



IFRS 17 & 9

6M 2023

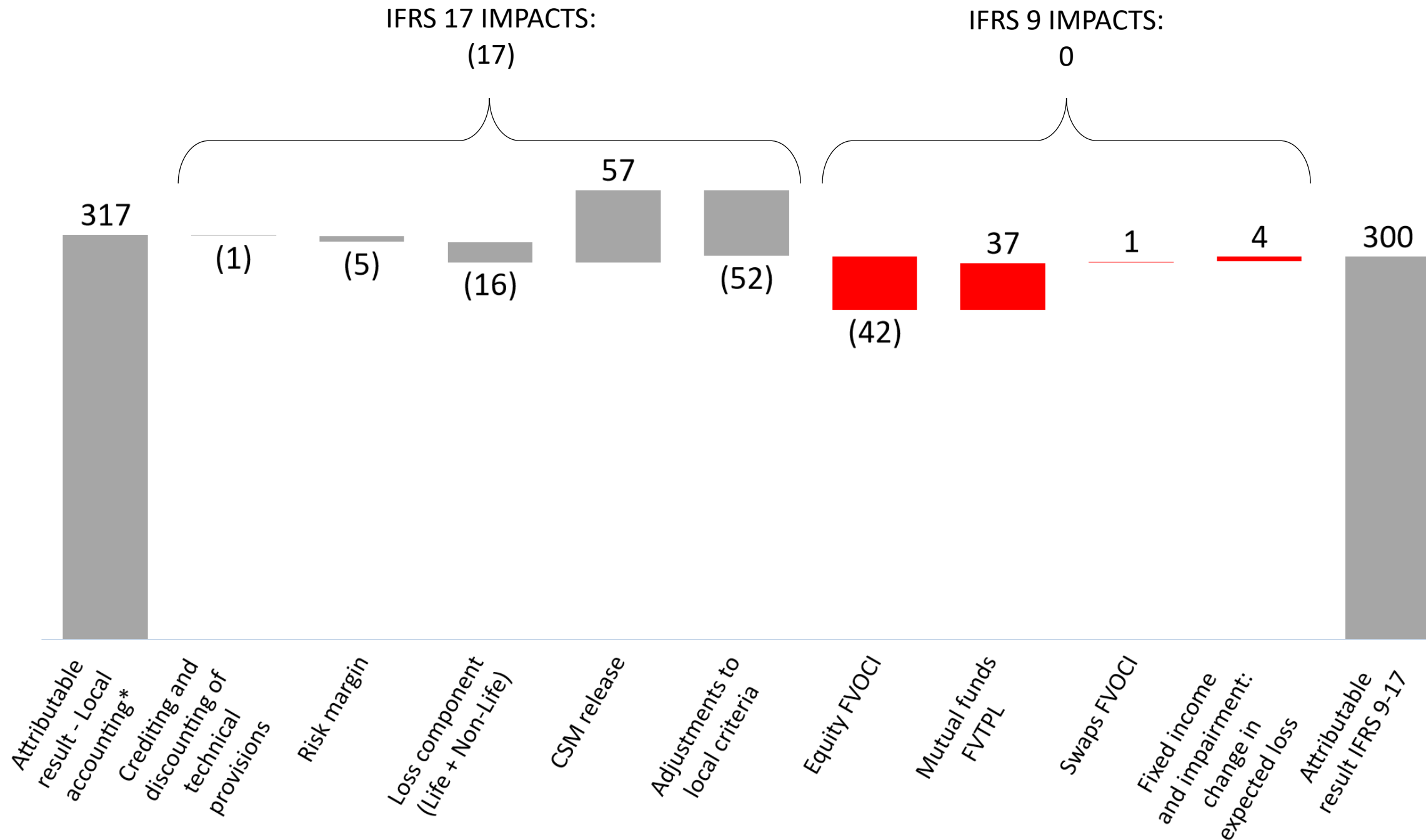
Analyst & Investor
presentation

90
YEARS **MAPFRE**



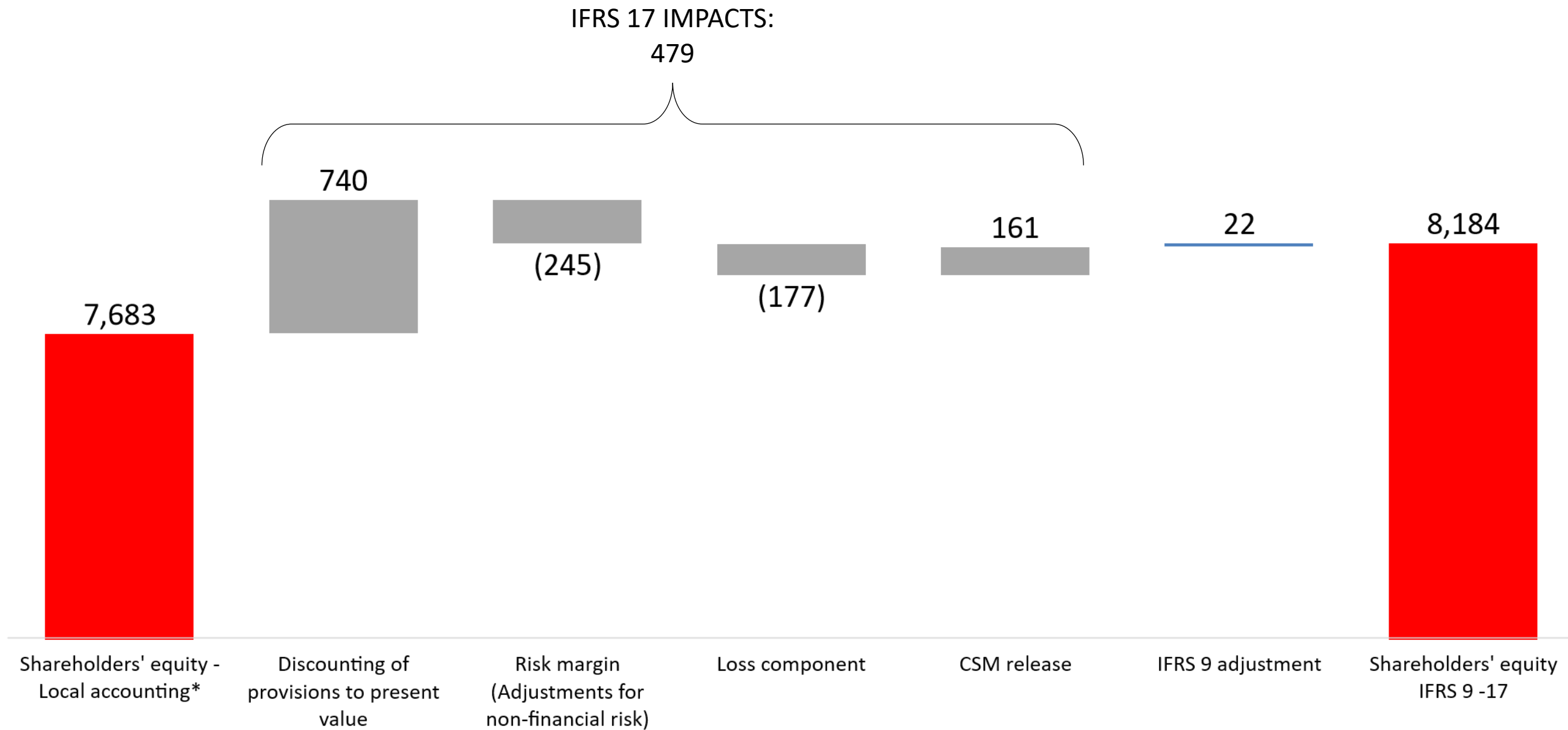
KPI (Local accounting ⁽¹⁾ /IFRS 17&9)	Local accounting ⁽¹⁾ €mn	IFRS 17&9 €mn
Premiums	14,350	-
Insurance revenue	-	11,993
Net result	317	300
Total assets	62,932	53,366
Shareholders' equity	7,683	8,184
Technical provisions/ Insurance contract liabilities	44,002	37,018
CSM	-	2,467
Combined Ratio	97.1%	96.3%

(1) Homogenized local accounting criteria were obtained from the financial statements prepared by MAPFRE Group companies, according to the applicable accounting principles in each country. In order to achieve homogeneity in the results and ratios between units and regions, certain adjustments have been applied to the 2023 figures, the most relevant being: the elimination of the goodwill impairment in Spain and the elimination of Nat Cat reserves in some countries in Latin America.



Million euros

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ASSETS

	12.31.2022	06.30.2023	%Δ
INTANGIBLE ASSETS	2,790	2,791	0.1%
PROPERTY, PLANT AND EQUIPMENT	1,303	1,285	-1.3%
INVESTMENTS	37,626	39,226	4.3%
Real estate investments	981	962	-2.0%
Financial investments			
1. At fair value with changes through P&L	13,058	14,148	8.3%
2. At fair value with changes through OCI	20,303	20,923	3.1%
3. Amortised cost	1,267	1,190	-6.1%
Other investments*	2,017	2,004	-0.6%
INSURANCE CONTRACT ASSETS	6	1	-86.9%
CEDED REINSURANCE CONTRACT ASSETS	5,667	5,689	0.4%
OTHER**	4,806	4,375	-9.0%
TOTAL ASSETS	52,197	53,366	2.2%

* "Other investments" includes: Investments recorded by applying the equity method and Other investment;

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

EQUITY AND LIABILITIES

	12.31.2022	06.30.2023	%Δ
EQUITY	8,870	9,314	5.0%
Equity attributable to the controlling company's shareholders	7,797	8,184	5.0%
Non-controlling interests	1,073	1,130	5.4%
SUBORDINATED LIABILITIES	1,627	1,618	-0.6%
INSURANCE CONTRACT LIABILITIES	35,565	37,018	4.1%
Present value of future cash flows for remaining coverage and incurred claims	27,027	28,202	4.3%
Present value of future cash flows - Loss component	257	284	10.6%
Non financial risk adjustment	661	766	15.9%
Contractual service margin	2,289	2,449	7.0%
Premiums allocated to future periods	6,254	6,205	-0.8%
Acquisition expenses allocated to future periods	(923)	(888)	-3.9%
CEDED REINSURANCE CONTRACT LIABILITIES	15	15	2.1%
PROVISIONS FOR RISKS AND EXPENSES	522	494	-5.4%
DEFERRED TAX LIABILITIES	325	330	1.4%
DEBTS	5,161	4,455	-13.7%
OTHER*	113	124	9.4%
TOTAL EQUITY AND LIABILITIES	52,197	53,366	2.2%

Of which:

- BBA: 10,348
- VFA: 8,771
- PAA: 17,899

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

Balance at 1 January 2023	7,797
Conversion differences	132
Change in market value of financial assets	272
Change in technical provision valuation (Life Savings and Burial)	(71)
Other	8
Income and expenses recorded in OCI:	341
Result	300
Dividends	(262)
Equity capital gains without recycling and other	8
Balance at 30 June 2023	8,184

P&L JUNE 2023 VS. JUNE 2022

	6M 2022	6M 2023	%Δ
INSURANCE REVENUE (+)	10,960	11,993	9%
Release of liability for remaining coverage	10,888	11,891	9%
• Claims and other expected insurance service expenses	507	549	8%
• Changes in the non-financial risk adjustment	12	12	-1%
• Release of CSM	131	154	18%
• Release of premium (PAA)	10,239	11,176	9%
Release of acquisition expenses allocated to the period	72	102	42%
INSURANCE SERVICE EXPENSES (-)	(10,132)	(10,522)	4%
Claims and other insurance service expenses	(7,958)	(7,840)	-1%
• Claims	(7,520)	(7,381)	-2%
• Other fulfillment expenses	(437)	(459)	5%
Acquisition expenses	(2,328)	(2,596)	12%
Losses in onerous contract groups and reversal of these losses	(69)	(29)	-59%
Changes in the liability for incurred claims	223	(57)	-126%
RESULT FROM INSURANCE SERVICE	828	1,471	78%
RESULT FROM REINSURANCE SERVICE	(585)	(954)	63%
FINANCIAL RESULT	402	373	-7%
OTHER INSURANCE REVENUE/EXPENSES	(8)	(32)	317%
OTHER ACTIVITIES	(12)	(58)	392%
Hyperinflation adjustments	(28)	(36)	32%
Tax on profit	(133)	(197)	48%
Non-controlling interests	(158)	(267)	68%
ATTRIBUTABLE RESULT	307	300	-2%

JUNE 2023 – BREAKDOWN BY REGION

	Local	IFRS 9&17
IBERIA	123	114
BRAZIL	120	113
OTHER LATAM	73	61
NORTH AMERICA	(18)	(9)
EMEA	(14)	(15)
TOTAL INSURANCE	284	265
TOTAL MAPRE RE	121	125
ASISTENCIA (MAWDY)	2	1
Holding expenses and other	(90)	(92)
TOTAL	317	300

Building Block Approach (BBA)

General Assessment approach /Default approach

Assesses fulfillment cash flows using a dynamic calculation, updating hypotheses with each calculation, and recognizing expected profit from the contract or CSM, through its allocation to P&L as service is provided throughout the coverage period. It comprises:

1. Fulfillment cash flows, which include:
 - Present value of expected future cash inflows and outflows that arise over the length of the contract
 - An adjustment to reflect the time value of money and other financial risks, like liquidity and exchange rates
 - An explicit adjustment for non-financial risk
2. Contractual Service Margin (CSM), which represents unearned profit from contracts. If CSM is negative, the contract will be considered onerous and balance sheet CSM will be zero, recording loss in P&L at the time of inception of the contract, as established by the standard.

Variable Fee Approach (VFA)

Variation of the default approach (BBA) which is applicable to contracts with significant direct participation features.

Premium Allocation Approach (PAA)

Simplification of BBA and can be optionally used for contracts with coverage of ≤ 1 year. In some specific cases where the contract duration is > 1 year, the assessment is not expected to vary materially from BBA. This approach is similar to current Unearned Premium Provision approach.

Based on technically defined directives, MAPFRE believes that, in general, it will assess insurance and reinsurance contracts as follows:

Insurance contracts	Approach
Life and Non-Life lines with duration of < 1 year(*)	PAA
Burial line	BBA
Life contracts with duration > 1 year	BBA
Contracts with direct participation (Unit Linked and certain life products with profit-sharing)	VFA
Reinsurance contracts	
Ceded, accepted and retroceded	PAA

*Non-Life contracts with duration greater than one year but with no material difference from BBA expected will also be measured using PAA

Valuation approach	Line of business	Liability	Asset
Building Block Approach (BBA)	Burial	Variations in yield curve (risk-free curve + spread) reflected in OCI	≈100% Fixed Income portfolios measured at FVOCI with recycling in P&L
	Life matched Life Savings w/o PS > 1 year		
Variable Fee Approach (VFA FVTPL)	Unit Linked	Liability measured at FVTPL linked to the performance of underlying assets	Assets measured at FVTPL
Variable Fee Approach (VFA disaggregating in OCI)	Life with PS	Variations in yield curve (risk-free curve+spread) are reflected in OCI	Fixed income measured at FVOCI with recycling in P&L
		Variations in Equity and Funds are adjusted by estimating the future PS in P&L	Equity measured at FVTPL Funds measured at FVTPL
Premium Allocation Approach (PAA)	Life and Non-Life < 1 year and reinsurance	Risk-free curve discount	Fixed income measured at FVTPL

PS: Profit sharing

OCI: Other Comprehensive Income

FVTPL: Fair Value through P&L

FVOCI: Fair Value through Other Comprehensive Income

MAPFRE S.A. (MAPFRE) hereby informs that the figures in this activity update report, unless stated otherwise, are presented under the accounting principles in force in each country, homogenized for comparison and aggregation purposes.

This document is for information purposes only and its aim is to show the development of the most relevant business indicators of MAPFRE's units in the period. Its content does not constitute, nor can it be interpreted as, an offer or an invitation to sell, exchange or buy, and it is not binding on the issuer in any way.

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