

ACTIVITY UPDATE REPORT TO MARCH 31, 2023\*

## Premiums grow 19% and reach nearly €7.8 billion in the first quarter

- Revenue is up 21% and stands at over €9.1 billion
- The net result reached €128 million (-17%) due to the impact of the earthquake in Turkey, with an estimated net cost of €77 million, as well as the complex Auto environment.
- IBERIA grew above the market, both in Non-Life and Life, with 31% premium growth, supported by the Life Savings business, and continues to be the region with the highest volume in the Group.
- LATAM, where net results took off to €94 million, is the main contributor to earnings.
- Improved Life result (+95%) and Non-Life financial result (+20%), in a better market context.
- The reinsurance unit grew 7% and global risks 11%.
- MAPFRE will pay the final dividend against 2022 results on May 24th.

“Once again, the high level of business diversification allows us to face challenges, like those presented by inflation in Non-Life lines, with a sustainable result”, says **Antonio Huertas, President of MAPFRE**. “These results make us feel optimistic in the current context and are proof of the strength of our business model”

*\*DISCLAIMER: MAPFRE S.A. (MAPFRE) hereby informs that the figures in this activity update report are presented under the accounting principles in force in each country, homogenized for comparison and aggregation purposes. These figures should not be considered to be an indication of the future financial information for the first half of 2023 which will be presented in accordance with the International Financial Reporting Standards (IFRS) and within the legally stipulated calendar. Greater detail and additional information are available in the Annex herein.*

<b>Key Figures</b>			
	<b>MARCH 2022</b>	<b>MARCH 2023</b>	<b>Δ %</b>
<b>Revenue</b>	<b>7,568.3</b>	<b>9,121.4</b>	<b>20.5%</b>
<b>Total written and accepted premiums</b>	<b>6,537.7</b>	<b>7,786.2</b>	<b>19.1%</b>
- Non-Life (of which):	5,367.9	5,919.8	10.3%
<i>Auto</i>	1,470.2	1,575.2	7.1%
<i>General P&amp;C</i>	1,919.7	2,124.1	10.6%
<i>Accident &amp; Health</i>	985.5	1,109.4	12.6%
- Life (of which):	1,169.8	1,866.4	59.5%
<i>Life Protection</i>	565.9	673.6	19.0%
<i>Live Savings</i>	449.6	1,063.3	136.5%
<b>Net result</b>	<b>154.5</b>	<b>127.6</b>	<b>-17.4%</b>
<b>Ratios</b>			
Non-Life Loss ratio	70.5%	71.2%	0.7 p.p
Non-Life Expense ratio	27.5%	27.2%	-0.3 p.p
<b>Non-Life Combined ratio</b>	<b>98.0%</b>	<b>98.5%</b>	<b>0.4 p.p</b>
<b>Life Protection Combined ratio</b>	<b>82.9%</b>	<b>81.6%</b>	<b>-1.3 p.p</b>

Million euros

- The over 20% increase in revenue consolidated the trends from recent quarters and reflects both a relevant increase in business volume as well as an improvement in financial income.
- Premiums grew 19%, with no relevant impact from exchange rates (at constant rates, premiums are up 18%). This growth reflects a general improvement in business, with a 10.3% increase in Non-Life and a 59.5% increase in Life, mainly due to performance in Spain and Brazil.
- Regarding Non-Life, premiums are up over €550 million in the first quarter, with 12.6% in Accident & Health, 10.6% growth in General P&C and 7.1% in Auto. The combined ratio stands at 98.5% (+0.4 p.p.) and the volatility and dispersion from previous quarters marked by the economic scenario remain. General P&C, with a combined ratio of 87.3% (-5.3 p.p.), has compensated the high loss experience that persists in the Auto business, with a combined ratio of 106.3% (+2.5 p.p.). Tariff increases and improved management carried out in the latter line in order to compensate inflation will gradually translate into improvements in the combined ratio. Accident & Health shows a slight improvement in the combined ratio compared to the first quarter of the previous year, reaching 101.8% (-0.4 p.p.). The Non-Life financial result has reached €150 million, increasing 20%.
- In the Life business, premiums are up almost €700 million, driven by the Life Savings business in Spain. The result for this line has benefitted from both good technical performance as well as strong financial income, especially in Latin America. The Life Protection combined ratio stands at 81.6% (-1.3 p.p.). All these factors led to a 95% improvement in the Life net result compared to the previous year.
- The earthquake in Turkey was the main relevant Nat cat event impacting results, and the estimates, which are still subject to a full damage assessment, have a net impact of approximately €77 million, mainly affecting MAPFRE RE (€72 million) and, to a lesser extent, the local insurance company (€5 million). In 2022, the most relevant cat claim for the company was the drought in Brazil, with a €37-million net impact for the Group in the first quarter.

- Regarding our investment portfolio, there was no relevant change in the asset class structure during the quarter, nor were there any relevant impacts on the result or investment valuations as a consequence of the situation with certain financial institutions in the United States and Switzerland. MAPFRE realized €17 million in gains in the quarter, after taxes and minorities (21 million in 2022).
- Regarding the available-for-sale portfolio, €259 million in unrealized gains, net of taxes, have been recorded in 2023, improving the capital position of the subsidiaries. The main variations came from IBERIA, with a €92-million increase, followed by MAPFRE RE with €57 million, and NORTH AMERICA with €53 million.
- Finally, there were no relevant changes in currency conversion differences in the quarter.

### Information for regions and units

	Premiums			Net result		
	MAR 2022	MAR 2023	Δ %	MAR 2022	MAR 2023	Δ %
<b>IBERIA</b>	<b>2,542</b>	<b>3,328</b>	<b>30.9%</b>	<b>102.2</b>	<b>67.3</b>	<b>-34.1%</b>
BRAZIL	987	1,198	21.5%	11.6	53.6	362.1%
LATAM SOUTH CENTRAL	737	826	12.1%	17.7	27.9	57.6%
MEXICO	329	333	1.3%	5.9	12.3	108.8%
<b>TOTAL LATAM</b>	<b>2,052</b>	<b>2,357</b>	<b>14.9%</b>	<b>35.2</b>	<b>93.8</b>	<b>166.6%</b>
<b>NORTH AMERICA</b>	<b>540</b>	<b>584</b>	<b>8.1%</b>	<b>15.7</b>	<b>(9.3)</b>	<b>-159.5%</b>
<b>EMEA</b>	<b>406</b>	<b>437</b>	<b>7.7%</b>	<b>(6.4)</b>	<b>(17.8)</b>	<b>-176.5%</b>
<b>TOTAL INSURANCE</b>	<b>5,540</b>	<b>6,706</b>	<b>21.0%</b>	<b>146.6</b>	<b>134.0</b>	<b>-8.6%</b>
REINSURANCE	1,360	1,451	6.7%	27.1	26.6	-1.9%
GLOBAL RISKS	503	559	11.1%	9.4	6.8	-27.8%
<b>TOTAL MAPRE RE</b>	<b>1,862</b>	<b>2,010</b>	<b>7.9%</b>	<b>36.5</b>	<b>33.4</b>	<b>-8.5%</b>
<b>ASISTENCIA (MAWDY)</b>	<b>49</b>	<b>56</b>	<b>13.5%</b>	<b>0.4</b>	<b>0.4</b>	<b>-6.1%</b>
<b>Holding expenses</b>	<b>(914)</b>	<b>(985)</b>	<b>-7.9%</b>	<b>(29.0)</b>	<b>(40.2)</b>	<b>-38.3%</b>
<b>TOTAL</b>	<b>6,538</b>	<b>7,786</b>	<b>19.1%</b>	<b>154.5</b>	<b>127.6</b>	<b>-17.4%</b>

Million euros

	Non-Life Combined ratio		ROE	
	MAR 2022	MAR 2023	DEC 2022	MAR 2023
<b>IBERIA</b>	<b>95.3%</b>	<b>99.8%</b>	<b>10.3%</b>	<b>9.6%</b>
BRAZIL	104.6%	81.6%	18.2%	20.8%
LATAM SOUTH CENTRAL	97.9%	102.1%	32.9%	16.8%
MEXICO	92.7%	94.9%	11.6%	13.3%
<b>TOTAL LATAM</b>	<b>100.7%</b>	<b>90.2%</b>	<b>16.4%</b>	<b>18.1%</b>
<b>NORTH AMERICA</b>	<b>101.9%</b>	<b>107.7%</b>	<b>-1.3%</b>	<b>-3.4%</b>
<b>EMEA</b>	<b>111.1%</b>	<b>113.7%</b>	<b>-4.9%</b>	<b>-6.9%</b>
<b>TOTAL INSURANCE</b>	<b>99.2%</b>	<b>98.5%</b>	<b>--</b>	<b>--</b>
REINSURANCE	95.3%	99.5%	--	--
GLOBAL RISKS	80.3%	90.8%	--	--
<b>TOTAL MAPRE RE</b>	<b>94.1%</b>	<b>98.8%</b>	<b>7.8%</b>	<b>7.5%</b>
<b>ASISTENCIA (MAWDY)</b>	<b>98.6%</b>	<b>98.4%</b>	<b>5.7%</b>	<b>5.6%</b>

**IBERIA is growing above the market both in Life and Non-Life**

- Premiums in Iberia reached over €3.3 billion (+31%), with Spain standing out with nearly 3.3 billion (+30%). Premiums in Portugal reached 74 million (+59%).
- The Life business volume is 2.4 times higher than the previous year, reaching almost €1.1 billion, of which 965 million correspond to Life Savings (326 million in 2022).
- Non-Life premiums grew 7.3% and reflect the positive development of the Accident & Health business (+9%), General P&C (+7.1%), and Auto (+4.9%).
- In Auto, tariffs continue to be gradually adapted to the inflationary context and based on individual risk profiles. The fleet reached 6,189,213 insured vehicles, with a slight reduction in the fleet in the first quarter related to risk-selection measures, which led to a more than 5% increase in the average premium.
- The Non-Life result and combined ratio have been affected by the Auto business, with the combined ratio at 106.5% (+6.8 p.p.). This line is affected by the recovery of mobility to pre-pandemic levels; the high inflation scenario and the Baremo update. The improvement in the combined ratio expected during the year will be based on strict cost control, while tariffs on average are expected to increase significantly more than that.
- General P&C lines and the Life Protection business continue contributing positively to results, with combined ratios of 92.4% and 73.2%, respectively.
- The financial result continues to improve in a more favorable environment, with a €37.2 million gross contribution to the Non-Life result (€30 million in 2022).
- The net result reached €67.3 million, of which Spain contributed 64 million and Portugal 3.3 million. Of this amount, 11 million corresponds to realized gains (14 million in 2022).

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**Business in LATAM consolidates the strong trends of recent quarters with close to €2.4 billion in premiums and a result of 94 million, the largest contributor to Group earnings.**

**Brazil shows strong growth, and its result increased four-fold thanks to improvements in both the technical and financial result**

- In Brazil, premiums reached almost €1.2 billion, up 22%, backed by the favorable development of the Brazilian real, which appreciated 3%. In local currency, premium growth reached 18%. The improvement in written premiums is due, above all, to the positive development of the Agro Insurance and Life Protection business, which grew in euros 44% and 28.5%, respectively.
- The Auto business grew 8%. This line continues to quickly adapt tariffs to inflation. The fleet reached 1,294,740 insured vehicles, with a slight reduction in the quarter related to risk-selection measures.
- The combined ratio dropped significantly to 81.6%, due in part to a 15 percentage point improvement in the Auto line after tariff increases. The combined ratio in Auto stands at 106.6% (-14.8 p.p.). Additionally, the Agro business improved its positive development thanks to a benign quarter after the losses in 2022 from the drought, and the General P&C ratio stands at an excellent 72%. The Life Protection business also has a solid combined ratio, standing at 77.8%.
- The financial result also continues to contribute very positively, with a €23.4-million gross contribution to Non-Life (€19.8 million in 2022).

**The result improves in the rest of LATAM, consolidating trends from the previous year**

- In LATAM SOUTH CENTRAL, premiums grew 12.1%, while the net result stands at €28 million, with relevant contributions from operations in Colombia and Peru. Written premiums in local currency grew in all countries in the region, with noteworthy growth in Colombia (27%), Chile (14%), Panama (25%) and the Dominican Republic (10%).
  - The combined ratio in LATAM SOUTH CENTRAL rose to 102.1% due to the situation in the General P&C line in Chile and Peru.
  - In Peru, premiums reached €181 million, up 2.5%, while the net result reached €7.9 million. The combined ratio rose to 104.4% in the quarter, both as a result of the weather-related impacts of the coastal El Niño, as well as from political instability.
  - In Mexico, premiums reached €333 million, up by 1.3%, supported by the favorable performance of the Mexican peso, which appreciated 14.6%, while the net result reached €12 million. The combined ratio rose by more than 2 percentage points to 94.9%, mainly due to the Accident & Health business.
  - Both the Life Protection business and financial income continue to improve, contributing very positively to the result.
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**North America business volume increases, with relevant improvements in the Auto combined ratio compared to the previous quarter**

- In the North America Regional Area, premiums reached €584 million at March, growing 8.1% in euros and 4.1% in dollars. The largest contributor was the United States with €526 million and 8% growth. Puerto Rico recorded an 8.5% increase, reaching €58 million in premiums.
- The Auto business grew 8.1%. The fleet reached 1,414,304 insured vehicles, with a slight reduction in 2023.
- The Non-Life combined ratio stands at 107.7%, affected by weather-related events (*Arctic Freeze*) in the United States which caused higher losses in the Homeowners line, with a net cost of €13 million. As of May, tariffs in this line will increase around 15% on average to compensate the rate increase for catastrophic reinsurance coverage.
- The Auto combined ratio stands at 105%, a significant improvement compared to the fourth quarter of 2022 (118%), supported by already implemented tariff increases. Auto rates will go up an additional 6.5% starting in May.
- All of the above has led the region to post losses of €9.3 million.

**EMEA**

- In EMEA, premiums reached €437 million, representing 7.7% growth, and reflecting currency and inflation impacts in Turkey. The region recorded losses of €17.8 million, primarily related to the earthquake (5 million net impact), as well as the concentration of large loss claims in the Auto line in Italy.

**MAPFRE RE continues growing and contributing to Group earnings**

- MAPFRE RE premiums, which include reinsurance and global risks business, grew 8%, reaching over €2.0 billion. On a risk-adjusted basis, the catastrophic business rates are growing above 20%.
- The reinsurance business grew 6.7% while the global risks business advanced more than 11%.
- The estimated cost for the earthquake in Turkey for MAPFRE RE amounts to €102 million, with a net impact for the Group of 72 million.
- The financial result also grew, with a €21.2-million gross contribution to the Non-Life result (9.4 million in 2022). In 2023, net gains of €4.4 million were realized (-0.2 million in 2022).
- The net result reached €33.4 million, and the combined ratio went up to 98.8%.

**ASISTENCIA enters a new phase, with a focus on more digital activity and geographic reorientation**

- In 2023, MAPFRE ASISTENCIA has entered a new phase, with the launch of the new brand, MAWDY, present in 23 countries and focused on strategic markets for the group, mainly Europe and Latin America.

**ANNEX**  
**IMPORTANT INFORMATION**

**General aspects**

*MAPFRE hereby informs that the figures in this document should not be considered to be an indication of the results of MAPFRE Group or of its financial position under the new international standards in force (IFRS 9 & 17), applicable to listed companies as of January 1, 2023, and which MAPFRE will present on a semi-annual basis.*

*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 first quarter of 2023. 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.*

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

**Basis of presentation of the figures in this document**

*The 2023 figures and data included in this document were obtained from the financial statements prepared by MAPFRE Group Companies, according to the applicable accounting principles in each country, and which will be presented to the local supervisors following the established schedules for filing information.*

*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:*

<b><u>Accounting Criteria</u></b>	<b><u>Country/Unit</u></b>
<ul style="list-style-type: none"> <li>• Elimination of the Goodwill impairment</li> <li>• Elimination of Nat cat reserves</li> </ul>	<ul style="list-style-type: none"> <li>• Spain</li> <li>• Mexico, Colombia, Honduras and Nicaragua</li> </ul>

*The comparative data from the first quarter 2022 reflects the figures reported by the Group under the international accounting principles in force in said year. There are no relevant valuation or presentation differences with the criteria applicable in 2023.*

### **Impacts of the new IFRS 9 & 17 Standards**

*In the first quarter of 2023, there have been no changes in methodology nor in applicable criteria with respect to the information published in the annual report of MAPFRE Consolidated Annual Accounts for the 2022 fiscal year.<sup>1</sup>*

*Regarding the transition balance sheet, the consolidated shareholders' equity of MAPFRE as at January 1, 2022 under the new principles reached €8.3 billion, compared to €8.5 billion presented under the previous principles. The difference between these values is primarily due to the negative impact from the non-financial risk adjustment (-0.3 billion)<sup>2</sup>, which are partially offset by the discount in reserves at present value (0.2 billion). Additionally, the CSM (Contractual Service Margin) has been estimated at €2.2 billion as at January 1, 2022.*

*Regarding IFRS 9, the most important differences compared to the figures published in this document are:*

- *Net realized gains in the equity portfolio for the amount of €22 million and which are included in the result for the period, in line with local GAAP, will be presented under IFRS standards in the heading "Other Comprehensive Income" (OCI).*
- *The increase in unrealized gains in the mutual fund portfolio for the amount of €30 million after taxes, which is included under local GAAP in OCI, will be recorded as a result for the period under the new IFRS standard.*
- *"Other valuation adjustments" would have a positive impact on the IFRS result for the amount of €3 million.*

*The remaining information related to IFRS 17 will be published within to the legally stipulated calendar.*

### **Terminology**

Combined ratio	Expense ratio + Loss ratio
Expense ratio	(Operating expenses, net of reinsurance – other technical revenue + other technical expenses) / Net premiums earned
Loss ratio	(Net claims incurred + variation in other technical reserves + profit sharing and returned premiums) / Net premiums earned
ROE (Return on Equity)	(Attributable result for the last twelve months) / (Arithmetic mean of equity attributable to the controlling company at the beginning and closing of the period (twelve months))

<sup>1</sup> See Section "2.5: Comparison of Information"  
<https://www.mapfre.com/media/shareholders/2022/consolidated-annual-accounts-management-report-2022.pdf>

<sup>2</sup> This reflects the compensation the Insurance company requires for uncertainty and possible deviations in the calculation of future cash flows.