

# MAPFRE, S.A. and MAPFRE Asistencia Compania Internacional de Seguros y Reaseguros, S.A.

## Update

### Key Rating Drivers

**Very Strong Business Profile:** Fitch Ratings views MAPFRE, S.A.'s business profile as very strong and scores its business profile at 'aa'. MAPFRE has very strong market positions in Spain, where it is a leader in the non-life segment, and Latin America, particularly Brazil. Its market share in Spain was 14% in non-life and 7.5% in life in 2023. MAPFRE was the sixth-largest European and the third-largest Latin American insurer in 2023.

**Very Strong Capitalisation:** We view MAPFRE as well-capitalised, based on the group's regulatory Solvency II (S2) ratio of 202.4% at end-3Q24 (end-2023: 199.6%), which we assess as 'Very Strong'. Own funds backing the S2 ratio largely consist of unrestricted Tier 1 capital. MAPFRE also has a 'Very Strong' score under Fitch's Prism Global capital model at end-2023. The Prism score and the S2 ratio excluded MAPFRE's goodwill of EUR1.4 billion at end-2023 from available capital.

**Moderate Leverage:** MAPFRE's financial leverage ratio (FLR) was broadly stable at 22% at end-3Q24 (end-2023: 23%) on a local accounting basis, a level that is commensurate with its ratings. Its leverage compares favourably with similarly rated peers.

**Strong, Resilient Profitability:** The group's overall profitability remained strong in 9M24, supported by improvements in technical performance across all regions and units and strong investment income. Its 9M24 net result, excluding minorities, increased by 39% to EUR654 million (9M23: EUR471 million), equalling a return on equity of 11%.

MAPFRE's 9M24 technical results showed improved underwriting performance, particularly in North America and Brazil. The combined ratio improved to 94.8% at end-3Q24 from 96.8% at end-3Q23 as reported by MAPFRE. The absence of notable catastrophic events in 9M24 in comparison to 9M23 also contributed to the lower combined ratio.

**Moderate Investment Risk:** Fitch assesses MAPFRE's investment risk as moderate. The risky-assets/capital ratio was 114% at end-2023, which is supportive of the ratings. Its investment portfolio is well-balanced and prudent, with more than 83% of total investments in fixed income and cash allocated to investment-grade instruments at end-2023. However, 24% of the fixed-income portfolio was allocated to 'BBB' rated instruments and 16% were allocated to 'BB' or less, with government bonds from Brazil (BB/Stable) being the largest allocation.

Our assessment of MAPFRE's asset risk also takes into account the group's substantial, albeit reduced, exposure to Spanish sovereign debt at 84% of total capital at end-2023.

### Ratings

**MAPFRE, S.A.**  
Long-Term IDR A-

**MAPFRE Asistencia Compania Internacional de Seguros y Reaseguros, S.A.**  
Insurer Financial Strength Rating A+

**Outlooks**  
Long-Term IDR Stable

**Debt Ratings**  
Senior Unsecured Long-Term Rating BBB+  
Subordinated Long-Term Rating (Tier 3) BBB  
Subordinated Long-Term Rating (Tier 2) BBB-

### Financial Data

MAPFRE, S.A.		
(EURm)	End-2023	End-2022
Total assets	54,947	52,197
Total equity and reserves	9,656	8,870
Total gross insurance revenue	27,647	25,348
Net income	677	564
Solvency II (%)	199.6	191.4

Note: Reported on a yearly basis, IFRS 17.  
Source: Fitch Ratings, MAPFRE, S.A.

### Applicable Criteria

[Insurance Rating Criteria \(March 2024\)](#)

### Related Research

[Fitch Revises Spain's Outlook to Positive; Affirms IDR at 'A-' \(November 2024\) Spain \(November 2024\)](#)  
[European Insurance Outlook 2025 \(December 2024\)](#)

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## Rating Sensitivities

### Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- Material deterioration to the group's S2 ratio to below 150%.
- A significant increase in investment risk.

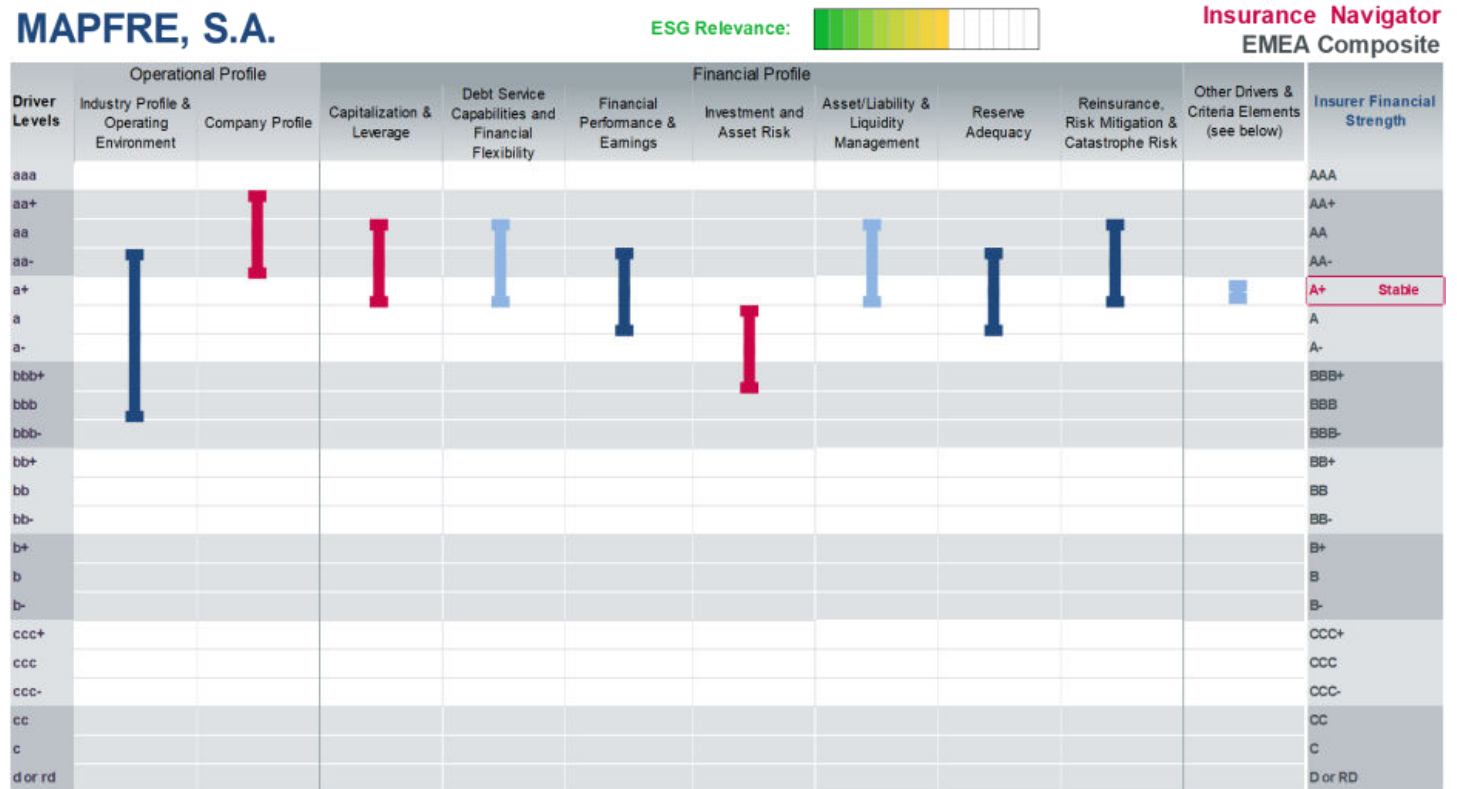
### Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- Material improvement in the group's financial performance, as measured by a net income return on shareholders' equity of 10% or more, and a combined ratio of 96% or less on a sustained basis.
- An upgrade is conditional on MAPFRE's S2 ratio remaining above 180%, the FLR staying below 25% and stable asset risk.

## Latest Developments

- MAPFRE reported growth in premiums of 4.6% year on year in 9M24, with gross premium written reaching EUR21.6 billion (9M23: EUR20.7 billion). Almost all regions and units contributed to the strong premium growth, although in some countries, such as Brazil, reported negative premium growth due to depreciation of the local currency. MAPFRE reported strong premium growth in Iberia (6.2%), Latin America, excluding Brazil (9.1%), EMEA (8.1%) and reinsurance (6.2%).
- The operating environment in motor insurance is stabilising but remains challenging across MAPFRE's main geographies, with motor combined ratios above 100%. The group motor combined ratio improved in 9M24 to 104.2% from 105.9% in 9M23, with North America and Brazil contributing to the improvements. MAPFRE continues to adjust tariffs to costs environment in Iberia, where combined ratio was 104.7% in 9M24.
- Fitch does not expect MAPFRE's 2024 results to be materially affected by recent floods in Valencia and Malaga with most of the claims being absorbed by el Consorcio de Compensacion de Seguros (Insurance Compensation Consortium in Spain) – the Spanish government scheme set up to cover the costs of direct damage from domestic extraordinary natural hazards, and political and social risks, such as terrorism or riots. Additionally, we expect the reinsurance programme to cover part of the costs.

Key Rating Drivers - Scoring Summary



Other Factors & Criteria Elements				
Provisional Insurer Financial Strength Rating				A+
Non-Insurance Attributes	Positive	Neutral	Negative	+0
Ownership / Group Support	Positive	Neutral	Negative	+0
Transfer & Convertibility / Country Ceiling	Yes	No	AA+	+0
<b>Insurer Financial Strength Rating</b>				Final: <b>A+</b>
IFS Recovery Assumption	Good			-1
<b>Issuer Default Rating (IDR)</b>				Final: <b>n.a.</b>

Bar Chart Legend:	
Vertical Bars = Range of Driver	
Bar Colors = Relative Importance	
<span style="color: red;">█</span>	Higher Influence
<span style="color: blue;">█</span>	Moderate Influence
<span style="color: lightblue;">█</span>	Lower Influence
Bar Arrows = Driver Outlook	
↑	Positive
↓	Negative
↕	Evolving
□	Stable

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