1.9%

Figures in million euros

Information by country

COUNTRY	Insurance revenue			Attributable result		
	DECEMBER 2023	DECEMBER 2022	Δ %	DECEMBER 2023	DECEMBER 2022	Δ %
TURKEY	348.6	264.8	31.7%	22.8	-70.0	132.6%
ITALY	299.5	330.4	-9.4%	-51.0	-8.1	0.0%
GERMANY	390.4	370.3	5.4%	-17.8	2.1	0.0%
MALTA	140.6	127.1	10.6%	6.6	2.9	126.2%
OTHER*	0.0	46.9	---	0.0	-0.1	---
TOTAL	1,179.1	1,139.5	3.5%	-39.4	-73.2	46.2%

Figures in million euros

*In fiscal year 2022 included ABDA (Indonesia) and MAPFRE INSULAR (Philippines)

Insurance revenue in EMEA was up 3.5% to 1.2 billion euros in 2023. The positive performances from Turkey and Malta stands out, with growth of 31.7% and 10.6% respectively.

The region recorded losses in 2023, concentrated in Italy and Germany, as a result of the complicated Automobile environment and strong storms in Europe.

In Turkey, the good performance of financial investments denominated in euros have offset both the effect of inflation and the impact of the earthquake in the first quarter, allowing the country to report profits for 2023. Malta maintains a recurring contribution to earnings.

Information by most relevant business line

EMEA	Insurance revenue			Attributable result		
	DECEMBER 2023	DECEMBER 2022	Δ %	DECEMBER 2023	DECEMBER 2022	Δ %
LIFE	55.5	50.2	10.6%	0.9	0.9	-1.4%
LIFE PROTECTION	20.4	19.7	3.3%	7.3	4.5	59.5%
LIFE SAVINGS	35.2	30.5	15.3%	(1.9)	(3.5)	45.6%
AUTOMOBILE	842.4	816.9	3.1%	(45.3)	(52.2)	13.3%
GENERAL P&C	133.2	108.2	23.1%	4.2	(0.3)	0.0%
ACCIDENT & HEALTH	127.9	97.4	31.3%	12.3	(17.3)	170.9%
OTHER	20.1	66.8	-69.9%	(11.5)	(4.3)	167.4%
TOTAL	1,179.1	1,139.5	3.5%	(39.4)	(73.2)	46.2%

Figures in million euros

Market shares for the EMEA region are shown in the following table.

LINE	GERMANY		ITALY		MALTA	
	DECEMBER 2022	DECEMBER 2021	DECEMBER 2022	DECEMBER 2021	DECEMBER 2022	DECEMBER 2021
Automobile	1.3%	1.3%	1.2%	1.3%	34.3%	34.4%
Total Non-Life	0.5%	0.5%	0.6%	0.6%	33.3%	33.2%
Total Life	—%	—%	—%	—%	77.5%	76.4%
TOTAL	0.2%	0.2%	0.2%	0.2%	61.8%	60.1%

MAPFRE RE

MAPFRE RE is a global reinsurer and is the professional reinsurer of the MAPFRE Group.

MAPFRE RE offers reinsurance services and capacity, providing all types of treaty and facultative reinsurance solutions across all Life and Non-Life lines of business.

MAPFRE RE also includes the Global Risks Unit, which is the MAPFRE Group specialist unit for managing the global insurance programs of large multinationals [offering policies that cover aviation, nuclear, energy, civil liability, fire, engineering and transport risks].

The key data relating to MAPFRE RE is presented here.

Key figures

ITEM	DECEMBER 2023	DECEMBER 2022	Δ %
Investments, real estate and cash	6,629.1	6,227.2	6.5%
Insurance contract liabilities	7,865.0	7,760.8	1.3%
Shareholders' equity	2,312.7	2,066.2	11.9%

Figures in million euros

Insurance revenue at MAPFRE RE, which includes the Reinsurance and Global Risks businesses, increased by 15.3% to just over 8.0 billion euros.

The attributable result has evolved very positively to 252.1 million euros, representing growth of 44.1%.

Two significant catastrophic events, the earthquake in Turkey and Hurricane Otis in Mexico, had a combined impact of 153 million euros. Other frequency events, including storms in Europe, were offset by the absence of events in the Atlantic.

MAPFRE ASISTENCIA/MAWDY

This business unit specializes in travel assistance, roadside assistance, and other specialty risks of the Group.

Key figures

ITEM	DECEMBER 2023	DECEMBER 2022	Δ %
Investments, real estate and cash	209.6	199.6	5.0%
Insurance contract liabilities	79.3	94.1	-15.8%
Shareholders' equity	126.4	126.8	-0.3%

Figures in million euros

Insurance revenues at MAPFRE ASISTENCIA/MAWDY reached 224.2 million euros in 2023, and the net result was 5.6 million euros.

SIGNIFICANT ECONOMIC AND CORPORATE EVENTS

Relevant Economic Facts

Impacts of inflation on insurance and reinsurance operations

Persistent inflation has led to an increase in the cost of claims, especially in those Non-Life lines where the obligation on the insured party materializes in the form of service provision. MAPFRE has opted to implement efficiencies in its processes and reduce costs as measures to mitigate inflationary effects, as well as to transfer the minimum amount necessary to premiums, so as to allow for a sufficient rate to cover the expected costs during the term of the policy.

This updating of rates, together with the low relevance of long-tail business lines means that MAPFRE's exposure to inflationary impacts on its insurance liabilities is very limited.

In relation to investments allocated to insurance operations and the impact of inflation, MAPFRE opted in previous years to diversify into alternative investments, mainly real estate and infrastructure, which provide additional protection against persistent inflationary environments.

MAPFRE also chose to replace part of its fixed-rate bonds and debt with securities whose interest rate is linked either to inflation or central banks' interest rates, which affords some protection against the inflationary environment.

Hyperinflationary economies

In 2023, both Venezuela, Argentina and Turkey continue to be considered hyperinflationary economies, with a negative impact on the result for the period of 70.2 million euros, reflected in the heading "Result from restatement of financial statements."

Catastrophic events

Earthquake in Turkey / Hurricane Otis

The earthquake in Turkey at the beginning of the year and the hurricane that occurred in Mexico in October 2023, called Otis, impacted the results of MAPFRE RE and the local insurance companies in the aggregate amount of 159 million euros.

Adverse atmospheric events in Europe

The higher frequency of atmospheric events in Europe, mainly in Iberia, Italy and Germany, had an additional net impact of 115 million euros above the level of similar claims recorded in 2022.

Relevant Corporate Events

Acquisition of INSIGNIA LIFE

On July 27, 2023, MAPFRE reported the agreement to acquire 94% of the shares representing the capital of the Mexican company PROYECTO INSIGNIA, S.A.P.I. DE C.V., an entity that owns the entire share capital of INSIGNIA LIFE, S.A. DE C.V., a Life insurance company that operates in Mexico.

The transaction involved the payment of an initial price of 1,606,160,000 Mexican pesos, with an additional variable payment to be made, which will depend on the achievement of specific objectives in the three years following the acquisition.

The definitive closing of the transaction is subject to approval by the corresponding authorities.

Termination of bancassurance alliance with BANKIA

In the process of resolving the bancassurance agreements between MAPFRE and BANKIA (absorbed by CAIXABANK), MAPFRE's right to receive, and CAIXABANK's obligation to pay, 120%, instead of the 110% already paid, of the market value of the insurance businesses that are the subject of said agreements, was submitted to arbitration.

On July 28, 2023, the award resolving the arbitration procedure was reported, upholding MAPFRE's claim and recognizing its right to receive 120% of the market value.

Said award would entail the obligation of CAIXABANK to pay MAPFRE an amount of 53 million euros, with a net effect on results of 47 million euros.

Impairment of goodwill in the United States

In September of the 2023 fiscal year, the Group wrote down 75 million euros of goodwill at its insurance operations in the United States. This has had no impact on the generation of cash, solvency or the Group's ability to pay dividends.

ISSUES RELATING TO THE ENVIRONMENT, SECURITY AND EMPLOYEES

Environment

In 2023, progress continued on the targets established for 2024 under the Environmental Footprint Plan. These objectives, as well as the actions necessary to achieve them, are included in the 2022–2024 Sustainability Plan to guarantee the aligned and coordinated action of all MAPFRE Group companies in this area.

In accordance with our neutrality strategy, MAPFRE's carbon footprint in Spain and Portugal has been offset through reforestation projects with the planting of 4,924 trees, also helping to restore nature and prevent deforestation.

In addition, and in the current context, the circular economy continues to be a necessary solution to the economic and climate crisis, making companies more competitive and resilient. In this area, MAPFRE has certified its Training Campus in Monte del Pilar (Madrid) and headquarters in Mexico in accordance with the AENOR Zero Waste Regulation, having also maintained the certification already obtained for the Group's headquarters in Majadahonda (Madrid) and the Data Center in Alcalá de Henares (Madrid).

More complete information on the subject of the environment can be found in the Integrated Report / 6. Committed to the environment.

Security

Work continued throughout 2023 on achieving a secure environment in which MAPFRE can pursue its everyday activities through the protection of tangible and intangible assets, including services offered to clients in accordance with the provisions of the Corporate Security and Privacy Policy, which was approved by the MAPFRE S.A. Board of Directors on December 13, 2018.

In relation to protection against cyber threats, the MAPFRE Group's Cyber Resilience Plan (CRP) continued to be deployed in 2023, which serves as the master plan that guides MAPFRE's progress in Cybersecurity, Privacy, Data Protection and Digital Operational Resilience.

At the close of 2023, the CRP had been 82.8% deployed, in line with forecasts.

In the area of data privacy and protection, in 2023, work was done to automate and optimize the processes associated with compliance with the different legislation in force in this area, to enable a better response to requirements and to minimize human errors.

In addition, progress was made on approving of binding corporate rules (BCRs), which will enable MAPFRE to assure regulators and third parties of a standardized level of protection of customer data.

Employees

The accompanying chart shows the headcount at the end of 2023, compared with the headcount for the previous fiscal year.

CATEGORY	TOTAL NUMBER	
	2023	2022
BOARD DIRECTORS (*)	19	17
EXECUTIVES	46	45
MANAGEMENT AND EXPERT MANAGEMENT	1,632	1,616
MIDDLE MANAGERS AND EXPERTS	5,187	4,896
ADVISORS	15,184	15,581
ASSOCIATES	8,805	9,138
TOTAL	30,873	31,293

*Executive board directors of Spanish companies

MAPFRE is a global company built on the continuous effort of the 30,873 people who are at the heart of our people management strategy, the pillars of which are development, promotion and well-being.

MAPFRE has a Capability Transformation plan in place, the main objective of which is to identify and develop the necessary knowledge for the business in the short and medium term, in addition to improving employability with development plans, career plans, training itineraries, upskilling, reskilling and retention plans.

All countries define succession plans up to the third organizational level. These plans have a common methodology that defines immediate, short-term and medium-term replacement, as well as the professional road maps in order to prepare potential successors.

MAPFRE establishes appropriate and competitive remuneration according to the function/job position, merits, and performance. This remuneration is based on applicable regulations while guaranteeing equality and nondiscrimination. The remuneration model focuses on productivity and the generation of added value, with flexibility to adapt to the different groups and circumstances of an increasingly demanding talent market.

MAPFRE has a transparent Remuneration Policy in place that all employees are aware of, whereby remuneration serves as a source of motivation and satisfaction that allows the objectives set to be achieved and the strategy to be met within the framework of the company's long-term interests.

To make good on its Sustainability Plan 2022–2024, MAPFRE has committed to reducing its pay gap to within +/-1% by 2024. As such, in 20223, the methodology for calculating the equal pay gap, verified in 2018 by the consulting firm Ernst & Young (EY), continued to be applied.

MAPFRE is a diverse, egalitarian and inclusive company with a Global Diversity and Equal Opportunity Policy in place that was approved by the MAPFRE Board of Directors on July 23, 2015, and a Diversity, Inclusion and Equity Strategy called Inclusion for Sustainable Growth. People from five different generations coexist in the company, contributing enthusiastically and making the most of their talents in an equal-opportunity environment.

Both the aforementioned policies and the other corporate policies are available to the workforce on the Global Intranet.

Since February 2020, MAPFRE has been a signatory of the United Nations Women's Empowerment Principles. In 2021, 2022, and 2023, it was included in the Bloomberg GEI (Gender Equality Index).

MAPFRE promotes the integration of people with disabilities in the workforce and is committed to ensuring that people with disabilities make up 3.5% of its workforce. In 2023, people with a disability accounted for 3.9%% of the workforce.

The objective of the Health, Well-being, and Prevention of Occupational Risks Policy is to protect and promote a safe and healthy workplace and improve the health of our employees and their families, both inside and outside the workplace. The Global Healthy Company Management Model, implemented worldwide, includes five areas of action: labor environment, health promotion, physical activity and nutrition, and mental well-being and work environment.

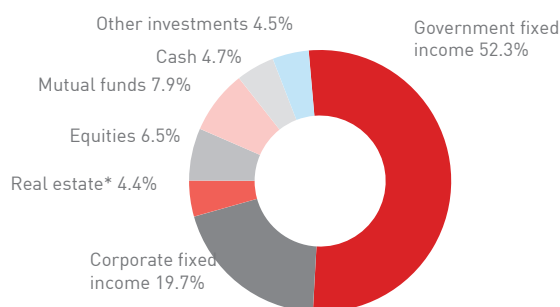
The Human Rights Policy guarantees the right to freedom of opinion, information and expression, respecting the diversity of opinions in the company and promoting dialog and communication, as well as the right to a safe and healthy working environment in which any display of harassment and violent or offensive behavior toward the rights and dignity of people is rejected.

More information on this matter can be found in the Integrated Report / 5.1. Developing our people.

LIQUIDITY AND CAPITAL RESOURCES

INVESTMENTS AND LIQUID FUNDS

Details of the investment portfolio by type of assets, as of December 31, for the last two financial years is shown in the following graph.



ITEM	DECEMBER 2023
Government fixed income	23,003.9
Corporate fixed income	8,687.2
Real Estate*	1,951.1
Equity	2,843.2
Mutual funds	3,456.6
Cash	2,086.0
Other investments	1,973.4
TOTAL	44,001.4

Figures in million euros

*Real estate includes both investment property and real estate for proprietary use (at acquisition price).

There follows a breakdown of the Fixed Income portfolio by geographical area and asset type.

Item	Government	Total Corporate Debt	Total
Spain	9,612.4	1,572.9	11,185.2
Rest of Europe	4,104.4	3,969.4	8,073.8
United States	1,741.7	1,985.1	3,726.8
Brazil	3,765.6	1.2	3,766.8
Latin America - Other	2,658.8	722.0	3,380.8
Other countries	1,121.1	436.6	1,557.7
TOTAL	23,003.9	8,687.2	31,691.1

Figures in million euros

Four different types of portfolios are included in investment portfolio management:

- Those that aim for a strict immunization of the obligations derived from insurance contracts, and which minimize interest rate risk, through matching adjustments, by means of immunization techniques based on matching cash flow or duration.
- Portfolios that cover Unit-Linked policies composed of assets where the risk is borne by policyholders.
- Conditioned actively managed portfolios, that aim to exceed guaranteed returns and to obtain greater returns for policyholders within prudential parameters, such as portfolios with profit-sharing.
- Freely actively managed portfolios, which are only conditioned by the legal rules and internal risk limitations.

The accompanying table shows a breakdown of actively managed Fixed Income portfolios.

		Market value (€ billion)	Accounting yield (%)	Market yield (%)	Modified duration (%)
IBERIA NON-LIFE	12/31/2023	3.48	2.50	3.28	7.80
	12/31/2022	3.00	2.16	3.60	8.97
MAPFRE RE NON-LIFE	12/31/2023	4.16	2.54	3.80	3.40
	12/31/2022	3.26	1.87	4.04	3.46
IBERIA LIFE	12/31/2023	4.45	3.64	3.16	5.53
	12/31/2022	4.18	3.34	3.31	5.85
LATAM (EXCL. BRAZIL)	12/31/2023	3.03	7.94	8.41	5.04
	12/31/2022	2.50	8.18	9.52	3.88
BRAZIL - MAPFRE SEGUROS	12/31/2023	1.16	8.63	9.62	2.64
	12/31/2022	0.94	8.85	11.44	2.86
NORTH AMERICA	12/31/2023	1.80	2.82	5.42	4.21
	12/31/2022	1.80	2.62	5.30	4.40

Assets under management

The accompanying chart reflects the development of assets under management.

ITEM	DECEMBER 2023	DECEMBER 2022	Δ %
Pension funds	6,405.1	5,700.7	12.4%
Mutual funds and other	6,561.7	5,525.8	18.7%
TOTAL	12,966.8	11,226.5	15.5%

Figures in million euros

Real estate

The MAPFRE Group's strategy regarding real estate investments, both direct and through mutual funds, followed similar guidelines to the previous year, although in 2023 prudence guided investment decisions. The international context following interest rate hikes since mid-2022 has led to a generalized collapse of cross-transactions in international markets (up to 85% in some international markets), with a significant divergence between investor expectations, which seek opportunities with downward prices and seller expectations, in the reverse sense. Under this scenario, MAPFRE has followed very restrictive criteria when selecting target assets

The general guidelines remain unchanged, with a focus on office properties, in central locations in the main capitals of the eurozone, assets delivering returns and with prime tenants. In short, we seek assets with high price stability and resilience in crisis scenarios. Divestment of assets that do not fit that definition continues, insofar as they are not necessary for MAPFRE's insurance operations.

New real estate investments materialize through agreements with top-tier international partners that provide their management capacity in markets such as France, Germany, Italy, the United Kingdom and Benelux, among others.

Four assets, located in Berlin, London, Paris and Lisbon, have been incorporated into these funds as a whole, all in central locations and for a total amount of 176 million euros.

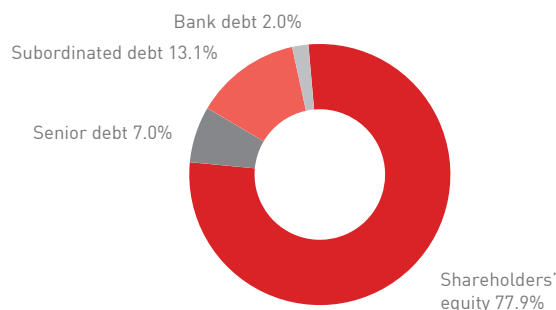
On the divestment side of things, various sales agreements were executed, partly for office buildings in Spain that didn't fit into the Group's current strategy, and some land sales of plots that were originally acquired for residential projects. The combined amount of disposals in Spain in fiscal 2023 amounted to 174.5 million euros, with another 12.5 million coming in from other countries.

At the end of 2023, MAPFRE's real estate investments at market value amounted to more than 2.6 billion euros, with a net book value equivalent to 4.5% of total investments.

CAPITAL RESOURCES

Capital structure

The accompanying chart shows the composition of the capital structure at the close of 2023.



Capital structure reached almost 12.3 billion euros, of which 78.0% corresponds to equity.

Debt instruments

The following table shows the evolution of the Group's debt instruments.

ITEM	DECEMBER 2023	DECEMBER 2022
Total equity	9,656.3	8,869.7
Total debt	2,743.2	2,934.7
- of which: senior debt - 5/2026	864.2	863.5
- of which: senior debt - (2022 issuance)	505.0	504.3
- of which: senior debt - 3/2047 (First call 3/2027)	618.8	618.6
- of which: subordinated debt - 9/2048 (First Call 9/2028)	504.6	504.2
- of which: syndicated loan 2/2025 (€1,000M)	80.0	237.0
- of which: bank debt	170.6	207.2

Figures in million euros

Equity developments

Consolidated equity amounted to more than 9.6 billion euros at December 31, 2023, as compared to almost 8.9 billion euros at December 31, 2022. To December 31, 2023, the 1.2 billion euros in non-controlling interests' shares in subsidiaries corresponds primarily to financial entities in Spain and Brazil with which MAPFRE has bancassurance agreements in place. Consolidated equity attributable to the controlling Company per share was 2.75 euros at December 31, 2023 (2.53 euros at December 31, 2022).

The accompanying table shows changes in equity attributable to the controlling Company in the period.

ITEM	DECEMBER 2023
BALANCE AT 12/31 PREVIOUS YEAR	7,797.0
IFRS 9 transition impact	
Additions and deductions recognized directly in equity:	
Financial assets at fair value through OCI	680.3
Provision discounting at current value	(320.1)
Subtotal	360.2
Currency conversion differences	64.4
Other	9.8
TOTAL	434.4
Result for the period	677.2
Equity gains/losses without recycling	59.1
Dividends	(446.7)
Other changes in net equity	(50.8)
BALANCE AS AT PERIOD END	8,466.6

Figures in million euros

Equity attributable to the controlling Company at the close of December 2023 includes:

- An increase of 680.3 million euros in financial assets at fair value with changes in equity, partially offset by the variation in insurance and reinsurance contract liabilities of 320.1 million euros.
- An increase of 64.4 million euros due to currency conversion differences.
- Result as of December 2023 amounting to 677.2 million euros.
- A reduction of 446.7 million euros for the final dividend for fiscal 2022 and the interim dividend for fiscal 2023.

The breakdown of equity attributable to the controlling Company is shown in the accompanying table.

ITEM	DECEMBER 2023
Capital, retained earnings and reserves	10,264.3
Treasury stock and other adjustments	(8.6)
Net capital gains / losses	(435.2)
Unrealized gains /losses (Financial assets at fair value through OCI)	(115.0)
Shadow accounting (Gains allocated to insurance and reinsurance contracts)	(320.2)
Currency conversion differences	-1,353.88
Attributable equity	8,466.58

Figures in million euros

The accompanying table shows a breakdown of the currency conversion differences and variations.

CURRENCY	2023	2022	VARIATION
U.S. dollar	538.8	608.1	-69.3
Brazilian real	(808.1)	(857.7)	49.6
Venezuelan bolivar	(421.3)	(420.1)	-1.1
Turkish lira	(355.1)	(360.1)	5.0
Argentine peso	(112.5)	(89.9)	-22.5
Mexican peso	(50.0)	(91.2)	41.2
Colombian peso	(28.9)	(105.0)	76.1
Other currencies	(116.9)	(102.3)	-14.6
Total	(1,353.9)	(1,418.3)	64.4

Figures in million euros

CONTRACTUAL SERVICE MARGIN (CSM)

EVOLUTION OF CSM

The evolution of the Contractual Service Margin (CSM) during fiscal 2023 is presented here, along with a breakdown of its components.

ITEM	2023
Initial CSM	2,303.9
Accredited interest	88.9
New business CSM	293.0
Experience and hypothesis adjustments	221.7
Exchange rates	46.8
CSM growth	650.4
Release for period	-354.6
CSM as at December 2023	2,599.7

Figures in million euros

CSM BY REGION

The breakdown of the CSM by region/business unit is shown in the accompanying table.

REGION	2023	2023
IBERIA	1,686.5	1,531.6
BRAZIL	570.0	455.9
OTHER LATAM	249.9	246.5
NORTH AMERICA	2.8	2.0
EMEA	90.5	68.3
REINSURANCE	0.0	0.0
MAWDY	0.0	0.0
MAPFRE S.A.	2,599.7	2,303.9

Figures in million euros

OTHER LATAM includes MEXICO and LATAM SOUTH-CENTER

SOLVENCY II

The Solvency II ratio for MAPFRE Group stands at 198.1% at September 2023, compared to 201.2% at the close of December 2022, including transitional measures. This ratio would be 189.7%, excluding the effects of these measures. Eligible own funds reached over 9.4 billion euros in the same period, of which 83.5% are high quality funds (Tier 1).

The ratio shows a high level of solidity and stability, backed by high diversification and strict investment and asset and liability management (ALM) policies, as can be seen in the accompanying table.

Solvency margin breakdown (Solvency II)

ITEM	DECEMBER 2023	MARCH 2023	JUNE 2023	SEPTEMBER 2023
Eligible Own Funds	9,235.2	9,328.3	9,355.2	9,436.3
Solvency Capital Requirement	4,591.1	4,708.3	4,740.7	4,762.5
Solvency II Ratio	201.2 %	198.1 %	197.3 %	198.1 %

Million euro

The Group recalculates the SCR quarterly, applying estimates in the underwriting and counterparty risk.

Impact of transitional measures and matching and volatility adjustments

Ratio at 09/30/2023	198.1 %
Impact of transition for technical provisions	-8.5 %
Total ratio without transitional measures	189.7 %
Ratio at 09/30/2023	198.1 %
Impact of matching adjustment	-1.5 %
Impact of volatility adjustment	-0.8 %
Total ratio without matching and volatility adjustments	195.8 %

ANALYSIS OF CONTRACTUAL OPERATIONS AND OFF-BALANCE SHEET OPERATIONS

MAPFRE RE's minority shareholders have a put option on their shares in that company. In the event of it being exercised, MAPFRE or a MAPFRE Group company must acquire the shares of the minority shareholder interested in selling. The purchase price of MAPFRE RE shares will be calculated using a previously agreed formula. As at December 31, 2023, taking into account the variables included in the aforementioned formula, the commitment assumed by MAPFRE in the event of exercising the aforementioned option would amount to a total of approximately 128.9 million euros.

MAIN RISKS AND UNCERTAINTIES

MAPFRE's risk management system (RMS) is based on the integrated management of each and every business process and the alignment of risk levels to the defined strategic objectives.

The Group's main activity is the insurance and reinsurance business. Detailed information on the different types of insurance risks is included in note 7. "Risk management" of the Consolidated Report.

Regarding the financial risks that affect the Group's activity, the following should be noted:

Market and interest rate risks

A significant part of the Group's results and assets is subject to financial market fluctuations. These changes in market prices may reduce the value of or revenues deriving from the investment portfolio, which in turn may have a negative impact on the Group's financial situation and consolidated results.

A prudent investment policy (characterized by a large proportion of highly rated fixed income securities) and the prudent selection and sustainability criteria of financial assets with adequate characteristics to cover the obligations undertaken are the main measures that mitigate the possible adverse effects of variations in market prices.

Fixed income securities represent 83.5% of the total financial investment portfolio in 2023 (80% in 2022). Investments in equities and mutual funds have a limited weight in the balance sheet, accounting for approximately 16.5% of total financial investments in 2023 (20% in 2022).

During fiscal 2023, in several of the markets in which the Group operates (eurozone countries and the U.S.), the interest rate hike that began in 2022 continued to curb the strong inflationary spike that began in the spring of 2021. This occurred as a result of supply-side tensions arising from the post-COVID period (with special mention of the direct impact via the energy aspect and the lack of components that impact on production supply chain problems, as well as expansionary fiscal policies), subsequently accentuating as a result of the Ukraine conflict, and contributing to pressures on enterprise costs. The foregoing aspects may influence consumer behavior, causing a decrease in demand and a contraction in the volume insurance products and services purchased.

Revenue from MAPFRE's Life insurance and asset management operations are directly related to the value of the assets managed (whether fixed income or equities), so a fall in the markets could negatively affect these revenues.

Exchange rate risk

Changes in the value of the euro against other currencies affect the value of the Group's assets and liabilities, and, therefore, its equity, operating results and cash flows. The currency conversion differences recorded in own funds attributable to the controlling company resulted in the positive acknowledgment of 64.4 million euros in 2023.

Turning to technical provisions for operations abroad, the Group generally applies a policy of investing in assets denominated in the same currency as the commitments acquired by the insurer, thereby mitigating the exposure to exchange rate risk.

Credit risk

Returns on investments, among others, are sensitive to changes in the general economic conditions, including variations in the general credit rating of debt security issuers. Accordingly, the value of a fixed income instrument may be reduced by changes to the credit rating or insolvency of the issuer. There are similar risks in exposures to insurance, reinsurance and banking counterparties.

Exposure to credit risk is mitigated through a policy based on the prudent selection of security issuers and counterparties on the basis of their solvency, seeking i) an elevated degree of geographic correspondence between issuers of assets and the commitments assumed; ii) maintenance of an appropriate level of diversification; and iii) securing, if necessary, guarantees, collateral and other additional coverages.

The Credit Risk Management Policy establishes limits per issuer in line with the risk profile of the counterparty or the investment instrument, as well as exposure limits in relation to the counterparty's rating.

Additional Information

The relevant information and metrics on risk management at MAPFRE and ESG risks and opportunities can be found in the Integrated Report / 3. Risk Management.

SIGNIFICANT EVENTS AFTER THE FISCAL YEAR-END

There have been no relevant events subsequent to the close of the fiscal year.

INFORMATION ON EXPECTED PERFORMANCE

OUTLOOK

The resurgence of tensions in the Middle East, with the Gaza-Israel conflict, marked the second half of 2023. This situation is keeping that region and the West on high alert, particularly due to a potential escalation of the conflict. Meanwhile, there is still no solution to the ongoing conflict in Ukraine, but there has been a clear reduction in terms of both military efforts and financial backing, which could lead Ukraine and NATO to propose sitting down at the negotiating table. In any case, this environment is a reminder that geopolitical tensions may have significant implications for the global economic context, as they influence supply risk in energy and commodity markets, and consequently price dynamics.

In the energy markets, oil prices fell sharply from late September (when they surpassed USD 100/barrel) to USD 77/barrel at the end of the year. However, the outbreak of war in the Gaza strip drove prices up temporarily, before falling off again from mid-October onward, demonstrating that concerns about a global slowdown take precedence over possible supply problems due to the war.

2023 was also a year marked by the bankruptcy of three large banks in the United States (Silicon Valley Bank, First Republic, and Signature). This followed a loss in value of investment portfolios due to the rise in interest rates. To prevent the problem from spreading to other banks, the Federal Reserve launched a liquidity line (BTFP - Bank Term Funding Program) consisting of buying bonds at book value to prevent banks from having to sell securities on the market at a loss. At the time of the last quarterly report by the Federal Deposit Insurance Corporation (FDIC), the aggregate banking sector had accumulated unrealized losses of nearly 560 billion dollars. The BTFP was created as a temporary source of aid and will expire on March 11, 2024, unless extended by the Federal Reserve.

Meanwhile, in the area of economic activity, the markets and analysts are trying to determine whether the desired soft landing will be ultimately achieved, both in the United States and in the eurozone, or whether, on the contrary, the risk of a tougher recession persists.

Until now, the inversion of the interest rate curve has been a true indicator for predicting recessions. In the current environment, however, it remains to be seen whether the indicator will fail this time, or whether the recession has simply been postponed due to the investment packages and tax aid activated in both Europe and the United States. In addition, these aid packages, together with the increase in defense expenses, place the focus on increasing debt levels. In this regard, some central banks have drawn attention to the fact that governments should also make efforts to redirect expenditures, an important factor in order to be aligned in controlling inflation.

Currently, government spending levels are very high for several reasons: i) the forced closure of economies as a result of the COVID-19 pandemic; ii) aid to offset the effects of inflation; iii) investments in energy transition; iv) population aging and pension spending; v) war financing and increased defense spending. This high spending is leading to worrisome increases in debt, which in turn are aggravated by the increase in interest they must pay. Thus, the benchmark interest rate for 10-year US Treasury bonds reached 5% in October, with the Italian one also reaching 5% and Spanish one exceeding 4%; these were the highest levels in a decade.

If interest rates remain high for several years, they will impact renewals and therefore significantly increase spending on public debt interest, casting doubt on the medium-term sustainability of the debt. In August, Fitch Ratings cut its rating on U.S. debt to AA+, the same rating assigned to it by S&P.

Inflation levels eased throughout 2023 but rebounded again in the final stretch of the year. This was influenced by the base effects, the end of some aid relief programs, and the fact that fiscal deficits remain high. Likewise, salary reviews will cause inflation to consolidate at new levels due to second-round effects (defense of purchasing power).

The central banks of the United States and the eurozone appear to have paused their interest rate hikes, insofar as the tightening of financial conditions is already being seen in the economy, and inflation has largely (although not entirely) subsided. Meanwhile, central banks are attempting to reduce their balance sheets, mainly via non-reinvestment in maturing bonds, to ensure a smooth transition toward monetary normalization.

The transmission of monetary policy to credit conditions is strong. In this regard, 20-30% reductions in mortgage approvals are being observed across the eurozone. Furthermore, the monetary base has been visibly shrinking in the eurozone since the end of 2022, and the same phenomenon has been observed in the United States since the first quarter of 2021.

Looking ahead to 2024, unless risks materialize, a soft landing would be expected in both the United States and the eurozone. However, the level of uncertainty has never been so high. Two major conflicts are underway, and the Middle East conflict could destabilize the entire region while impacting energy markets. Also, there is a historic tightening of financial conditions at a time when government debt levels are quite high, and instead of prospects for reduction, there are several factors driving their increase (higher defense spending, energy transition, increase in pension expenses, and the cost of debt itself).

Credit and investment, which are components of aggregate demand, are being strongly affected by this financial tightening process, suggesting that activity will slow down. Private investment is therefore expected to moderate, and inventory adjustments in companies are anticipated. In the same vein, financial conditions are also tightening in the mortgage market, as the effects of interest rate hikes act at the pace of debt maturities and mortgage installment renewals.

In the United States, the real estate sector in general, and the commercial and office sector in particular, must be monitored insofar as there are indicators of a sharp slowdown. We must also pay close attention to the end of the Bank Term Funding Program (BTFP) liquidity assistance in March 2024, as well as automobile and student loans.

In Germany, Europe's industrial muscle appears to be weakening, and this is not only due to rising energy costs. Industrial production has been falling for five years, affected by a broader process of industrial relocation.

In China, significant risks remain in the real estate markets and in the region's debt, with implications for the financial sector. The Chinese government continues to activate stimulus packages to keep the economy moving.

Finally, vigilance must be maintained for any challenges that may arise in the Eurobond market (i.e. the entire USD fixed income market outside the United States). According to analysts, there are 21 emerging countries whose dollar debts are greatly increasing their spreads (above what interest rates have already risen in the United States), which is also exacerbated by the appreciation of the dollar.

STRATEGIC PLANNING

The 2022-2024 strategic cycle we are in the middle of, duly approved by the MAPFRE S.A. Executive Committee and Board of Directors, the metrics of which have been calculated according to the accounting principles in force in each country, is subject to continuous review, which enables us to manage the uncertain environment we are navigating.

There follows a review of the most relevant progress of the Strategic Plan in 2023 and the outlook for the coming years.

Plan progress in 2023

The evolution of our ambition is reflected in MAPFRE's **aspirational objectives**, the progress of which is as follows:

- ROE: 9.9% (excluding operational extraordinary items) compared to an initial aspiration for the 2022-2024 three-year period of 9% - 10% (average ratio).
- Growth in premiums: 9.7% compared to an initial aspiration for the three-year period 2022-2024 of 5% - 6% (average growth at constant scope).
- Non-Life combined ratio: 97.24% compared to an aspiration for the 2023-2024 period of around 96% (average ratio).
- Gender pay gap: 0.90% compared to an initial aspiration of +/-1% by 2024.

- ESG investments: 96.6% of the investment portfolio (managed by MAPFRE AM, Brazil and USA) rated in line with ESG criteria, compared to an initial aspiration of 90% by 2024 (from the Global portfolio).

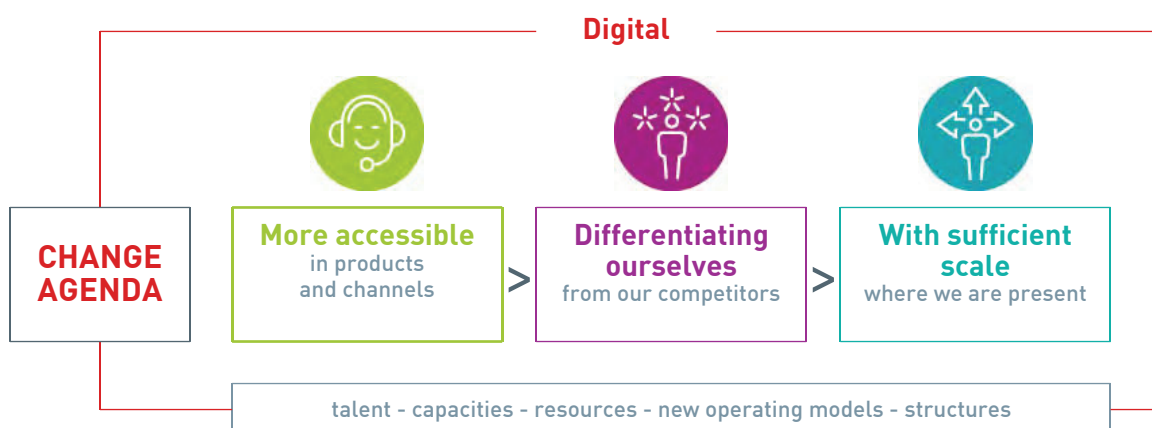
In 2023, we updated and approved the Strategic Planning Rules, which helps us adapt, not only to new ways of working, but also to thinking, so that we can successfully face the challenges the future holds and continue modernizing our Company.

These rules include new approaches for dealing with current challenges and **competing in an increasingly dynamic business environment**.

In 2023 we carried out a profound renewal of our organizational structure, which came into force on January 1, 2024, the aim of which is to make the most of the path ahead.

Our business model will respond to the needs of all stakeholders, supporting global growth and leveraging the strengths of our company.

Our roadmap for the coming years will continue to focus on accessibility, differentiation and scalability, all underpinned by digitalization. Our talent and experience will enable us to achieve the objectives we set ourselves.



We will continue to rely on our strategic pillars of growth and profitability, efficiency and productivity, and transformation; which we will also reinforce with the broad and positive sustainability project that we have deployed. The commitment of the human team to the business will contribute to the stability of these pillars.



We want to work in greater depth on the potential for disciplined growth focused on:

- Prioritization
- Developing new lines of business
- Enriching our current businesses
- Properly allocating resources

Our objective is to reach customers and make the presence we have in the markets more effective, facing external circumstances and responding to internal challenges. Flexibility will allow us to execute our plan and focus it on achieving objectives, in addition to generating social value.

R&D+i ACTIVITIES

INNOVATION

Innovation is an integral part of MAPFRE's strategy, business model, and culture, making it possible to develop new products and solutions that are aligned with customer needs and respond to new market trends and environmental and social aspects.

MAPFRE Open Innovation is MAPFRE's strategic commitment to boost client-centered transformation. With it, the company aims to foster innovation carried out by and for people. Designed as an open innovation platform, MAPFRE Open Innovation forms partnerships with other actors and uses emerging technologies. For MAPFRE Open Innovation, adding value to MAPFRE is as important as contributing to the progress toward a more prosperous, just, and egalitarian society. Since 2019, more than three million clients have benefited from solutions originating from this model, in terms of both insurance operations (contracting or benefits) and relational and aspirational aspects, addressing major social issues. In addition, proposals have been analyzed from more than 2,500 startups, of which more than 50 have gone through our acceleration and adoption programs, which has consolidated our relationship with entrepreneurs in the insurance industry and our role as a benchmark for the insurtech environment.

MAPFRE has managed to attract the best projects in their class, signing agreements with some of the most valued startups and the top insurtech solutions in the market. As part of our commitment to venture capital investment associated with the insurance industry, MAPFRE participates as the main investor in the venture capital fund Alma Mundi Insurtech, managed by Mundi Ventures. Fund I, with 100 million euros, has already entered the divestment phase. Fund II, which initially closed at 172 million euros with a projected size of 250 million euros, was launched in early 2022 and has already made 17 investments. It is considered one of the largest insurtech mutual funds in Europe.

In 2023, more focus and resources began to be placed on growth initiatives, i.e. opportunities that could represent a significant part of the insurance business in the future. This is how we address verticals that have gained importance in recent years, such as health and well-being or new mobility, but also emerging risks, such as those associated with climate change, cybersecurity, and artificial intelligence, which we must know how to properly assess in order to offer the best protection to our customers. At the same time, this year we have continued to work on transformation initiatives that promote efficient operations and an improved user experience, automating processes such as claims processing, image appraisal, and document and image management. In this area, progress was made in scaling up the most mature solutions to MAPFRE countries and in achieving the first deployment of the most pioneering solutions.

As for Artificial Intelligence (AI), on which there are numerous and increasingly frequent studies addressing its impact on the world economy, its growing use in all sectors is an undisputed fact. Although AI has great potential to improve process efficiency and enable new options, its use is not without risks. Greater use means greater potential exposure to technical risks (performance and robustness, security), ethical risks (biases, explainability), and regulatory risks (compliance and responsibility). In addition, the launch of Generative Artificial Intelligence tools accessible to all types of profiles has heightened the debate, including aspects related to intellectual property and the sustainability of solutions.

MAPFRE has more than 85 Artificial Intelligence/Advanced Analytics, Machine Learning, and Deep Learning use cases underway, and 70% of the models are focused on issuing and benefits in the Automobile business line. During 2023, six cases for Generative Artificial Intelligence were developed and launched.

Additional information on information is available in the Integrated Report / 5.5. Digitalization of products and services and processes.

QUALITY

For MAPFRE, the quality perceived by its customers and other stakeholders is a fundamental concern. For this reason, since 2015, global models have been defined to enable us to understand the experience of different types of customers.

These measurements are taken through surveys of internal and external clients in all the countries and businesses in which MAPFRE operates, covering the insurance, reinsurance, global risks and assistance services lines. They are based on the Net Promoter Score (NPS®) methodology, which measures customer perception through their likelihood of recommending the company to their friends or family members. This indicator also allows us to measure the customer's objective perception of the company and their willingness to renew, recommend, and cross-sell.

The first customer experience measurement model to be defined was relational NPS®, which measures the level of perception of a representative sample of MAPFRE's customers and its main competitors in each country and line of business.

In 2023, a relational NPS® measurement wave was carried out again, involving a representative sample of MAPFRE's portfolios. This wave, with more than 75,000 respondents, covered 18 countries and lines of business, while a total of 88 companies were analyzed around the world. Comparing the results of MAPFRE companies in recent years shows that the percentage of businesses whose NPS® exceeds the market average is as follows:

2020	2021	2022	2023	OBL 2023
82%	88.74%	87.4%	92.94%	>= 70%

To complement these measurements of relational NPS®, the Quality Observatory defined a Global Model for transactional NPS®, which allows MAPFRE to find out a client's perception in real time after interacting with us. This model is already implemented in Brazil, Spain, the United States, Puerto Rico, Mexico, Peru, Panama, Costa Rica, Nicaragua, Honduras, Salvador, Guatemala, Dominican Republic, Germany, and at MAWDY in Italy.

When analyzing the results of the measurements in the relational and transactional NPS® programs, the distributor client has been observed to play an important role in the end client's experience. Therefore, it is essential to determine this group's perception of MAPFRE. To meet this objective, in 2022 the Global Distributor Client Relational NPS® model was defined; and in 2023 the broker's experience with MAPFRE and its competitors in Brazil, Spain, Mexico, and the Dominican Republic was measured. Specifically, it assessed the perception of the brokers who collaborate with MAPFRE in aspects such as their relationship with the company, the levers of success, the support and advice of the company for the sale of policies and the management of the use of the policy by the end

customer.

MAPFRE has more than 260 people assigned to quality control and monitoring throughout the world, and several Group companies hold quality certifications. To renew these certifications, these companies must maintain high customer service standards.

MAPFRE holds ISO 9001 certification in Spain and Turkey. MAWDY holds this same quality certification in Chile, Colombia, Ecuador, Italy, Mexico, Uruguay and the Dominican Republic.

ACQUISITION AND DISPOSAL OF TREASURY STOCK

Purchase and sale transactions involving MAPFRE S.A. shares, where appropriate, comply with the provisions of the Internal Code of Conduct regarding Listed Securities issued by MAPFRE, the Regulation on market abuse and Circular 1/2017 of the Spanish National Securities and Exchange Commission.

During fiscal years 2023 and 2022, no MAPFRE S.A. shares were purchased, and 35,670 and 203,765 shares, respectively, representing 0.0012% and 0.0066% of the capital, amounting to 65,154.72 and 368,203.36 euros, were issued to directors of subsidiaries as part of their variable remuneration.

In addition, in fiscal years 2023 and 2022, under the Flexible Remuneration Share Plans approved in 2022 and 2021, employees of MAPFRE subsidiaries in Spain were issued 4,624,725 and 10,070,672 shares, representing 0.1502% and 0.3270% of the capital, amounting to 8,747,200.33 and 17,407,950.02 euros.

As of December 31, 2023, and 2022, the total balance of treasury stock was 15,129,098 and 19,789,583, respectively, representing 0.4913% and 0.6426% of the capital, amounting to 31,675,239.07 and 41,432,726.03 euros.

OTHER RELEVANT INFORMATION

THE MAPFRE SHARE

The following table shows the key information relating to MAPFRE shares at the 2023 fiscal year-end.

Number of shares outstanding	3,079,553,273 fully underwritten and paid up
Face value of each share	0.1 euros
Share class	Common, represented by book entries. All outstanding shares carry identical voting and dividend rights
Stock exchange listings	Spanish Stock Exchange
ISIN code	ES0124244E34

According to data published by the Spanish stock market operator (BME Group), an average of 2,964,831 shares were traded daily in 2023, and the effective average daily transaction value was 5.6 million euros.

The Company estimates that at least a similar volume may be traded on alternative markets.

VALUE AND RETURN

The share price performance is detailed in the accompanying, compared to relevant benchmark indices (IBEX 35, STOXX Europe 600 Insurance and IBEX 35 Bancos).

	1 YEAR	2 YEARS
MAPFRE	7.4%	7.6%
STOXX Europe 600 Insurance	8.8%	7.6%
IBEX 35	22.8%	15.9%
IBEX 35 Banks	27.8%	44.5%

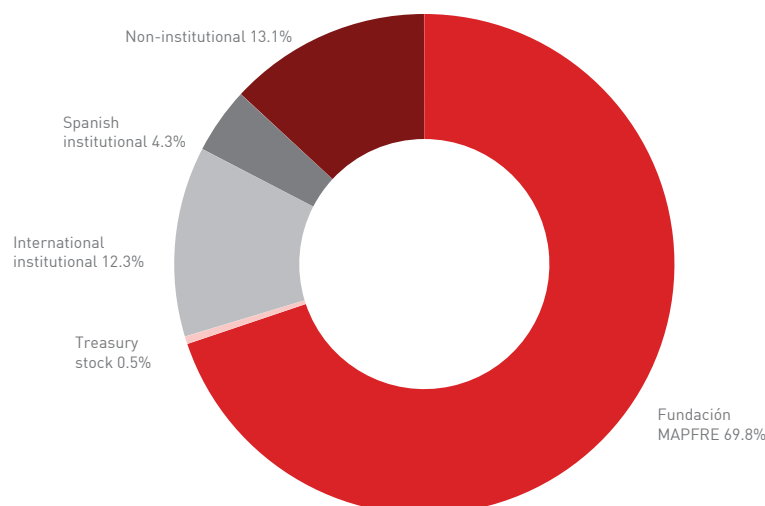
MAPFRE's earnings per share (EPS) during the same period are shown in the accompanying table.

	2023	2022
EPS (euros)	22.00	18.00
Var. %	20.2%	---

SHAREHOLDER STRUCTURE

At the end of fiscal year 2023, MAPFRE had 209,140 shareholders.

The accompanying graph shows company's shareholder structure.



DIVIDEND

On November 30, 2023, the interim dividend charged against 202e earnings was paid at 0.0603 euros per share before tax, after the amount corresponding to treasury stock had been applied to the remaining shares on a proportional basis. The total dividend paid out in the year was 0.145 euros per share, giving a total remuneration of 446.5 million euros.

The final dividend for fiscal year 2023 to be proposed at the Annual General Meeting is 0.09 euros per share before tax. Consequently, the total dividend against fiscal 2023 amounts to 0.15 euros per share before tax, representing a payout ratio of 68.2%.

Dividend payments and the dividend yield, calculated on an average share price basis, are shown in the accompanying table.

	2023	2022
DIVIDEND PER SHARE (euros)*	0.145	0.145
DIVIDEND YIELD	7.7%	8.3%

*Dividend paid in the fiscal year

CREDIT RATING MANAGEMENT

Over the course of 2023, the main ratings agencies confirmed the credit ratings of MAPFRE S.A. and its main subsidiaries as follows:

- In June, Fitch affirmed MAPFRE S.A.'s credit rating as well as MAPFRE ASISTENCIA's financial strength rating, and reaffirmed MAPFRE BHD's rating. In September it also reaffirmed MAPFRE SIGORTA's rating.
- In July, S&P affirmed the credit rating of MAPFRE S.A. and the financial strength of MAPFRE RE.

- In October, AM Best reaffirmed the financial strength ratings of MAPFRE RE, MAPFRE ESPAÑA, MAPFRE U.S.A. Group, MAPFRE PRAICO, MAPFRE MEXICO and MAPFRE PANAMA.

The current status of credit ratings of the companies headquartered in Spain and the main companies headquartered outside of Spain is provided in the accompanying table.

Companies resident in Spain	S&P	Fitch	A.M. Best
MAPFRE S.A. - Issuer	A- (Stable)	A- (Stable)	-
MAPFRE S.A. - Senior debt	A-	BBB+	-
MAPFRE S.A. - Subordinated debt	BBB	BBB-	-
<i>Financial Strength</i>			
MAPFRE RE	A+ (Stable)	-	A (Stable)
MAPFRE ESPAÑA	-	-	A (Stable)
MAPFRE ASISTENCIA	-	A+ (Stable)	-
Companies not resident in Spain	S&P	Fitch	A.M. Best
<i>Financial Strength</i>			
MAPFRE SIGORTA A.S. (Tutkey)	-	AA+ tur (Stable)	-
MAPFRE SEGUROS GENERALES DE COLOMBIA	-	AA col (Stable)	-
MAPFRE BHD COMPAÑÍA DE SEGUROS (Dominican Republic)	-	AAA dom (Stable)	-
MAPFRE U.S.A. Group	-	-	A (Stable)
MAPFRE PRAICO (Puerto Rico)	-	-	A (Stable)
MAPFRE MEXICO	-	-	A (Stable)
MAPFRE PANAMA	-	-	A (Stable)

ECONOMIC CONTRIBUTION TO SOCIETY

Insurance activity generates a direct economic value through the constant flow of transactions carried out (collection of premiums, payment of benefits, management of investments etc.), which affects different aspects related to the economic and social development of the environment in which the company operates.

Of the consolidated revenues for the year amounting to 33.4 billion euros, MAPFRE has contributed financially to the company through payments made, as detailed in the accompanying table.

ITEM	2023
Benefits paid ⁽¹⁾	17,785.0
Payments to providers ⁽²⁾	8,861.2
Wages and salaries, and other ⁽³⁾	1,482.1
Activity subtotal	28,128.3
Dividends ⁽⁴⁾	964.4
Shareholders subtotal	964.4
Net income tax payment	395.4
Social security	266.9
Public administrations subtotal	662.3
Interest paid	96.8
Financing subtotal	96.8
Total	29,851.8

Figures in million euros

(1) Benefits paid and related expenses of direct insurance and accepted reinsurance.

(2) Includes payment of commissions and other activity services.

(3) Wages and salaries amounted to 1,229.4 million euros in 2022 (1,214.0 million euros in 2021).

(4) Dividend payments made during the fiscal year.

Furthermore, in its capacity as an insurer, the company makes commitments to its insureds in exchange for the management of resources that are invested in assets, particularly financial assets. The accompanying table gives information about the company in its role as an institutional investor at the close of 2023.

ITEM	2023
TOTAL INVESTMENTS	44,001.4
Financial investments	38,050.6
Fixed income	31,691.1
- Issued by governments	23,003.9
- Other fixed income securities	8,687.2
Other financial investments	6,359.5
Real estate investments ⁽⁶⁾	1,951.2
Other investments	3,999.6
Pension funds	6,405.1
Mutual funds and other	6,561.7
ASSETS UNDER MANAGEMENT	56,968.2

Figures in million euros

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(6) Including real estate for own use.

PROVIDER PAYMENT TERMS

Details of the payments made by the Group's fully consolidated Spanish companies to providers in the fiscal years 2023 and 2022 are shown in the accompanying table.

Item	Days	
	2023	2022
Average provider payment period	6.4	6.1
Ratio of paid operations	6.2	5.7
Ratio of operations pending payment	17.8	22.0

Item	Figures in million euros	
	2023	2022
Total payments made	1,781.9	1,762.7
Total pending payments exceeding the maximum statutory term	32.7	37.5

The information on invoices paid in a period less than the maximum established in the delinquency regulations is shown in the accompanying table.

Item	2023	2022
Monetary amount paid (€ million)	1,781.9	1,762.7
Percentage of total monetary payments made to providers	98.2%	97.9%
Total number of invoices paid to providers	263,421	262,135
Percentage of the total number of invoices paid to providers	98.9%	98.3%

OTHER INFORMATION

The content corresponding to the Non-Financial Information Statement, which is reflected in the MAPFRE Integrated Report, is part of this Consolidated Management Report and meets the reporting requirements established by Law 11/2018 of December 28.

The table below provides an overview of the content in the Non-Financial Information Statement mentioned above.

CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT		
	Contents of Law 11/2018	GRI reporting criteria (see GRI content index in the MAPFRE Integrated Report 2023 / 8. Additional information / 8.4. Table of contents GRI)
General	General information	
	A brief description of the business model that includes its business environment, organization and structure	GRI 2-6 Activities, value chain and other business relationships
	Markets in which it operates	GRI 2-1 Organizational details GRI 2-6 Activities, value chain and other business relationships
	Organization's objectives and strategies	GRI 2-22 Statement on sustainable development strategy GRI 3-3 Management of material topics
	Main factors and trends that may affect its future performance	GRI 2-22 Statement on sustainable development strategy
	Reporting framework used	GRI 1-3 Preparation of reports in accordance with the GRI Standards
	Materiality principle	GRI 3-1 Process for determining material topics GRI 3-2 List of material topics

Environmental issues		
	Management approach: description and results of the policies related to these issues and of the main risks connected with those issues linked to the group's activities	GRI 2-12 Role of the highest governance body in overseeing the management of impacts GRI 3-3 Management of material topics
Detailed general information	Detailed information on the current and foreseeable impacts of company activities on the environment and, where appropriate, health and safety	GRI 301 to GRI 306
	Environmental evaluation or certification procedures	GRI 2-12 Role of the highest governance body in overseeing the management of impacts GRI 2-23 Policy commitments
	Resources assigned to environmental risk prevention	GRI 2-12 Role of the highest governance body in overseeing the management of impacts GRI 3-3 Management of material topics
	Application of the precautionary principle	GRI 2-23 Policy commitments GRI 3-3 Management of material topics
	Amount of provisions and guarantees for environmental risks	GRI 3-3 Management of material topics GRI 307-1
Contamination	Measures to prevent, reduce or repair emissions that seriously affect the environment, considering any specific air pollution from an activity, including noise and light pollution	GRI 302-4 GRI 305-1, 305-2, 305-3, 305-5
Circular economy and waste prevention and management	Prevention measures, recycling, reuse, other forms of waste valorization and disposal actions to combat food waste	GRI 301-1 GRI 306-2 (2020), 306-3 (2020)
Sustainable use of resources	Water consumption and water supply in accordance with local limitations	GRI 303-3, 303-5
	Consumption of raw materials and measures adopted to improve usage efficiency	GRI 301-1, 301-2
	Energy: direct and indirect energy consumption. Measures taken to improve energy efficiency. Use of renewable energies.	GRI 3-3 Management of material topics GRI 302-1, 302-2, 302-3, 302-4, 302-5

Climate change	Greenhouse gas emissions generated as a result of the company's activities, including the use of assets and services it produces	GRI 301-1 GRI 305-1, 305-2, 305-3, 305-4
	Measures taken to adapt to the consequences of climate change	GRI 3-3 Management of material topics GRI 201-2 GRI 305-5
	Voluntary medium- and long-term reduction targets in place to reduce greenhouse gas emissions and means implemented for this purpose	GRI 3-3 Management of material topics GRI 302-4 GRI 305-5
Protection of biodiversity	Measures taken to preserve or restore biodiversity	GRI 3-3 Management of material topics
	Impacts caused by activities or operations in protected areas	GRI 304-1
Social and personnel matters		
Employment	Management approach: description and results of the policies related to these issues and of the main risks connected with those issues linked to the group's activities	GRI 2-12 Role of the highest governance body in overseeing the management of impacts GRI 2-19 Remuneration policies GRI 3-3 Management of material topics
	Total number and distribution of employees by country, gender, age and professional category	GRI 2-6 Activities, value chain and other business relationships GRI 2-7 Employees GRI 3-3 Management of material topics GRI 405-1
	Total number and distribution of work contract modalities and annual average of permanent contracts, temporary contracts and part-time contracts by gender, age and professional category	GRI 2-7 Employees GRI 2-8 Workers who are not employees
	Number of dismissals by gender, age and professional category	GRI 401-1
	Average remuneration and its evolution broken down by gender, age and professional category or equal value	GRI 405-2
	Pay gap, the remuneration of equivalent job positions, and the average for the company	GRI 405-2
	Average remuneration of directors and managers, including variable remuneration, travel, subsistence and accommodation allowances, compensation, payments made to long-term pension systems, and any other income broken down by gender	GRI 2-19 Remuneration policies GRI 2-20 Process to determine remuneration
	Implementation of policies related to disconnection from work	GRI 3-3 Management of material topics
	Number of employees with a disability	GRI 405-1

	Organization of working time	2-7 employees
Organization of work	Number of absenteeism-related hours	GRI 3-3 Management of material topics GRI 403-2, 403-9
	Measures aimed at facilitating work-life balance and encouraging adoption of same by both parents	GRI 3-3 Management of material topics GRI 401-2, 401-3
Health and safety	Occupational health and safety conditions	GRI 3-3 Management of material topics GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8
	Workplace accidents, in particular the frequency and severity, as well as occupational illnesses; broken down by gender	GRI 403-2, 403-9, 403-10
Social relations	Organization of social dialog, including procedures to inform and consult personnel and negotiate with them	GRI 2-28 Membership associations GRI 2-29 Approach to stakeholder engagement GRI 402-1 GRI 407-1
	Percentage of employees covered by collective agreements by country	GRI 2-30 Collective bargaining agreements
	Overview of collective agreements, particularly in the field of occupational health and safety	GRI 403-1, 403-4 GRI 407-1
Training	Policies implemented in the field of training	GRI 404-2, 404-3
	Total number of training hours by professional category	GRI 404-1, 404-2, 404-4
Universal accessibility	Universal accessibility for people with a disability	GRI 405-1
Equality	Measures taken to promote equal treatment and opportunities between women and men	GRI 401-3 GRI 404-2
	Equality plans, measures adopted to promote employment, protocols against sexual and gender-based harassment	GRI 405-1, 405-2 GRI 406-1
	Policy against all types of discrimination and, where appropriate, management of diversity	GRI 405-1, 405-2, 406-2

Respect for human rights		
	Management approach: description and results of the policies related to these issues and of the main risks connected with those issues linked to the group's activities	GRI 2-12 Role of the highest governance body in overseeing the management of impacts GRI 3-3 Management of material topics
	Application of due diligence procedures in matters of human rights, prevention of risks of violation of human rights and, where appropriate, measures to mitigate, manage and repair possible abuses committed	GRI 2-23 Policy commitments GRI 2-26 Mechanisms for seeking advice and raising concerns GRI 407-1, 408-1, 409-1, 410-1, 411-1, 412-2, 412-3, 414-2
	Prevention of risks of violation of human rights and, where appropriate, measures to mitigate, manage and repair possible abuses committed	GRI 3-3 Management of material topics GRI 412-1
Human Rights	Complaints of human rights violations	GRI 2-26 Mechanisms for seeking advice and raising concerns GRI 3-3 Management of material topics GRI 406-1 GRI 419-1
	Measures implemented to promote and comply with provisions of the key International Labour Organization (ILO) conventions related to respect for freedom of association and the right to collective bargaining; the elimination of discrimination in employment and occupation; the elimination of forced or mandatory work; effective abolition of child labor	GRI 3-3 Management of material topics

Information on the fight against corruption and bribery

	Management approach: description and results of the policies related to these issues and of the main risks connected with those issues linked to the group's activities	GRI 2-12 Role of the highest governance body in overseeing the management of impacts GRI 3-3 Management of material topics
	Measures taken to prevent corruption and bribery	GRI 2-23 Policy commitments GRI 2-26 Mechanisms for seeking advice and raising concerns GRI 3-3 Management of material topics GRI 205-1, 205-2, 205-3 GRI 415-1
Corruption and bribery	Measures taken to combat money laundering	GRI 2-23 Policy commitments GRI 2-26 Mechanisms for seeking advice and raising concerns GRI 3-3 Management of material topics GRI 205-1, 205-2, 205-3
	Contributions to foundations and not-for-profit organizations	GRI 2-28 Membership associations GRI 201

Information about the company		
The company's commitments to sustainable development	Management approach: description and results of the policies related to these issues and of the main risks connected with those issues linked to the group's activities	GRI 2-12 Role of the highest governance body in overseeing the management of impacts GRI 3-3 Management of material topics
	Impact of the company's activity on employment and local development	GRI 3-3 Management of material topics GRI 201-1 GRI 203-2 GRI 204-1 GRI 413-1, 413-2
	Impact of the company's activity on local populations and the territory	GRI 3-3 Management of material topics GRI 201-1 GRI 203-2 GRI 411-1 GRI 413-1, 413-2
	Relationships maintained with local community actors and modalities for dialog with them	GRI 2-29 Approach to stakeholder engagement GRI 204-1 GRI 413-1, 413-2
	Association or sponsorship actions	GRI 2-28 Membership associations GRI 3-3 Management of material topics GRI 201-1
	Inclusion of social, gender equality and environmental issues in the purchasing policy	GRI 3-3 Management of material topics GRI 204-1 GRI 414-1, 414-2
Subcontracting and providers	Consideration in relations with providers and subcontractors of their social and environmental responsibility	GRI 2-6 Activities, value chain and other business relationships GRI 308-1 GRI 407-1 GRI 409-1 GRI 414-1, 414-2
	Supervision and audit systems and their results	GRI 2-6 Activities, value chain and other business relationships
Consumers	Measures directed at consumer health and safety	GRI 3-3 Management of material topics GRI 416 -1 GRI 417-1, 417-2
	Complaint systems, grievances received and resolution of same	GRI 2-26 Mechanisms for seeking advice and raising concerns GRI 3-3 Management of material topics GRI 417-3 GRI 418-1

Tax information	Profits earned by country	GRI 3-3 Management of material topics GRI 201-1 GRI 207-4
	Tax on profits paid	GRI 3-3 Management of material topics GRI 201-1 GRI 207-4
	Public subsidies received	GRI 201-4
Taxonomy Regulation Requirements		
	Taxonomy Regulation Requirements	MAPFRE's own methodology prepared according to Article 8 on European Taxonomy

ANNUAL CORPORATE GOVERNANCE REPORT

The Annual Corporate Governance Report for the year 2023, as required by Article 538 of Royal Decree Law 1/2010, of July 2, approving the Consolidated Text of the Companies Act, forms an integral part of this Consolidated Management Report, and is subject to the same approval, deposit and publication criteria as this Consolidated Management Report. It is available for inspection on the website of the Spanish National Securities Market Commission (CNMV), at <https://www.cnmv.es/portal/Consultas/EE/InformacionGobCorp.aspx?TipoInforme=1&nif=A08055741>, and also on MAPFRE's corporate website at www.mapfre.com.

ANNUAL REPORT ON DIRECTORS' REMUNERATION

The Annual Report on Remuneration of Directors for the year 2023, as required by Article 538 of Royal Decree Law 1/2010, of July 2, approving the Consolidated Text of the Companies Act, is an integral part of this Consolidated Management Report, and is subject to the same approval, deposit and publication criteria. It is available for inspection on the website of the Spanish National Securities Market Commission (CNMV), at [https://www.cnmv.es/portal/Consultas/EE/InformacionGobCorp.aspx?](https://www.cnmv.es/portal/Consultas/EE/InformacionGobCorp.aspx?TipoInforme=1&nif=A08055741&lang=en)

[TipoInforme=1&nif=A08055741&lang=en](https://www.cnmv.es/portal/Consultas/EE/InformacionGobCorp.aspx?TipoInforme=1&nif=A08055741&lang=en)

and also on MAPFRE's corporate website at www.mapfre.com.

The Consolidated Annual Accounts for MAPFRE S.A., on the preceding pages 1 to xxx herein, and the Consolidated Management Report on the preceding pages xxx to xxx herein, corresponding to the financial year 2023, were ratified by the Board of Directors at its meeting held on February 13, 2024. The Board Members declare that, as far as they are aware, the aforementioned accounts have been prepared in accordance with the applicable accounting principles and offer a true and fair view of the equity, financial situation, and results of the Company and the companies comprising the consolidation as a whole. Likewise, the Management Report includes a true and fair view of the development of the results and of the position of the Company and of the Group, and broadly informs, along with the Consolidated Annual Report, of the risks and uncertainties they face.

Mr. Antonio Huertas Mejías
Chairman

Ms. M.ª Amparo Jiménez Urgal
Member

Mr. José Manuel Inchausti Pérez
1st Vice Chairman

Mr. Francisco J. Marco Orenes
Member

Ms. Catalina Miñarro Brugarolas
2nd Vice Chairman

Mr. Antonio Miguel-Romero de Olano
Member

Mr. Fernando Mata Verdejo
3rd Vice Chairman

Ms. M.ª del Pilar Perales Viscasillas
Member

Ms. Ana Isabel Fernández Álvarez
Member

Mr. Eduardo Pérez de Lema Holweg
Member

Ms. M.ª Leticia de Freitas Costa
Member

Ms. M.ª Elena Sanz Isla
Member

Ms. Rosa M.ª García García
Member

Mr. Francesco Paolo Vanni d'Archirafi
Member

Mr. Antonio Gómez Ciria
Member

Mr. Ángel L. Dávila Bermejo
Secretary and Non-Member

DILIGENCE to establish, in line with articles 253.2 of the Recast Text of the Companies Act and 366.1.2 of the Mercantile Registry Regulations, that (i) Ms. María Leticia de Freitas Costa has excused himself from attending the meeting, specifically delegating his representation and vote to Ms. Catalina Miñarro Brugarolas; and (ii) Mr. Francesco Paolo Vanni d'Archirafi endorsed the Integrated Report for MAPFRE S.A. corresponding to 2023 but has not signed it, neither in writing nor electronically, as a result of them having attended the meeting via videoconference.

In Madrid, February 13, 2024.

Ángel L. Dávila Bermejo – Secretary of the Board of Directors

The English version is a translation of the original in Spanish for information purposes only. In case of discrepancy, the Spanish version shall prevail.

