



# Auditor's Report on MAPFRE, S.A.

(Together with the annual accounts and  
Management Report of MAPFRE, S.A. for the  
year ended 31 December 2022)

*(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 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 ANNUAL ACCOUNTS**

#### **Opinion**

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We have audited the annual accounts of MAPFRE, S.A. (the "Company"), which comprise the balance sheet at 31 December 2022, and the income statement, statement of total changes in equity, cash flow statement and notes for the year then ended.

In our opinion, the accompanying annual accounts give a true and fair view, in all material respects, of the equity and financial position of the Company at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with the applicable financial reporting framework, (specified in note 2 to the accompanying annual accounts) and, in particular, with the accounting principles and criteria set forth therein.

#### **Basis for Opinion**

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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 Annual Accounts* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the 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 annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Valuation of non-current investments in group companies and associates (Euros 10,138,562 thousand)

See notes 4.c) and 8 of the notes to the annual accounts

<i>Key audit matter</i>	<i>How the issue was addressed in our audit</i>
<p>The Entity, holding company of MAPFRE Group, has recognised non-current investments in group companies and associates.</p> <p>Recoverable value of these non-current investments in group companies and associates is determined by the use of valuation technics that require of management judgement and estimations and assumptions that consider macroeconomics factors, internal circumstances of the Group companies and their competitors, discount rates, growth rates or estimations of the future evolution of their businesses.</p> <p>Due to the level of uncertainty and judgement associated to the mentioned estimations, as well as the significance of the carried amount of the investments, we consider this to be a key audit matter.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>– Evaluation of the criteria used by the Company in the identification of impairment indicators of the investments in group companies and associates.</li> <li>– Understanding the process of estimation of the recoverable value of the group investments and associates, and evaluation of design and implementation of the relevant controls related to the process that the Company has in place.</li> <li>– Evaluation of the reasonability of the methodology and assumptions used in the estimation of the recoverable value of the investments in group companies and associates when impairment indicators exist, with the collaboration of our corporate finance specialists.</li> </ul> <p>For those investments where impairment indicators exist, we have checked the consistency between the expected cash flow used in the calculation of the value in use with the business plans approved by the Directors of the Group’s companies, and their reasonability based in historical experience and market expectations in the markets in which they operate.</p> <p>Besides, we have evaluated the discount and growth rates used in the calculation of the recoverable values, as well as performed sensitivity analysis over the key inputs used in the model, with the goal of assessing their impact in the valuation.</p> <p>Additionally, we have evaluated that the information within the annual accounts is in compliance with the legal financial reporting requirements applicable to the Company.</p>



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## **Other Information: Management Report**

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Other information solely comprises the 2022 Management Report, the preparation of which is the responsibility of the parent's directors and which does not form an integral part of the annual accounts.

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

- a) Checking only that the non-financial information statement and 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 prevailing regulations and, if not, disclose this fact.
- b) Assessing and reporting on the consistency of the remaining information included in the Management Report with the financial statements, based on the knowledge of the entity obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the directors' report are in accordance 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 directors' report is consistent with that disclosed in the annual accounts for 2022 and its content and presentation are in accordance with applicable regulations.

## **Directors' and Audit and Compliance Committee's responsibility for the Annual Accounts**

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

In preparing the annual accounts, the directors are responsible for assessing the Company'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 Company or to cease operations, or have no realistic alternative but to do so.

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



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## **Auditor's Responsibilities for the Audit of the Annual Accounts** \_\_\_\_\_

Our objectives are to obtain reasonable assurance about whether the 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 annual accounts.

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

- Identify and assess the risks of material misstatement of the 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, and not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the 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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the audit and compliance committee of MAPFRE, S.A. 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.



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We also provide the Company's audit and compliance committee of the Entity 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 Company's audit and compliance committee, we determine those that were of most significance in the audit of the 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 file of the European single electronic format (ESEF) of MAPFRE, S.A. for the 2022 financial year, which includes an XHTML file containing the financial statements for the year, 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 2022 financial year, in accordance with the formatting 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 regard, they have incorporated the Corporate Governance Report and the Annual Report on Directors' Remuneration by reference in the Management Report.

Our responsibility consists of examining the digital file prepared by the directors of the 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 financial statements included in the aforementioned digital file correspond in their entirety to those of the financial statements that we have audited, and whether the financial statements have been formatted, in all material respects, in accordance with the ESEF Regulation.

In our opinion, the digital file examined corresponds in its entirety to the audited financial statements, which are presented, in all material respects, in accordance with the ESEF Regulation.

### **Additional Report to the Audit and Compliance Committee** \_\_\_\_\_

The opinion expressed in this report is consistent with our additional report to the Company's Audit and Compliance Committee dated 8 February 2023.



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## **Contract Period**

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

Previously, we had been appointed as auditors by the shareholders for a period of 3 years, and have been auditing uninterrupted the Company's 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

On the Spanish Official

Register of Auditors ("ROAC") with No. 21.033

8 February 2023

**INDIVIDUAL ANNUAL ACCOUNTS  
AND  
INDIVIDUAL MANAGEMENT REPORT**

**2022**

**MAPFRE S.A.**



# **INDIVIDUAL ANNUAL ACCOUNTS**

**MAPFRE S.A.**

# INDIVIDUAL ANNUAL ACCOUNTS 2022

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## BALANCE SHEET AS AT DECEMBER 31, 2022 AND 2021

ASSETS		Notes from the Annual Report	2022	2021
<b>A)</b>	<b>NON-CURRENT ASSETS</b>		<b>10,419,996</b>	<b>9,773,662</b>
<b>I.</b>	<b>Intangible fixed assets</b>	<b>6</b>	<b>844</b>	<b>1,351</b>
5	Computer applications		844	1,351
<b>II.</b>	<b>Property, plant and equipment</b>	<b>5</b>	<b>13,289</b>	<b>13,837</b>
1	Land and buildings		11,383	11,571
2	Facilities and other property, plant and equipment		1,609	1,981
3	Fixed assets in progress and advance payments		297	285
<b>IV.</b>	<b>Non-current investments in Group companies and associates</b>	<b>8</b>	<b>10,152,962</b>	<b>9,719,090</b>
1	Equity instruments		10,138,562	9,533,090
2	Loans to companies		14,400	186,000
<b>V.</b>	<b>Non-current financial investments</b>	<b>8</b>	<b>234,940</b>	<b>9,636</b>
1	Equity instruments		63,512	4,672
2	Loans to third parties		1,097	109
3	Debt instruments		165,367	—
<b>6</b>	<b>Other investments</b>		<b>4,964</b>	<b>4,855</b>
<b>VI.</b>	<b>Deferred tax assets</b>	<b>12</b>	<b>17,961</b>	<b>29,748</b>
<b>B)</b>	<b>CURRENT ASSETS</b>		<b>384,847</b>	<b>283,116</b>
<b>I</b>	<b>Non-current assets held for sale</b>		<b>—</b>	<b>—</b>
<b>III.</b>	<b>Trade and other receivables</b>		<b>304,955</b>	<b>68,512</b>
1	Trade receivables for sales and services rendered	8	1	3,518
2	Trade receivables, Group companies and associates	0	—	—
3	Sundry receivables	8	3,508	183
4	Personnel	8	450	263
5	Current tax assets	12	300,091	64,252
6	Other receivables from government agencies		905	296
<b>IV.</b>	<b>Current investments in Group companies and associates</b>	<b>8.18</b>	<b>60,889</b>	<b>195,286</b>
2	Loans to companies		33,023	88,690
5	Other financial assets		27,866	106,596
<b>V.</b>	<b>Current financial investments</b>	<b>8</b>	<b>1,405</b>	<b>57</b>
<b>2</b>	<b>Loans to third parties</b>		<b>57</b>	<b>57</b>
3	Debt instruments		1,348	—
5	Other financial assets		—	—
<b>VI.</b>	<b>Current accruals</b>		<b>10</b>	<b>551</b>
<b>VII.</b>	<b>Cash and other equivalent liquid assets</b>		<b>17,588</b>	<b>18,710</b>
1	Cash		17,588	18,710
<b>TOTAL ASSETS (A+B)</b>			<b>10,804,843</b>	<b>10,056,778</b>

Thousand euros

## BALANCE SHEET AS AT DECEMBER 31, 2022 AND 2021

EQUITY AND LIABILITIES		Notes from the Annual Report	2022	2021
<b>A)</b>	<b>EQUITY</b>		<b>7,768,230</b>	<b>7,117,898</b>
<b>A-1)</b>	<b>SHAREHOLDERS' EQUITY</b>		<b>7,765,291</b>	<b>7,116,004</b>
<b>I.</b>	<b>Capital</b>		<b>307,955</b>	<b>307,955</b>
1	Authorized share capital	9	307,955	307,955
<b>II.</b>	<b>Share premium</b>	<b>9</b>	<b>3,338,720</b>	<b>3,338,720</b>
<b>III.</b>	<b>Reserves</b>		<b>3,612,231</b>	<b>3,232,165</b>
1	Legal and statutory	9	61,591	61,591
2	Other reserves	—	3,550,640	3,170,574
<b>IV.</b>	<b>(Treasury stock)</b>	<b>9</b>	<b>(41,432)</b>	<b>(62,944)</b>
<b>V.</b>	<b>Results for previous years</b>		<b>38,405</b>	<b>240,950</b>
1	Retained earnings	—	38,405	240,950
<b>VII.</b>	<b>Result for the period</b>	<b>3</b>	<b>693,881</b>	<b>243,957</b>
<b>VIII.</b>	<b>(Interim dividend)</b>	<b>3</b>	<b>(184,761)</b>	<b>(184,799)</b>
<b>IX.</b>	<b>Other equity instruments</b>	<b>—</b>	<b>292</b>	<b>—</b>
<b>A-2)</b>	<b>VALUATION CHANGE ADJUSTMENTS</b>	<b>—</b>	<b>2,939</b>	<b>1,894</b>
<b>I.</b>	<b>Financial assets at fair value with changes in equity</b>	<b>—</b>	<b>2,939</b>	<b>1,894</b>
<b>B)</b>	<b>NON-CURRENT LIABILITIES</b>		<b>2,694,239</b>	<b>2,581,798</b>
<b>I.</b>	<b>Non-current provisions</b>		<b>10,720</b>	<b>9,863</b>
1	Long-term employee benefit obligations	14	10,720	9,863
4	Other provisions	—	—	—
<b>II.</b>	<b>Non-current debt</b>		<b>2,682,335</b>	<b>2,571,196</b>
1	Debentures and other negotiable securities	8, 10	2,445,290	1,950,088
2	Due to credit institutions	8	237,000	621,000
5	Other financial liabilities	8	45	108
<b>III.</b>	<b>Non-current debt with Group companies and associates</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>IV.</b>	<b>Deferred tax liabilities</b>		<b>1,184</b>	<b>739</b>
<b>C)</b>	<b>CURRENT LIABILITIES</b>		<b>342,374</b>	<b>357,082</b>
<b>II.</b>	<b>Current provisions</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>III.</b>	<b>Current debt</b>		<b>45,389</b>	<b>190,997</b>
1	Debentures and other negotiable securities	8, 10	45,220	34,901
2	Due to credit institutions	8	123	155,944
5	Other financial liabilities	8	46	152
<b>IV.</b>	<b>Current debt with Group companies and associates</b>	<b>19</b>	<b>258,155</b>	<b>122,756</b>
<b>V.</b>	<b>Trade and other payables</b>		<b>38,830</b>	<b>43,329</b>
3	Sundry creditors	—	5,959	13,013
4	Personnel (remuneration pending payment)	—	14,879	15,222
5	Current tax liabilities	—	—	—
6	Other debts with government agencies	—	17,992	15,094
<b>TOTAL EQUITY AND LIABILITIES (A+B+C)</b>			<b>10,804,843</b>	<b>10,056,778</b>

Thousand euros

# INCOME STATEMENT FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

INCOME STATEMENT	Notes from the Annual Report	2022	2021
<b>ONGOING OPERATIONS</b>			
Revenue		906,006	434,337
Dividends and interest from Group companies and associates		844,760	373,313
Dividends	19	838,771	362,702
Interest	19	5,989	10,611
Other operating revenue	—	61,246	61,024
Non-core and other operating revenue	19	61,246	61,024
Personnel expenses	—	(73,182)	(71,750)
Wages, salaries and similar	—	(50,006)	(50,767)
Social security contributions	13	(21,367)	(21,033)
Provisions	14	(1,809)	50
Other operating expenses		(81,625)	(80,741)
External services	—	(81,589)	(80,705)
Taxes	—	(36)	(36)
Amortization and depreciation of fixed assets	5.6	(1,343)	(1,552)
Excess provisions	—	—	—
Impairment and gains/(losses) on fixed asset disposal	—	—	(8)
Impairment of Group companies and associates	8	(14,122)	5,943
Other earnings	—	(39)	(2)
<b>EARNINGS FROM OPERATIONS</b>		<b>735,695</b>	<b>286,227</b>
Financial income	8	2,514	434
Acquisitions in equity instruments	—	949	—
From third parties	—	949	—
From negotiable securities and other financial instruments	—	1,565	434
From third parties	—	1,565	434
Financial expenses		(75,666)	(68,450)
For debt with Group companies and associates	8.19	—	(149)
For debt with third parties	8	(75,478)	(68,115)
For update of provisions	8	(188)	(186)
Fair value variation in financial instruments		189	—
Fair value with changes in income statement	—	(69)	—
Transfer of fair value adjustments through changes in equity		258	—
Foreign exchange differences	8	(2)	(2)
Impairment and gains/losses on financial instrument disposal	8	—	(10,440)
Impairment and loss		—	—
Earnings from disposal and other		—	(10,440)
<b>FINANCIAL RESULT</b>		<b>(72,965)</b>	<b>(78,458)</b>
<b>EARNINGS BEFORE TAX</b>		<b>662,730</b>	<b>207,769</b>
Tax on profits	12	31,151	36,188
<b>RESULT FOR THE PERIOD FROM ONGOING OPERATIONS</b>		<b>693,881</b>	<b>243,957</b>
DISCONTINUED OPERATIONS		—	—
DISCONTINUED OPERATIONS		—	—
Result for the period after tax from discontinued operations		—	—
<b>RESULT FOR THE PERIOD</b>	<b>3</b>	<b>693,881</b>	<b>243,957</b>

Thousand euros

# STATEMENT OF CHANGES IN EQUITY AT DECEMBER 31, 2022 AND 2021

## A) STATEMENT OF RECOGNIZED INCOME AND EXPENSES

INCOME STATEMENT	Notes from the Annual Report	2022	2021
<b>A) Result of the income statement</b>	<b>3</b>	<b>693,881</b>	<b>243,957</b>
Revenue and expenses posted directly to equity		—	—
<b>I. For valuation of financial instruments</b>		—	—
1. Financial assets at fair value with changes in equity	—	1,587	2,525
2. Other revenues/expenses	—	—	—
<b>IV. For actuarial gains and losses and other adjustments</b>		—	—
<b>VII. Tax effect</b>		<b>(413)</b>	<b>(631)</b>
<b>B) Total revenue and expenses posted directly in equity (I+IV+VII)</b>	<b>—</b>	<b>1,174</b>	<b>1,894</b>
Transfers to the income statement		—	—
<b>VIII. For valuation of financial instruments</b>		—	—
1. Financial assets at fair value with changes in equity	—	(194)	—
<b>XIII. Tax effect</b>		<b>65</b>	—
<b>C) Total transfers to the income statement (VIII+XIII)</b>		<b>(129)</b>	—
<b>TOTAL RECOGNIZED REVENUE AND EXPENSES (A+B+C)</b>	<b>—</b>	<b>694,926</b>	<b>245,851</b>

Thousand euros

## B) STATEMENT OF TOTAL CHANGES IN EQUITY

ITEM	Capital		Share premium	Reserves	(Treasury stock)	Result from previous years	Other shareholder contributions	Result for the period	(Interim dividend)	Other equity instruments	Valuation change adjustments	Grants, donations and bequests received	TOTAL
	Authorized	Uncalled											
<b>ADJUSTED BALANCE, BEGINNING OF 2021</b>	<b>307,955</b>	<b>—</b>	<b>3,338,720</b>	<b>3,231,732</b>	<b>(63,409)</b>	<b>380,177</b>	<b>—</b>	<b>245,606</b>	<b>(153,988)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>7,286,793</b>
<b>I. Total recognized revenue and expenses</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>243,957</b>	<b>—</b>	<b>—</b>	<b>1,894</b>	<b>—</b>	<b>245,851</b>
1. Share capital increases	—	—	—	—	—	—	—	—	—	—	—	—	—
4. (-) Distribution of dividends	—	—	—	—	—	—	—	(230,846)	(184,799)	—	—	—	(415,645)
4. bis. Distribution of earnings	—	—	—	—	—	(139,228)	—	(14,760)	153,988	—	—	—	—
5. Operations with treasury stock (Note 9)	—	—	—	(84)	465	—	—	—	—	—	—	—	381
6. Increases in equity resulting from a business combination	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>III. Other variations in equity</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>517</b>	<b>—</b>	<b>1</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>518</b>
<b>CLOSING BALANCE FOR YEAR 2021</b>	<b>307,955</b>	<b>—</b>	<b>3,338,720</b>	<b>3,232,165</b>	<b>(62,944)</b>	<b>240,950</b>	<b>—</b>	<b>243,957</b>	<b>(184,799)</b>	<b>—</b>	<b>1,894</b>	<b>—</b>	<b>7,117,898</b>
<b>II. Correction of errors 2021</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>ADJUSTED BALANCE, BEGINNING OF 2022</b>	<b>307,955</b>	<b>—</b>	<b>3,338,720</b>	<b>3,232,165</b>	<b>(62,944)</b>	<b>240,950</b>	<b>—</b>	<b>243,957</b>	<b>(184,799)</b>	<b>—</b>	<b>1,894</b>	<b>—</b>	<b>7,117,898</b>
<b>I. Total recognized revenue and expenses</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>693,881</b>	<b>—</b>	<b>—</b>	<b>1,045</b>	<b>—</b>	<b>694,926</b>
1. Share capital increases	—	—	—	—	—	—	—	—	—	—	—	—	—
4. (-) Distribution of dividends	—	—	—	—	—	(261,703)	—	—	(184,761)	—	—	—	(446,464)
4. bis. Distribution of earnings	—	—	—	—	—	59,158	—	(243,957)	184,799	—	—	—	—
5. Operations with treasury stock (Note 9)	—	—	—	(3,735)	21,512	—	—	—	—	292	—	—	18,069
6. Increases in equity resulting from a business combination	—	—	—	396,424	—	—	—	—	—	—	—	—	396,424
<b>III. Other variations in equity</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(12,623)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(12,623)</b>
<b>CLOSING BALANCE FOR YEAR 2022</b>	<b>307,955</b>	<b>—</b>	<b>3,338,720</b>	<b>3,612,231</b>	<b>(41,432)</b>	<b>38,405</b>	<b>—</b>	<b>693,881</b>	<b>(184,761)</b>	<b>292</b>	<b>2,938.75</b>	<b>—</b>	<b>7,768,230</b>

Thousand euros

# CASH FLOW STATEMENT AT DECEMBER 31, 2022 AND 2021

A) CASH FLOWS FROM OPERATING ACTIVITIES	Notes from the Annual Report	2022	2021
<b>1. Result for the period before tax</b>		<b>662,730</b>	<b>207,769</b>
<b>2. Adjustments to results</b>		<b>(731,009)</b>	<b>(265,109)</b>
a) Amortization and depreciation of fixed assets	5.6	1,343	1,552
b) Corrections in value due to impairment (+/-)	8	14,122	(5,934)
e) Results of fixed asset cancellations and disposals (+/-)	—	—	8
f) Results of financial instruments cancellations and disposals (+/-)	—	—	10,431
g) Financial income (-)	8	(2,514)	(434)
b) Financial expenses (+)	8	75,666	68,450
i) Exchange rate differences (+/-)	8	2	2
j) Fair value variation in financial instruments (+/-)	8	(189)	—
k) Other revenues and expenses	—	(819,439)	(339,184)
<b>3. Changes in working capital</b>		<b>(20,944)</b>	<b>(29,403)</b>
b) Debtors and other receivables (+/-)	—	(273,814)	(18,721)
c) Other current assets (+/-)	—	100,285	(33,261)
d) Creditors and other payables (+/-)	—	(4,508)	343
e) Other current liabilities (+/-)	—	145,691	6,561
f) Other non-current assets and liabilities (+/-)	—	11,402	15,675
<b>4. Other cash flows from operating activities</b>	—	<b>814,807</b>	<b>342,725</b>
a) Interest paid (-)		(68,682)	(66,143)
b) Dividend receipts (+)	—	839,718	362,700
c) Interest collected (+)	—	6,400	10,797
d) Payment (receipt) of income tax (+/-)	—	37,371	35,371
e) Other payments (collection) (-/+)	—	—	—
<b>5. Cash flows from operating activities (+/-1+/-2+/-3+/-4)</b>	—	<b>725,584</b>	<b>255,982</b>
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES</b>		—	—
<b>6. Payments for investments (-)</b>		<b>(471,249)</b>	<b>(125,300)</b>
a) Group companies and associates	8	(284,227)	(125,300)
g) Other assets	8	(187,022)	—
<b>7. Collections for divestments (+)</b>		<b>217,912</b>	<b>240,113</b>
a) Group companies and associates	8	215,597	232,421
e) Other financial assets	8	2,315	7,692
<b>8. Cash flows from investing activities (7+6)</b>		<b>(253,337)</b>	<b>114,813</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		—	—
<b>9. Payments and collections for equity instruments</b>		<b>17,805</b>	—
c) Acquisition of treasury equity instruments (-)	9	—	—
e) Disposal of treasury equity instruments (+)	9	17,805	—
<b>10. Payments and collections for financial liability instruments</b>		<b>(44,698)</b>	<b>53,939</b>
a) Issuing		—	—
1. Debentures and other negotiable securities (+)	10	495,202	—
2. Due to credit institutions (+)	8	382,000	369,900
3. Debt with Group companies and associates (+)	—	—	32,940
b) Return and redemption of		—	—
1. Debentures and other negotiable securities (-)	10	—	(155,901)
2. Due to credit institutions (-)	8	(921,900)	(193,000)
3. Debt with Group companies and associates (-)	—	—	—
<b>11. Payments for dividends and remuneration of other equity instruments</b>		<b>(446,476)</b>	<b>(424,261)</b>
a) Dividends (-)	—	(446,476)	(424,261)
<b>12. Cash flows from financing activities (+/-9/10-11)</b>		<b>(473,369)</b>	<b>(370,322)</b>
<b>D) EFFECT OF EXCHANGE RATE VARIATIONS</b>		—	—
<b>E) NET INCREASE / DECREASE OF CASH OR EQUIVALENTS (+/-5+/-8+/-12+/-D)</b>	—	<b>(1,122)</b>	<b>473</b>
Cash or cash equivalents at the beginning of the year		18,710	18,237
Cash or cash equivalents at the end of the year		17,588	18,710

Thousand euros



# ANNUAL REPORT

## FISCAL YEAR 2022

### 1. Company activity

MAPFRE S.A. (the "Company") is a corporation whose main activity is the investment of its funds in real-estate assets and tradeable financial securities.

The Company's scope of action includes the entire Spanish territory.

Its registered office is at Carretera de Pozuelo, 52, Majadahonda (Madrid, Spain). The Company is the controlling company of the MAPFRE Group, which comprises MAPFRE S.A. and several companies operating in the insurance, property, financial and services sectors.

The Company is a subsidiary of CARTERA MAPFRE, S.L., a Single-Member Company, with registered address at Carretera de Pozuelo, 52, Majadahonda (Madrid, Spain). The annual accounts of that company for the year ended December 31, 2022 will be prepared by its Board of Directors on March 27, 2023 and will be placed on file at the Madrid Companies' Registry.

The ultimate controlling company is Fundación MAPFRE, a non-profit company whose registered address is Paseo de Recoletos No. 23, Madrid and whose consolidated annual accounts will be filed with the Madrid Companies' Registry, with a copy sent to the Register of Foundations.

### 2. Bases of presentation of the annual accounts

#### a) TRUE AND FAIR VIEW

The true and fair view of the net worth, financial position and results, as well as the veracity of the cash flows included in the cash flow statement, result from the application of the statutory provisions on accounting practice, without it being necessary, in the opinion of the Directors, to include supplementary information.

The Company's Board of Directors expects the individual and consolidated annual accounts for fiscal year 2022 prepared on February 8, 2023, to be approved by the Annual General Meeting with no changes.

#### b) ACCOUNTING PRINCIPLES

The annual accounts have been prepared in accordance with the Spanish General Chart of Accounts, approved under Royal Decree 1514/2007 of November 16 and subsequently amended through Royal Decree 1159/2010 of September 17, Royal Decree 602/2016 of December 2, and Royal Decree 1/2021 of January 12, as well as with all other applicable mercantile legislation and current regulations.

#### c) CRITICAL ASPECTS OF MEASURING AND ESTIMATING UNCERTAINTY

When preparing the annual accounts, judgments and estimates were used that are based on assumptions about the future and uncertainties. These primarily refer to asset impairment, deferred tax assets and provisions.

The estimates and assumptions used are reviewed regularly, and are based on past experience and on other factors that have been deemed most reasonable in each instance. If these reviews lead to changes in estimates in a given period, their effect would apply to that period and, as the case may be, to subsequent periods.

#### d) COMPARISON OF INFORMATION

There are no reasons that prevent the comparison of the accounts for the fiscal year with those of the previous year.

#### e) CORRECTIONS OF ERRORS

No significant errors were found in the Company's annual accounts from previous years.

### 3. Distribution of earnings

The Company's Board of Directors has proposed the following distribution of profits for approval at the Annual General Meeting.

<b>BASIS OF DISTRIBUTION</b>	<b>AMOUNT</b>
Profit for the fiscal period	693,880,804.79
Retained earnings	38,405,141.82
<b>TOTAL</b>	<b>732,285,946.61</b>
<b>DISTRIBUTION</b>	<b>IMPORTE</b>
To dividends	446,535,224.59
To retained earnings	285,750,722.02
<b>TOTAL</b>	<b>732,285,946.61</b>

Figures in euros

The planned distribution of dividends in the distribution of profits complies with the requirements and limitations established under legal regulations and the corporate bylaws. The requirements and limitations related to restricted reserves are set out in Note 9 "Shareholders' equity."

This dividend distribution is based on a thorough and reflective analysis of the MAPFRE Group's situation, does not compromise the future solvency or the protection of the interests of insurance policyholders and insured persons, and is made in the context of supervisors' recommendations on this matter.

During the financial year, the Company has distributed interim dividends for a total amount of 184,761,730.50 euros (184,798,775.79 euros in 2021), which is reflected in equity on the balance sheet under the heading "Interim dividend".

The liquidity statement prepared by the Board of Directors for the distribution of the interim dividend is shown below.

<b>ITEM</b>	<b>DATE OF AGREEMENT</b>
	<b>October 27, 2022</b>
<b>Cash available on date of agreement</b>	<b>68,716</b>
<b>Increases in cash forecast within one year</b>	<b>892,441</b>
(+) From expected current collection operations	664,441
(+) From expected financial operations	228,000
<b>Decreases in cash forecast within one year</b>	<b>(624,859)</b>
(-) From expected current payment transactions	(99,678)
(-) From expected financial transactions	(525,181)
<b>Cash available within one year</b>	<b>336,298</b>

Thousand euros

The distribution of profits for fiscal year 2021, carried out during 2022, is presented in the statement of total changes in equity.

### 4. Recognition and measurement standards

The recognition and measurement standards applied are indicated below:

#### a) Fixed assets

##### Intangible fixed assets

Intangible fixed assets recognized comply with the identifiable criterion and are carried at cost less accumulated amortization and any impairment losses.

They are measured at their acquisition price or production cost and usually are systematically amortized according to their useful life.

##### Property, plant and equipment

The assets included under property, plant and equipment are measured at cost of acquisition or production, including indirect taxes that are not directly recoverable from the Spanish tax authorities, less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis, on the cost of the asset less the residual value and less the value of land, in accordance with the estimated useful life.

The costs of renovating, expanding or improving property, plant and equipment are recognized as an increase in the value of the asset when they entail an increase in capacity, productivity or extension of the useful life of each asset.

##### Impairment of fixed assets

At least at the fiscal year-end, and wherever there are indications of impairment, the Company considers whether the fixed assets may have suffered a loss in value. If such evidence exists, the recoverable amount of the asset is estimated.

Recoverable amount is the greater of an asset's fair value less costs to sell and its value in use.

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

Valuation adjustments to assets due to impairment and the reversal thereof are recognized as an expense or revenue, respectively, on the income statement under "Impairment and gains/(losses) from disposal of fixed assets."

If there is an increase in the recoverable amount of an asset other than goodwill, any previously recognized impairment loss is reversed, increasing the book value of the asset to its recoverable amount. This increase never exceeds the book value, net of amortization or depreciation, that would be recorded had an impairment loss not been recognized in previous years. The reversal is recognized on the income statement, unless the asset was previously subject to revaluation against "Valuation change adjustments", in which case the reversal is treated as a revaluation increase. Amortization and depreciation expenses are adjusted in the following periods after the valuation adjustment or its reversal.

## **b) Operating leases**

The Company classifies the lease contracts it holds as operating leases given that the lessor does not substantially transfer to the lessee all the risks and benefits of ownership. The revenue and expenses arising from operating leasing are recorded on the income statement over the life of the contract on an accruals basis.

## **c) Financial instruments**

### **FINANCIAL ASSETS**

All assets comprising cash, equity instruments of other companies, or that entail a contractual right to receive cash or another financial asset (a debt instrument), or any exchange of financial instruments under favorable conditions, are classified as financial assets.

Transactions performed in the foreign currency market are recognized on the settlement date, whereas financial assets traded in secondary markets in the Spanish markets are recognized on the trade date in the case of equity instruments and on the settlement date in the case of debt instruments.

Financial assets are classified as:

#### **Financial assets at fair value with changes in the income statement**

This category includes financial assets held for trading and financial assets not classified in any of the other categories.

The concept of trading financial instruments reflects active and frequent purchases and sales with the aim of generating a profit from short-term fluctuations in the price or brokerage margin.

Financial assets in this category are initially valued at their fair value, which, unless there is evidence to the contrary, will be the transaction price, equivalent to the fair value of the consideration given. Transaction costs directly attributable to them are recognized on the income statement for the current fiscal year.

For equity instruments that are neither held for trading nor valued at cost, an irrevocable choice has been made at the time of their initial recognition to present subsequent changes in the fair value directly in equity.

After the initial recognition, they are valued at fair value with changes on the income statement.

#### **Financial assets at amortized cost**

This category includes financial assets, even when admitted to trading on an organized market, in which the investment is held for the purpose of receiving cash flows consisting solely of principal and interest payments on the outstanding principal balance (even if the transaction is agreed at zero interest or below the market rate).

Assets are considered to meet this objective even if sales have taken place or are expected to take place in the future. For this purpose, the frequency, amount, calendar, and reasons for sales in previous years, as well as expectations of future sales are considered.

In general, this category includes trade and non-trade receivables.

They are initially valued at their fair value, which, unless there is evidence to the contrary, is the transaction price, equivalent to the fair value of the consideration given plus the transaction costs that are directly attributable to them.

In the event of receivables for sales operations and other items such as advances, receivables due to personnel or dividends to be collected with maturity no later than one year, with no type of contractual interest rate, are valued at face value when the effect of not discounting cash flows is not significant, both at initial recognition and in subsequent valuation, unless there is impairment.

These assets are subsequently valued at their amortized cost, accounting for accrued interest on the income statement, applying the effective interest rate method.

Impairment is deemed to exist when there is a reduction or delay in estimated future cash flows that may be caused by the debtor's insolvency.

Valuation adjustments due to impairment and their reversal, if applicable, are performed at the close of the fiscal year, recognizing an expense or revenue, respectively, on the income statement. However, the reversal of the loss is limited to the amortized cost that the assets would have had if the impairment loss had not been recognized.

### **Financial assets at cost**

This category includes investments in the equity of group, multi-group, and associate companies that are initially recognized and valued at cost, which is equivalent to the fair value of the consideration given plus the transaction costs that are directly attributable to them.

The subsequent valuation is carried out at cost less, where appropriate, the accumulated amount of the valuation adjustments for impairment.

In the case of non-monetary contributions to Group companies, the contributor values the investment at the book value of the assets and liabilities delivered in the Group's most recent consolidated closed annual accounts. Any difference between the book value of the investment contributed and the value assigned to the interest received is posted in a reserve account.

When a value is assigned due to a balance sheet cancellation or for another reason, the weighted average cost method is applied for homogeneous groups.

In the case of the sale of preferential subscription rights and similar rights or the division of these rights to exercise them, the cost of the rights reduces the book value of the respective assets.

At the end of the year, when there is objective evidence that the carrying amount of the investment is not recoverable, the necessary value adjustments are made.

A valuation adjustment equates to the difference between the book value of the investment and the recoverable amount. The latter is the higher of fair value less the costs to sell and the present value of the future cash flows derived from the investment.

Impairment losses and their reversal are recognized as an expense or income for the year on the income statement.

Reversal of impairment is limited to the book value of the investment that would be recognized on the reversal date if the impairment had not been registered. However, if an investment was made prior to its classification as a group, multi-group or associate company, and valuation adjustments posted directly to equity and derived from that investment were made before that classification, said adjustments are generally maintained after its classification and until the investment's disposal or cancellation, at which time they are recorded on the income statement.

### **Financial assets at fair value with changes in equity**

This category includes financial assets whose contractual conditions give rise to cash flows that are solely the principal and interest collected on the outstanding principal amount, and that are not held for trading or classified in the "Financial assets at amortized cost" category.

Also included in this category are investments in equity instruments for which the irrevocable option has been exercised on initial recognition to present subsequent changes directly in equity.

They are initially valued at fair value, which, unless there is evidence to the contrary, is the transaction price, equivalent to the fair value of the consideration given plus the directly attributable transaction costs.

The subsequent valuation is carried out at fair value, and changes in value are posted to equity, being reclassified on the income statement if sold or in the event of impairment of the financial asset.

Corrections in value due to impairment and gains or losses arising from foreign exchange differences in monetary financial assets in foreign currencies are recorded on the income statement.

The amount of interest calculated applying the effective interest rate method and dividends accrued are also recorded on the income statement.

Investments in equity instruments whose fair value may not be reliably determined are measured at their cost minus the accumulated valuation adjustments amount due to impairment.

When a value is assigned to these assets due to a balance sheet cancellation or for another reason, the weighted average cost method is applied for homogeneous groups.

In case of sale of preferential subscription rights and similar rights, the cost of the rights reduces the book value of the respective assets.

At least at the close of the financial year, the pertinent valuation adjustments are made, provided there is objective evidence that the value of a financial asset included in this category is impaired, the amount of which is recognized on the income statement. Reversals of valuation adjustments are credited to the income statement, with the exception of those associated with equity instruments, the reversal for which is recognized directly in equity.

For equity instruments, investments are analyzed individually to determine whether any impairment exists, when the market value has fallen either over a prolonged period (18 months) or by a significant amount (40 percent) compared to cost.

#### **Determination of Fair Value:**

The fair value of financial assets is determined through the use of market prices, as long as the available quotations of the instruments can be considered representative, as they are regularly published in the usual information systems provided by recognized financial intermediaries.

A fair value hierarchy is established according to the variables used, classifying the estimates into three levels:

- Level 1: those that use unadjusted quoted prices in active markets for identical assets or liabilities, which the company can access on the valuation date.
- Level 2: those based on prices quoted in active markets for similar instruments or other assessment techniques in which all significant variables are based on directly or indirectly observable market data.
- Level 3: those in which some significant variable is not based on observable market data.

If market valuation is not possible, a valuation is performed with internal models using, as far as possible, public market data that satisfactorily replicate the valuation of the instruments quoted. This valuation methodology is based on the discounting of (determined or estimated) future flows from the instruments using the risk-free discount curve. Depending on the characteristics of the issue concerned and the issuer, a specific credit risk is assigned, which applies to a different degree to each of the flows to be received.

For shares in mutual funds other than those classified in group companies, the fair value will be the net asset value of the fund at the valuation date.

#### **Cash and other equivalent liquid assets**

Cash includes liquid funds and demand deposits, while cash equivalents correspond to highly liquid short-term investments that can be easily converted to fixed amounts of cash and have an insignificant risk of change in value.

#### **Interest and dividends received from financial assets**

The interest and dividends from financial assets accrued after acquisition are recognized as revenue on the income statement. Interest from financial assets valued at amortized cost is recognized using the effective interest rate method, and dividends when the right to receive them is declared.

For these purposes, on initial measurement of financial assets, the amount of accrued and unmatured explicit interest and dividends agreed at the time of acquisition are recognized separately on the basis of their maturity.

Additionally, when the distributed dividends come from earnings generated prior to the acquisition date, because amounts were distributed that are greater than the profits generated by the investee since the acquisition, they are not recognized as revenue and they reduce the book value of the investment.

#### **Derecognition of financial assets**

Financial assets are derecognized when the contractual rights over the cash flows of the financial asset expire or when they are transferred, whereupon the risks and benefits of ownership are substantially transferred.

When a financial asset is canceled, the difference between the net received compensation of the attributable transaction costs and the book value of the financial asset, plus any accumulated amount recognized directly as equity, determines the resulting gains or losses and is part of the result for the period.

### **FINANCIAL LIABILITIES**

Instruments issued, incurred or assumed that give rise to a direct or indirect contractual obligation for the Company, based on its economic reality, to deliver cash or another financial asset or to exchange financial assets or liabilities with third parties on unfavorable terms are recognized as financial liabilities.

Financial liabilities are classified as:

#### **Financial liabilities at amortized cost**

These correspond to trade and non-trade payables.

After initial recognition at their fair value (transaction price, adjusted for directly attributable costs), they are measured at their amortized cost, and any interest is recorded on the income statement, applying the effective interest rate method.

In the case of trade payables maturing within a year and without a contractual interest rate, as well as third-party called capital for holdings whose amounts are expected to be paid in the short-term, both the initial valuation and subsequent valuations are performed at the face value when the effect of not discounting cash flows is not significant.

### **Derecognition of financial liabilities**

Financial liabilities are derecognized in whole or in part when the obligation inherent to them has expired. Additionally, own financial liabilities acquired are derecognized even when there is an intention to reassign them in the future.

If there is an exchange of debt instruments with significantly different conditions, the original liability is canceled and the new liability is recognized.

The difference between the book value of the financial liability or the derecognized part of the liability and the compensation paid, including attributable transaction costs, and including any transferred asset other than cash or the liability assumed, is recognized on the income statement during the fiscal year in which it occurs.

If there is an exchange of debt instruments without significantly different conditions, the original liability is not derecognized from the balance sheet, and any commission paid is recorded as an adjustment to the book value.

### **Own equity instruments**

All items that show a residual investment in Company assets once its liabilities have been deducted are classified in this category.

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

All transactions performed with own equity instruments are recorded in equity as a variation in the value of shareholders' equity.

## **d) Transactions in foreign currency**

Transactions in foreign currencies are converted to euros by applying the exchange rate in force on the transaction date.

At fiscal year-end, the balances that correspond to monetary items expressed in foreign currencies are converted at the exchange rate of the euro on that date, and all exchange differences are allocated on the income statement, except for monetary financial assets classified in the category of fair value with changes in equity, in which exchange rates other than those generated from the amortized cost are recognized directly in equity.

Non-monetary items that are measured at historical cost are generally recorded by applying the exchange rate as of the transaction date. When determining the net equity of an investee, adjusted for any unrealized gains that exist on the valuation date, the closing exchange rate is applied to the net equity and unrealized gains that exist on that date.

Non-monetary items at fair value are recorded by applying the exchange rate on the date when the fair value was determined, recognizing any losses and gains derived from the valuation as net equity or as earnings, depending on the nature of the item.

When presenting the cash flow statement, the flows from transactions in foreign currencies are converted to EUR by applying the spot exchange rate on the dates of exchange to the amount in foreign currency.

The effect of the variation in exchange rates on cash and other equivalent liquid assets expressed in foreign currency is presented separately on the cash flow statement as "Effect of exchange rate variations."

## **e) Corporate tax**

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

However, income tax relating to items whose valuation changes are recognized directly in equity is recognized in equity rather than on the income statement, and changes in valuation of these items are recognized net of the tax effect.

Current tax assets or liabilities are measured at the amounts that are expected to be recovered or paid, as per the tax rules and rates that are in force or approved and pending publication at the end of the year.

The Company files consolidated tax returns and the corporate income tax expense accrued by companies filing consolidated tax returns is determined taking into account, in addition to the parameters to be considered in the case of individual taxation, the following parameters:

- Temporary and permanent differences arising as a result of eliminating gains and losses on intergroup transactions, derived from the process of determining the consolidated tax base.
- Tax credits and deductions corresponding to each Group company in the consolidated tax group. To that end, tax credits and deductions are recorded in the company that carried out the related activity or that obtained the gain necessary to secure the tax credit or deduction.

Temporary differences deriving from the elimination of gains and losses between companies in the tax group are recognized in the company that generated the gain or loss, and are measured at the applicable tax rate.

Tax losses incurred in certain Group companies that have been offset by profits of other companies in the Group give rise to a reciprocal credit and debit between the companies, as appropriate. In the event that tax losses cannot be offset by profits of other Group companies, the tax loss carryforwards are recognized as deferred tax assets by the corresponding companies, considering that they will be offset by future profits of the tax group.

As the Group's controlling company, the Company recognizes the total amount payable for consolidated corporate tax as a payable or a receivable with the different Group companies and associates, as appropriate.

Deferred tax is recorded for temporary differences on the reporting date between the tax base of the assets and the liabilities and their book values. The tax base of an equity item is the amount attributed to it for tax purposes.

The tax effect of temporary differences is included for all taxable temporary differences under the corresponding headings of "Deferred tax assets" and "Deferred tax liabilities," excluding the exceptions provided for in current regulations, if applicable.

The Company recognizes deferred tax assets for all deductible temporary differences, unused tax receivables and tax loss carryforwards to the extent that it is likely that the Company or tax group will have the future taxable profits allowing these assets to be used.

Unless evidenced otherwise, it is not considered likely that the Company will avail itself of future taxable profits if recovery is to take place more than ten years after fiscal Year-end.

The Company recognizes deferred tax assets that have not been recognized due to expiration of the ten-year recovery period if the future reversal period does not exceed ten years from the date of fiscal Year-end or when there are sufficient liabilities derived from temporary tax differences.

Deferred tax assets and deferred tax liabilities are measured according to anticipated tax rates for the fiscal years in which they will be recovered or liquidated, respectively.

Deferred tax assets and deferred tax liabilities are recognized on the balance sheet as non-current assets or liabilities, regardless of the expected date of realization or settlement.

## **f) Revenue and expenses**

Holding participations in group and associate companies is the ordinary activity of the Company, one for which it generates revenue on a regular basis. In application of the criterion expressed by the Institute of Accounting and Auditing of Accounts in relation to the determination of the net revenue amount in holding companies (consultation number 2 of the Official Bulletin of the Institute of Accounting and Auditing of Accounts number 79), the Dividends from group and associate companies and interest received on loans granted to group and associate companies are included as "Net revenue", as well as the fees received for the provision of services to other Group companies and the rebilling of common expenses. Likewise, the heading "Impairment and gains/(losses) on disposals of equity instruments in group and associate companies" is considered within the Operating result.

Revenue from a contract is recognized as and when control over the promised goods or services is transferred to the customer.

The revenue deriving from the commitments (in general, for the provision of services) that are fulfilled over time, are recognized based on the degree of fulfillment of the contractual obligations.

When, at a given date, it is not possible to reasonably measure the degree of fulfillment of the obligation, only revenue and the corresponding consideration are recognized in an amount equivalent to the costs incurred up to that date.

Interest income and expense are recognized using the effective interest rate method.

Dividend income is recognized when the right to receive payment is established. Where dividends unequivocally come from reserves generated before the acquisition, the value of the investment will be adjusted.

## **g) Provisions and contingencies**

Provisions are recognized when there is a current obligation, whether legal or implicit, as a result of a past event, and it is estimated that there will be a probable outflow of funds that include future economic benefits.

They are measured at the fiscal year-end at the present value of the best possible estimate of the amount needed to cancel or transfer the obligation to a third party. The resulting adjustments are recorded when the provision is discounted as a financial expense on an accruals basis.

The compensation to be received from a third party on settling the obligation, provided that there is no doubt that it will be received, does not entail a decrease in the debt, and the collection right is recognized in the asset whose amount will not exceed the amount of the obligation recorded in the accounts.

## **h) Personnel expenses**

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

### Short-term remuneration

These are posted according to the services provided by employees on an accrual basis.

### Post-employment benefits

These essentially 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 those in which the Company 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 obligation is limited to the contribution agreed on to deposit in a fund and the amount of benefits to be received by employees is determined by the contributions made plus the yield obtained on the investments made by the fund.

### Defined benefit plans

These are plans that establish the benefit to be received by employees at the time of retirement, normally based on factors such as remuneration.

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

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

Actuarial gains and losses are recognized in equity accounts.

All the obligations for defined benefit plans that remain on the balance sheet correspond exclusively to retired personnel.

### Compensation for termination

Compensation for termination is recognized as a liability and expense when there is a proven 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.

### Other medium- and long-term remuneration and share-based payments

Other long-term remuneration besides those described in the preceding paragraphs and referring specifically to the award for years of service or time with the company are recorded in line with the aforementioned principles; the only exceptions are past services costs, which are recognized immediately and recorded as an offsetting liability under the heading "Long-term provisions," and actuarial gains and losses, which are recorded on the income statement.

On February 9, 2022, the Board of Directors of MAPFRE S.A. approved an Incentive Plan, of an extraordinary and non-consolidation nature, for the period 2022-2026 made up of three overlapping cycles with a three-year target measurement period. duration each. This new Plan is aimed at certain executives and key professionals of the Company and Group companies, including the executive directors of the Company, and is subject to the fulfillment of the objectives established in the MAPFRE Group Strategic Plan, as well as to the permanence of the executive in the Company or the Group. It will be partially settled in cash and through the delivery of MAPFRE S.A. shares. and is subject to reduction or recovery clauses as well as retention periods of the shares.



In fiscal year 2019, a new medium-term incentive plan was approved for certain members of the MAPFRE executive team. The plan is extraordinary, not 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 meeting certain corporate and specific objectives, as well as the director remaining in the Company's or Group's employ. It will be paid partly in cash (50 percent) and partly in MAPFRE S.A. shares (50 percent), and is subject to reduction or recovery clauses.

At the close of each fiscal year of the plan, objective achievement is evaluated and the amount accrued is recorded on the income statement, with a credit to a provisions account for the part of cash remuneration and a credit to an equity account for the part corresponding to shares. The part of the incentive to be received in MAPFRE S.A. shares is measured taking into account the fair value of the assigned equity instruments.

Each year, until the vesting period 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.

#### Share-Based Remuneration Plan

In 2021, MAPFRE launched a MAPFRE S.A. Share-Based Remuneration Plan for employees in Spain with the aim of strengthening their ties to the company's strategy and future earnings. This Plan involves voluntarily allocating an annual amount of remuneration to the purchase of MAPFRE S.A. shares, which were delivered on a monthly basis over the course of 2022. Additionally, the shares held by the participant until March 31, 2023 will entitle them to receive additional shares free of charge.

In 2022, a new MAPFRE S.A. Share-Based Remuneration Plan was launched for employees in Spain, which will be implemented in 2023. This plan does not include the issuing of additional shares free of charge.

The transactions derived from each plan are measured at the fair value of the equity instruments assigned at the date of the concession agreement.

On a monthly basis, during the share delivery period, the Company cancels the treasury stock issued, recording the difference with respect to the value of the shares issued in voluntary reserves.

Where appropriate, during the holding period, an increase in equity is recorded for the additional shares to be issued.

At the end of the holding period, the difference with the value of the treasury stock issued free of charge is recorded in voluntary reserves.

### **i) Related-party transactions**

Transactions with related parties linked to the usual activities of the Company are conducted under market conditions and are recorded according to the aforementioned valuation rules.

## **5. Property, plant and equipment**

The accompanying table shows the movements under this heading for the last two fiscal years

HEADINGS	OPENING BALANCE		INFLOWS		OUTFLOWS		CLOSING BALANCE	
	2022	2021	2022	2021	2022	2021	2022	2021
Land	4,021	4,021	—	—	—	—	4,021	4,021
Buildings	9,433	9,433	—	—	—	—	9,433	9,433
Facilities and other property, plant and equipment	6,828	6,770	232	80	—	(22)	7,060	6,828
Fixed assets in progress and advance payments	285	283	12	2	—	—	297	285
<b>TOTAL COST</b>	<b>20,567</b>	<b>20,507</b>	<b>244</b>	<b>82</b>	<b>—</b>	<b>(22)</b>	<b>20,811</b>	<b>20,567</b>
Cumulative amortization	(6,730)	(5,534)	(792)	(1,209)	—	13	(7,522)	(6,730)
<b>NET TOTAL</b>	<b>13,837</b>	<b>14,973</b>	<b>(548)</b>	<b>(1,127)</b>	<b>—</b>	<b>(9)</b>	<b>13,289</b>	<b>13,837</b>

Thousand euros

The main inflows in both fiscal years correspond to disbursements for improvements to property, plant and equipment.

The main outflows in 2020 came from the derecognition of fully amortized items.

The depreciation of items of property, plant and equipment is calculated on a straight-line basis according to useful life. Details of the depreciation rates applied by grouping of items is shown in the accompanying table.

ITEM GROUPS	% DEPRECIATION
Buildings	2
Vehicles	16
Furniture and fittings	10
Data processing equipment	25

No items of property, plant and equipment were acquired from Group companies or associates in the last two fiscal years.

No items of property, plant or equipment are located outside Spanish territory.

At the close of the last two fiscal years, there were no fully depreciated assets in use.

The Company has insurance policies covering the net book value of property, plant and equipment.

## 6. Intangible fixed assets

The accompanying table shows the movements under this heading for the last two fiscal years:

HEADINGS	OPENING BALANCE		INFLOWS		OUTFLOWS		CLOSING BALANCE	
	2022	2021	2022	2021	2022	2021	2022	2021
Computer applications	2,181	1,765	73	416	(28)	—	2,226	2,181
<b>TOTAL COST</b>	<b>2,181</b>	<b>1,765</b>	<b>73</b>	<b>416</b>	<b>(28)</b>	<b>—</b>	<b>2,226</b>	<b>2,181</b>
Cumulative amortization	(830)	(487)	(552)	(343)	—	—	(1,382)	(830)
<b>NET TOTAL</b>	<b>1,351</b>	<b>1,278</b>	<b>(479)</b>	<b>73</b>	<b>(28)</b>	<b>—</b>	<b>844</b>	<b>1,351</b>

Thousand euros

The main inflows in both fiscal years correspond to disbursements for the development of current computer applications and the purchase of new licenses.

The annual amortization rate is 33 percent.

There are no intangible fixed assets outside Spanish territory.

At the close of the last two fiscal years, there were no fully depreciated assets in use.

## 7. Leases

### Operating leases

The Company is the lessee in operating leases on a building. The contract is for a one-year term and may be extended by one-year increments if neither party informs the other of its desire to terminate the contract giving two months' notice. There are no restrictions on the lessee in connection with these leases.

The future minimum payments to be paid until the end of the lease term on non-cancellable operating leases amount to 3,390,000 euros, calculated as of December 31, 2022. (3,193,000 euros as of December 31, 2021).

Leasing expenses registered in fiscal years 2022 and 2021 amount to 3,291,000 euros and 3,143,000 euros, respectively.

## 8. Financial instruments

The following table shows the book value of the financial assets recorded in the last two fiscal years.

### Financial Assets

A.- Long-term financial instruments								
Class	Equity instruments		Debt securities		Credit derivatives and Other		Total	
Category	2022	2021	2022	2021	2022	2021	2022	2021
Financial assets at amortized cost	—	—	—	—	20,461	190,964	20,461	190,964
Assets at fair value with charges in income statement	—	—	5,423	—	—	—	5,423	—
Assets at fair value with changes in equity	63,512	4,672	159,944	—	—	—	223,456	4,672
<b>TOTAL A</b>	<b>63,512</b>	<b>4,672</b>	<b>165,367</b>	<b>—</b>	<b>20,461</b>	<b>190,964</b>	<b>249,340</b>	<b>195,636</b>
B.- Short-term financial instruments								
Class	Equity instruments		Debt securities		Credit derivatives and Other		Total	
Category	2022	2021	2022	2021	2022	2021	2022	2021
Assets at fair value with changes in income statement:								
Other	—	—	—	—	—	—	—	—
Assets at fair value with changes in equity	—	—	1,348	—	—	—	1,348	—
Financial assets at amortized cost	—	—	—	—	64,905	199,307	64,905	199,307
<b>TOTAL B</b>	<b>—</b>	<b>—</b>	<b>1,348</b>	<b>0</b>	<b>64,905</b>	<b>199,307</b>	<b>66,253</b>	<b>199,307</b>
<b>TOTAL A + B</b>	<b>63,512</b>	<b>4,672</b>	<b>166,715</b>	<b>—</b>	<b>85,366</b>	<b>390,271</b>	<b>315,593</b>	<b>394,943</b>

Thousand euros

## Financial liabilities

The book value of the financial liabilities corresponding to the last two fiscal years is shown below.

Class	A.- Long-term financial instruments							
	Due to credit institutions		Debentures and other negotiable securities		Loans and Other		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Financial liabilities at amortized cost								
or at cost	237,000	621,000	2,445,290	1,950,088	45	108	2,682,335	2,571,196
<b>TOTAL A</b>	<b>237,000</b>	<b>621,000</b>	<b>2,445,290</b>	<b>1,950,088</b>	<b>45</b>	<b>108</b>	<b>2,682,335</b>	<b>2,571,196</b>

Class	B.- Short-term financial instruments							
	Due to credit institutions		Debentures and other negotiable securities		Loans and Other		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Financial liabilities at amortized cost								
or at cost	123	155,944	45,220	34,901	279,039	151,143	324,382	341,988
<b>TOTAL B</b>	<b>123</b>	<b>155,944</b>	<b>45,220</b>	<b>34,901</b>	<b>279,039</b>	<b>151,143</b>	<b>324,382</b>	<b>341,988</b>
<b>TOTAL A + B</b>	<b>237,123</b>	<b>776,944</b>	<b>2,490,510</b>	<b>1,984,989</b>	<b>279,084</b>	<b>151,251</b>	<b>3,006,717</b>	<b>2,913,184</b>

Thousand euros

Credit line limits at December 31 of the last two fiscal years are indicated in the accompanying table.

Bank	Maturity	Limit		Drawn down	
		2022	2021	2022	2021
BANCO SANTANDER	2/26/2025	1,000,000	1,000,000	237,000	621,000
CARTERA MAPFRE S.L.U.	9/10/2023	400,000	400,000	—	—
BANCO SANTANDER	1/15/2022	0	77,950	—	77,950
CITIBANK EUROPE	1/15/2022	0	250,000	—	77,951
<b>Total</b>		<b>1,400,000</b>	<b>1,727,950</b>	<b>237,000</b>	<b>776,901</b>

Thousand euros

Banco de Santander is the agent bank of the aforementioned line of credit, in the amount of 1 billion euros, which is a syndicated loan with other banks and which bears interest at a rate pegged to market variables. In fiscal year 2018, it was renewed, its conditions modified and its maturity extended. Among the modified conditions, it was converted into sustainable financing, linking its interest also to the Group's sustainability parameters.

Accrued interest payable on the line of credit during the period amounted to 1,388,000 euros (1,860,000 euros in 2021).

The line of credit granted by CARTERA MAPFRE S.L.U. accrues variable interest tied to the quarterly Euribor plus a differential of 1.5 percent and is extendable for successive annual periods.

On January 14, 2022, the credit lines granted by Banco Santander and Citibank Europe PLC were cancelled.

## Information regarding the income statement and equity

The accompanying table provides information regarding the income statement and the equity of financial instruments for the last two fiscal years.

HEADINGS	Financial income or expenses		Impairment			
			Registered losses		Reversal gains	
	2022	2021	2022	2021	2022	2021
<b>Financial assets</b>	—	—	—	—	—	—
Equity instruments	838,771	362,702	(14,122)	(515)	—	6,458
Financial assets at amortized cost	5,989	10,611	—	—	—	—
Trading portfolio and other	—	—	—	—	—	—
Other financial assets	2,703	434	—	—	—	—
Impairment and result of disposal of financial instruments	—	(10,440)	—	—	—	—
Foreign exchange differences	(2)	(2)	—	—	—	—
<b>Subtotal</b>	<b>847,461</b>	<b>363,305</b>	<b>(14,122)</b>	<b>(515)</b>	<b>—</b>	<b>6,458</b>
<b>Financial liabilities</b>	—	—	—	—	—	—
Financial liabilities at amortized cost	—	(149)	—	—	—	—
Debt with third parties	(75,478)	(68,115)	—	—	—	—
For update of provisions	(188)	(186)	—	—	—	—
<b>Subtotal</b>	<b>(75,666)</b>	<b>(68,450)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>TOTAL</b>	<b>771,795</b>	<b>294,855</b>	<b>(14,122)</b>	<b>(515)</b>	<b>—</b>	<b>6,458</b>

Thousand euros

## Fair value

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

- At the time of acquisition, the portfolio to which it is assigned is decided (assets at fair value with changes in gains or losses, financial assets at amortized cost, financial assets at cost, or financial assets at fair value with changes in equity), depending on the characteristics and the business model.
- Depending on the accounting status of the portfolios, they are valued against the market using the valuation methods described in Note 4c "Financial instruments" (Level 1, Level 2, and Level 3).

The assessment policy is decided at the time of acquisition and reviewed annually.

With regard to the sensitivity of fair value assessments, changes in the non-observable variables used in the aforementioned individual valuations would not significantly alter the fair value obtained.

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

- If the quotation source for a particular asset is no longer representative, it is transferred from Level 1 to Level 2.
- Assets are transferred from Levels 2 and 3 to Level 1 if a reasonable quotation source is verified.
- Assets are transferred to Level 3 when some of the significant variables are not based on observable market data.

## Financial assets at fair value with changes in income statement

The investments assigned to the financial assets portfolio with changes in profit and loss are detailed below:

Financial assets at fair value with changes in income statement								
Item	Book value (cost)						Total	
	Level 1. Market value		Level 2. Observable data		Level 3. Other valuations		2022	2021
	2022	2021	2022	2021	2022	2021		
Fixed income	5,423	—	—	—	—	—	5,423	—
<b>TOTAL</b>	<b>5,423</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>5,423</b>	<b>—</b>

Thousand euros

### Financial assets at amortized cost

The investments allocated to the financial assets at amortized cost portfolio are shown below.

Financial assets at amortized cost										
Item	Book value				Fair value				Total	
	(amortized cost)		Level 1. Market value		Level 2. Observable data		Level 3. Other valuations		2022	2021
	2022	2021	2022	2021	2022	2021	2022	2021		
Other investments	85,366	390,271	—	—	85,366	390,271	—	—	85,366	390,271
<b>TOTAL</b>	<b>85,366</b>	<b>390,271</b>	<b>—</b>	<b>—</b>	<b>85,366</b>	<b>390,271</b>	<b>—</b>	<b>—</b>	<b>85,366</b>	<b>390,271</b>

Thousand euros

### Financial assets at fair value with changes in equity

The investments allocated to the financial assets at fair value with changes in the equity portfolio are shown below.

Financial assets at fair value with changes in equity								
Item	Book value (fair value)							
	Level 1. Market value		Level 2. Observable data		Level 3. Other valuations		2022	2021
	2022	2021	2022	2021	2022	2021		
Equities	47,258	—	—	—	—	—	47,258	—
Fixed income	147,056	—	14,236	—	—	—	161,292	—
Mutual funds	—	—	—	—	16,582	4,672	16,582	4,672
<b>TOTAL</b>	<b>194,314</b>	<b>—</b>	<b>14,236</b>	<b>—</b>	<b>16,254</b>	<b>4,672</b>	<b>224,804</b>	<b>4,672</b>

Thousand euros

There follows a reconciliation of the balances for the year for financial assets at fair value with changes in equity classified as Level 3.

Financial assets at fair value with changes in equity	Equity instruments and mutual funds		Securities Debt		Other financial assets		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	<b>Opening balance</b>	<b>4,672</b>	<b>4,672</b>	—	—	—	—	<b>4,672</b>
Acquisitions	11910	—	—	—	—	—	11910	—
Other	(328)	—	—	—	—	—	(328)	—
<b>Closing balance</b>	<b>16,254</b>	<b>4,672</b>	—	—	—	—	<b>16,254</b>	<b>4,672</b>

Thousand euros

### Financial assets at cost

The investments allocated to the financial assets at cost portfolio are shown below.

Item	Book value		Financial assets at cost				Fair value		Total	
	(cost)		Level 1. Market value		Level 2. Observable data		Level 3. Other valuations			
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Other investments	10,138,562	9,533,090	—	—	—	—	10,138,562	9,533,090	10,138,562	9,533,090
<b>TOTAL</b>	<b>10,138,562</b>	<b>9,533,090</b>	—	—	—	—	<b>10,138,562</b>	<b>9,533,090</b>	<b>10,138,562</b>	<b>9,533,090</b>

Thousand euros

There follows a conciliation of the fiscal-year balances for financial assets at cost classified as Level 3.

Financial assets at fair value with changes in equity	Equity instruments and mutual funds		Securities Debt		Other financial assets		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	Opening balance	9,537,762	9,530,912	—	—	—	—	9,537,762
Acquisitions	621,339	15	—	—	—	—	621,339	15
Disposals	(2,146)	(937)	—	—	—	—	(2,146)	(937)
Transfers from Level 1 or 2	—	25,000	—	—	—	—	—	25,000
Gains and losses	(14,122)	5,943	—	—	—	—	(14,122)	5,943
Other	(4,271)	(23,171)	—	—	—	—	(4,271)	(23,171)
<b>Closing balance</b>	<b>10,138,562</b>	<b>9,537,762</b>	—	—	—	—	<b>10,138,562</b>	<b>9,537,762</b>

Thousand euros

The gains and losses recorded on equity instruments correspond to movements in valuation adjustments in group and associate companies and in the portfolio of assets at fair value with changes in equity, as per the accompanying table.

Name	(Impairment) Reversal year 2022	(Impairment) Reversal year 2021
MAPFRE INMUEBLES	(1,560)	(508)
MAPFRE ASISTENCIA	(12,562)	1,958
DESURCIC	—	(7)
PREMINEN PRICE COMPARISON HL	—	4,500
<b>TOTAL</b>	<b>(14,122)</b>	<b>5,943</b>

Thousand euros

Dividends and other income accrued from financing granted to investee companies are part of the concept "Net business figure amount", as established in Note 4.f.

## **Group and associate companies**

Appendix 1 of the annual report contains details of the Group companies and associates in which direct equity investments have been held in the last two fiscal years.

The results of the companies included in the aforementioned appendix are all ongoing operations.

In compliance with Article 155 of the Recast Text of the Spanish Limited Liability Companies Act, the corresponding notifications were made, when applicable, to investee companies.

The main operations undertaken in the last two fiscal years with Group companies and associates are described in Note 19 of this annual report.

On November 3, 2022, in order to restructure the Group's operating areas, MAPFRE S.A. (absorbing company) absorbed MAPFRE PARTICIPACIONES S.A. and MAPFRE AM INVESTMENT HOLDING S.A.U. (absorbed companies), with the merger taking effect retroactively from January 1, 2022.

The effect of this, given that it comprises a transaction between Group companies, was an increase in reserves amounting to 396,424,000 euros (see Note 17).

On December 1, 2022, MAPFRE S.A. purchased a total of 512,499 shares in MAPFRE TECH - 103,300 shares held by MAPFRE INTERNACIONAL, 8,101 shares held by MAPFRE ASISTENCIA, 336,538 shares held by MAPFRE ESPAÑA, 82 shares held by MAPFRE INVERSIÓN, 4,133 shares held by MAPFRE RE, and 60,345 shares held by MAPFRE VIDA - for a combined price of 20,146,000 euros, or 39.39 euros per share, giving MAPFRE S.A. 100 percent ownership of the company.

In 2021, the Alma Mundi Insurtech Fund FCRE was transferred to the heading "Group companies and long-term associates."

The non-controlling interests of the subsidiary MAPFRE RE hold a sell option on the shares they own in that company. If exercised, MAPFRE or a MAPFRE Group company would have to acquire the shares from the selling non-controlling interests. The purchase price for the shares will be calculated using the previously agreed formulas in each case. As of December 31, 2022 and 2021, taking into account the variables included in the aforementioned formula, the commitment assumed by the Group in the event of exercising this option would amount to a total of approximately 109.6 and 112.0 million euros, respectively.

## **Financial instrument risk**

Credit and market risks are managed centrally through the MAPFRE Group's Investment Area, which applies a prudent investment policy to mitigate exposure to this type of risk.

Liquidity management is done by the Company, which maintains balances of current assets, as well as credit lines sufficient to cover any eventuality deriving from its obligations, and has the support of the Group for financing operations in case additional liquidity is required.

There are no significant amounts in the last two years relating to financial assets exposed to interest rate risk.

Regarding credit risk, the related policy is based on maintaining a diversified portfolio made up of prudently selected securities based on the solvency of the issuer. Fixed income and equity investments are subject to issuer limits.



## Credit risk

The credit ratings of issuers of fixed-income securities and entities where the company has treasury positions are detailed in the accompanying table.

Issuer credit rating	Book value					
	Assets at fair value with changes in Income Statement		Assets at fair value with changes in Equity		Cash	
	2022	2021	2022	2021	2022	2021
A	5,423	—	33,718	—	17,588	18,710
BBB	—	—	127,574	—	—	—
<b>Total</b>	<b>5,423</b>	<b>—</b>	<b>161,292</b>	<b>—</b>	<b>17,588</b>	<b>18,710</b>

Thousand euros

## Market risk

The accompanying table shows the significant information for the last two years regarding the level of exposure to the interest rate risk of financial liabilities.

Item	Amount of the assets exposed to risk							
	Interest fixed rate		Fair value		Not exposed to risk		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Fair value with changes in income statement	5,423	—	—	—	—	—	5,423	—
At amortized cost	—	—	—	—	85,366	390,271	85,366	390,271
Fair value with changes in equity	161,292	—	—	—	63,840	4,672	225,132	4,672
<b>Total</b>	<b>166,715</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>149,206</b>	<b>394,943</b>	<b>315,921</b>	<b>394,943</b>

Thousand euros

Item	Amount of the liability exposed to risk					
	Interest fixed rate		Not exposed to risk		Total	
	2022	2021	2022	2021	2022	2021
Issue of debentures and other negotiable securities	2,490,510	1,984,989	—	—	2,490,510	1,984,989
Due to credit institutions	—	—	237,168	777,052	237,168	777,052
<b>Total</b>	<b>2,490,510</b>	<b>1,984,989</b>	<b>237,168</b>	<b>777,052</b>	<b>2,727,678</b>	<b>2,762,041</b>

Thousand euros

All amounts corresponding to financial assets and liabilities are denominated in euros, with the exception of holdings in companies located overseas.

## Fiscal year 2022

### Liquidity risk

Details on the maturities of financial liabilities for the last two years is shown in the accompanying table.

HEADINGS	Maturity in						Closing
	2023	2024	2025	2026	2027	Subsequent years	balance
<b>Financial liabilities</b>							
Debentures and other negotiable securities	73,960	75,181	75,181	923,855	61,250	1,625,877	2,835,304
Due to credit institutions	5,141	5,141	237,857	—	—	—	248,139
Other financial liabilities	258,201	—	—	—	—	45	258,246
<b>Total financial liabilities</b>	<b>337,302</b>	<b>80,322</b>	<b>313,038</b>	<b>923,855</b>	<b>61,250</b>	<b>1,625,922</b>	<b>3,341,689</b>

Thousand euros

## Fiscal year 2021

HEADINGS	Maturity in						Closing
	2022	2023	2024	2025	2026	Subsequent years	balance
<b>Financial liabilities</b>							
Debentures and other negotiable securities	60,806	60,806	60,806	60,806	918,106	1,167,500	2,328,830
Due to credit institutions	157,675	1,708	1,708	621,285	—	—	782,376
Other financial liabilities	122,908	—	—	—	—	108	123,016
<b>Total financial liabilities</b>	<b>341,389</b>	<b>62,514</b>	<b>62,514</b>	<b>682,091</b>	<b>918,106</b>	<b>1,167,608</b>	<b>3,234,222</b>

Thousand euros

## 9. Shareholders' equity

### SHARE CAPITAL

The Company's share capital as on December 31, 2022 and 2021 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 the same political and economic rights.

All shares representing the Company's share capital are admissible for official trading on the Madrid and Barcelona stock markets.

The Annual General Meeting of March 9, 2018 authorized the directors of the Company to increase 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 directors were authorized to issue analogous fixed income securities or debentures, convertible or not, for a maximum amount of 2 billion euros.

CARTERA MAPFRE directly held 69.69 percent of the Company's share capital as on December 31 of the last two fiscal years.

### SHARE PREMIUM

This reserve is unrestricted and corresponds to the provisions made as a result of the capital increases, as indicated below.

DATE	ISSUE TYPE	AMOUNT
June 1985	200%	956
October 1985	300%	4,015
January 1986	600%	11,040
June 1986	600%	2,428
January 2007	3,192%	3,320,281
<b>TOTAL</b>		<b>3,338,720</b>

Thousand euros

### LEGAL RESERVE

The legal reserve, which at the end of the last two years amounted to 61,591,065 euros, cannot be distributed to shareholders unless the Company is liquidated. In that case, it may only be used to offset potential losses.

## OTHER RESTRICTIONS ON THE AVAILABILITY OF RESERVES

"Reserves" includes reserve for redenomination of the share capital to euros, which in accordance with Article 28 of Law 46/1998 may not be distributed. Additionally, a capitalization reserve totaling 48,857,000 euros is included, which will be available once five years have elapsed since its creation.

## TREASURY STOCK

MAPFRE S.A. shares are bought and sold in accordance with the regulations in force, the relevant agreements adopted at the Annual General Meeting, and the MAPFRE Group Treasury Stock Policy on how to handle transactions which involve the Company's own shares.

In financial year 2022, 203,765 shares were delivered to the management of subsidiaries, registering a negative impact of 58,419.42 euros (-84,274.36 euros in 2021), which has been included under the heading "Other Reserves".

In addition, 10,070,672 shares of the MAPFRE S.A. Share Compensation Plan were delivered, described in "Valuation Rules" Note 4.h., registering a negative impact of 3,676,641.59 euros, which has been included in the "Other reserves" heading.

At the end of the financial year, the Company owned 19,789,583 treasury shares (30,064,020 in 2021), which represents 0.6426 percent of the capital (0.9762 percent in 2021) and an average price of 2.09 euros for the last two years.

The nominal value of the treasury stock acquired amounts to 1,978,958 euros (3,006,402 in 2021).

## **10. Non-convertible debentures**

At December 31, 2021 and 2020, the balance of this account included the face value of the debentures issued by the Company and was represented through book entries, the most significant terms and conditions of which are as shown in the accompanying table.

Description	Nominal amount	Book value		Outstanding interests		Issue date	Expiration date	Coupon	Market	Rating
		12/31/2022	12/31/2021	12/31/2022	12/31/2021					
April 2022 issue	500,000	493,904	—	10,319	—	13-04-22	13-04-30	2.88%	AIAF	BBB-
September 2018 issue	500,000	497,752	497,408	6,498	6,498	07-09-18	07-09-48	4.13%	AIAF	BBB-
March 2017 issue	600,000	598,774	598,516	19,777	19,777	31-03-17	31-03-47	4.38%	AIAF	BBB
<b>TOTAL</b>	<b>1,600,000</b>	<b>1,590,430</b>	<b>1,095,924</b>	<b>36,594</b>	<b>26,275</b>					

Thousand euros

The most relevant conditions related to subordinated obligations are detailed below.

### **April 2022 issuance**

This issuance does not feature any early redemption option and carries a coupon rate of 2.88 percent per year.

In these obligations, the issuer will be obliged to defer the payment of interest in the event of any breach of the Minimum Capital Requirement, or prohibition by the Relevant Regulator to make interest payments, or the inability of the issuer to comply with the due and payable liabilities.

### **September 2018 issuance**

This issuance included an initial call option on September 7, 2028, with the interest payable from this date up to 2048 being the three-month Euribor plus 4.30 percent, payable quarterly.

### **March 2017 issuance**

This issuance included an initial call option on March 31, 2027, with the interest payable from this date up to 2047 being the three-month Euribor plus 4.54 percent, payable quarterly.

For the 2017 and 2018 issuances, the issuer is obliged to defer interest payments in the case where there is any non-compliance with the Solvency Capital Requirement or Minimum Capital Requirement, or the pertinent regulatory has prohibited interest payments, or the issuer cannot settle the liabilities that are past due and payable.

Amortization will occur in special cases as a result of reform or modification of tax regulations, due to lack of interchangeability of the issuer's own funds, and as a result of a change in treatment by the credit ratings agencies.

On December 15, 2021, the partial early amortization of 1,427 debentures of the "ISSUE OF STANDARD MAPFRE S.A. DEBENTURES 1/2016" took place for an aggregate amount of 142,700,000 euros. The purchase price was 155,901,177 euros, generating a loss of 12,394,113 euros.

## **11. Foreign currency**

As at the end of the last two fiscal years there were no significant amounts of asset and liability items denominated in foreign currency.

## 12. Fiscal situation

Since 1985, the Company has been included for corporate tax purposes in Tax Group 9/85, consisting of the Company and those subsidiaries that meet the requirements to be eligible for this tax regime.

In 2022, the following companies belonged to Tax Group No. 9/85:

### The following companies belonged to Tax Group No. 9/85

MAPFRE S.A.  
MAPFRE RE, COMPAÑÍA INTERNACIONAL DE REASEGUROS S.A.  
MAPFRE INMUEBLES S.G.A.  
DESARROLLOS URBANOS CIC S.A.  
SERVICIOS INMOBILIARIOS MAPFRE S.A.  
MAPFRE ASISTENCIA, CIA. INTERNACIONAL DE SEGUROS S.A.  
IBEROASISTENCIA S.A.  
IBEROASISTENCIA CONSULTING DE SOLUCIONES Y TECNOLOGÍAS S.A.  
MAPFRE INTERNACIONAL S.A.  
MAPFRE VIDA S.A. DE SEGUROS Y REASEGUROS SOBRE LA VIDA HUMANA  
MAPFRE INVERSIÓN S.V.S.A.  
MAPFRE ASSET MANAGEMENT S.G.I.I.C.S.A.  
MAPFRE VIDA PENSIONES S.G.F.P. S.A.  
CONSULTORA ACTUARIAL Y DE PENSIONES, MAPFRE VIDA S.A.  
GESTIÓN MODA SHOPPING S.A.  
MIRACETI S.A.  
MAPFRE ESPAÑA S.A.  
MULTISERVICIOS MAPFRE S.A.  
MAPFRE TECH S.A.  
GESTIÓN DE CENTROS MEDICOS MAPFRE S.A.U.  
MAPFRE VIDEO Y COMUNICACIÓN S.A.  
CENTRO DE EXPERIMENTACIÓN Y SEGURIDAD VIAL MAPFRE S.A.  
CLUB MAPFRE S.A.  
MAPFRE CONSULTORES DE SEGUROS Y REASEGUROS S.A.  
MAPFRE AUTOMOCIÓN S.A.  
VERTI ASEGURADORA CIA DE SEGUROS Y REASEGUROS S.A.  
MEDISEMAP AGENCIA DE SEGUROS S.L.  
FUNESPAÑA S.A.  
SERVICIOS FUNERARIOS FUNEMADRID S.A.  
ALL FUNERAL SERVICES S.L.  
FUNERARIAS REUNIDAS EL BIERZO S.A.  
SALUD DIGITAL MAPFRE S.A.  
MAPFRE GLOBAL RISKS AGENCIA DE SUSCRIPCIÓN S.A.  
RISK MED SOLUTIONS S.A.  
VERTI MEDIACIÓN, SOCIEDAD DE AGENCIA DE SEGUROS VINCULADA S.L.  
FUNERARIA ALIANZA CANARIA S.L.U.  
FUNESPAÑA DOS S.L.U.  
PONPAS FUNEBRES DOMINGO S.L.  
MAPAR IMPERIAL 14 S.L.

The reconciliation of the accounting profit to the corporate tax base for the last two years is shown in the accompanying table.

<b>RECONCILIATION OF THE BOOK RESULT WITH THE TAXABLE RATE OF THE CORPORATION TAX</b>						
<b>Item</b>	<b>Income statement</b>		<b>Revenue and expenses posted directly to equity</b>		<b>TOTAL</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Balance of revenue and expenses of the year</b>	<b>693,881</b>	<b>243,957</b>	<b>—</b>	<b>—</b>	<b>693,881</b>	<b>243,957</b>
Corporation tax	(31,151)	(36,188)	—	—	(31,151)	(36,188)
Permanent differences	(783,550)	(352,300)	—	—	(783,550)	(352,300)
Temporary differences:	—	—	—	—	—	—
- originating in the year	6,946	10,699	—	—	6,946	10,699
- originating in previous years	(3,003)	(14,462)	—	—	(3,003)	(14,462)
Compensation of negative tax bases of previous years	—	—	—	—	—	—
<b>Individual taxable rate (fiscal result)</b>	<b>(116,877)</b>	<b>(148,294)</b>	<b>—</b>	<b>—</b>	<b>(116,877)</b>	<b>(148,294)</b>
Permanent differences for fiscal consolidation	(238)	(257)	—	—	(238)	(257)
<b>Individual taxable rate after consolidation</b>	<b>(117,115)</b>	<b>(148,551)</b>	<b>—</b>	<b>—</b>	<b>(117,115)</b>	<b>(148,551)</b>

Thousand euros

#### **Increases and decreases corresponding to the last two fiscal years:**

Increases due to permanent differences originating in the income statement relate to expenses that are not tax deductible, including fines for donations and contributions made to support programs for exceptional public-interest events pursuant to Law 49/2002, and for valuation adjustments to equity instruments (equity investments in Group companies and associates) duly accounted for.

The amount of the decreases due to permanent differences arising from the income statement corresponds to the tax-exempt dividends, as well as the income obtained in the transfer of shares in investee companies that meet the requirements for applying the exemption and with the accounting recovery of the value adjustments of equity instruments that were not deductible at the time of provisioning.

Increases due to temporary differences originating in the fiscal year on the income statement primarily correspond to pension commitments and other obligations acquired towards the staff and other provisions for expenses not considered tax deductible in the fiscal period concerned.

Decreases due to temporary differences originating in previous fiscal years on the income statement primarily relate to: the recovery of adjustments for pension commitments, the application of provisions for other personnel obligations, for cost provisions that were not deductible in the fiscal year they were recorded; and the recovery of a tenth of the amortization and depreciation of intangible fixed assets and plant, property and equipment that were not deducted in the 2013 and 2014 fiscal years.

The main elements of the income tax expense from ongoing operations, and the reconciliation between the income tax expenses and the product of multiplying the book results by the applicable tax rate are shown in the accompanying table for the fiscal years ending, December 31, 2022 and 2021.

Item	Amount	
	2022	2021
<b>Tax expense</b>		
Result before taxes from ongoing operations	662,730	207,769
25% of the result before taxes from ongoing operations	(165,683)	(51,943)
Tax effect of the permanent differences	195,888	88,075
Permanent differences for fiscal consolidation	—	—
Tax incentives for the year	481	552
<b>Total (expense)/revenue from current tax originating in the year</b>	<b>30,686</b>	<b>36,684</b>
Expense from current tax originating in previous fiscal years	465	(486)
Overseas withholdings	—	(10)
<b>(Expense)/revenue for tax of ongoing operations</b>	<b>31,151</b>	<b>36,188</b>
<b>Tax on profits to be (paid)/received</b>	<b>31,151</b>	<b>36,188</b>
Taxes withheld and payments on account	1,508	—
Temporary differences	(926)	1,005
Tax effect of capital increase expenses posted to equity	—	—
Tax credits and incentives applied, registered in previous years and applied in the current year	1,098	2,174
Tax on profits from discontinued operations	—	—
<b>Net tax on profits to be (paid)/received</b>	<b>32,831</b>	<b>39,367</b>

Thousand euros

The applicable tax rate for fiscal years 2022 and 2021 was 25 percent.

However, as of 2022, the Tax Group to which the company belongs must calculate the minimum liquid quota in accordance with the provisions of article 30 bis of Law 27/2014 for the purpose of determining the income tax to be paid.

In the 2022 financial year, the Tax Group was not affected by the minimum liquid quota.

The following tables offer a breakdown of the movements for fiscal years 2022 and 2021 relating to the deferred tax assets heading, differentiating the corresponding amounts in terms of items debited or credited directly to equity.

### **Fiscal year 2022**

<b>Item</b>	<b>Opening balance</b>	<b>Originating from Results</b>	<b>Equity</b>	<b>Cancellations</b>	<b>Closing balance</b>
<b>Assets</b>					
Commitments to personnel	14,452	1,557	—	(445)	15,564
Equity instruments impairment	12,739	127	(12,866)	—	—
Other items	2,557	241	—	(401)	2,397
<b>Total</b>	<b>29,748</b>	<b>1,925</b>	<b>(12,866)</b>	<b>(846)</b>	<b>17,961</b>

Thousand euros

### **Fiscal year 2021**

<b>Item</b>	<b>Opening balance</b>	<b>Originating from Results</b>	<b>Equity</b>	<b>Cancellations</b>	<b>Closing balance</b>
<b>Assets</b>					
Commitments to personnel	15,460	2,425	—	(3,433)	14,452
Equity instruments impairment	12,973	127	—	(361)	12,739
Other items	2,854	123	—	(420)	2,557
<b>Total</b>	<b>31,287</b>	<b>2,675</b>	<b>—</b>	<b>(4,214)</b>	<b>29,748</b>

Thousand euros

In fiscal year 2022, an adjustment of deferred tax assets relating to the equity instruments of Group companies totaling 13 million euros was recorded in reserves, due mainly to the impairment of the holding of MAPFRE INMUEBLES registered in previous years, which has been reclassified as a permanent difference.

Likewise, the detail of movements for the financial year 2022 and 2021 relating to deferred tax liabilities heading is broken down in the accompanying table, differentiating the amount of the same relative to items charged and paid directly against net equity during the respective periods.

### **Fiscal year 2022**

<b>Item</b>	<b>Opening balance</b>	<b>Originating from Results</b>	<b>Equity</b>	<b>Cancellations</b>	<b>Closing balance</b>
<b>Liabilities</b>					
Profit from sales of equity instruments	739	—	445	—	1,184
<b>TOTAL</b>	<b>739</b>	<b>—</b>	<b>445</b>	<b>—</b>	<b>1,184</b>

Thousand euros

### **Fiscal year 2021**

<b>Item</b>	<b>Opening balance</b>	<b>Originating from Results</b>	<b>Equity</b>	<b>Cancellations</b>	<b>Closing balance</b>
<b>Liabilities</b>					
Profit from sales of equity instruments	108	—	631	—	739
<b>TOTAL</b>	<b>108</b>	<b>—</b>	<b>631</b>	<b>—</b>	<b>739</b>

Thousand euros



There are no tax loss carryforwards pending offset.

The tax credits held by the Company for the last two years are shown below.

### **Fiscal year 2022**

<b>Modality</b>	<b>Year to which they correspond</b>	<b>Amount applied in the fiscal year</b>	<b>Amount pending application</b>	<b>Amount not registered</b>	<b>Deadline for use</b>
Double taxation deduction	2022	1,563	—	—	—
Deductions for carrying out IT activities	2022	460	—	—	—
Other	2022	21	—	—	—
<b>TOTAL</b>	<b>—</b>	<b>2,044</b>	<b>—</b>	<b>—</b>	<b>—</b>

Thousand euros

### **Fiscal year 2021**

<b>Modality</b>	<b>Year to which they correspond</b>	<b>Amount applied in the fiscal year</b>	<b>Amount pending application</b>	<b>Amount not registered</b>	<b>Deadline for use</b>
Double taxation deduction	2021	1,678	—	—	—
Deductions for carrying out IT activities	2021	504	—	—	—
Other	2021	48	—	—	—
<b>TOTAL</b>	<b>—</b>	<b>2,230</b>	<b>—</b>	<b>—</b>	<b>—</b>

Thousand euros

In prior fiscal years, in accordance with Article 25 of Corporate Tax Law 27/2014 of November 27, 2014, the Company made use of the tax benefit available for the reduction of the capitalization reserve, as the controlling company of Tax Group 9/85, not having availed of such benefit in fiscal years 2022 and 2021.

As of December 31, 2021, provisions to the capitalization reserve for prior fiscal years began to be considered as available reserves because the period of five years since their creation had elapsed or due to the loss of the tax benefits associated with them. Therefore, there is no capitalization reserve for prior fiscal years recorded on that date.

The consolidated liquidation of the Tax Group 9/85 corresponding to the financial year 2022 shows an amount receivable of 86,261,980 euros, recorded in the assets of the Company (14,677,953 euros in 2021). Of the amount pending collection from previous years, which amounted to 43,063,273 euros, an amount of 43,047,690 euros has been collected before the formulation of these annual accounts, which basically responds to the return of the consolidated liquidation of the Tax Group for 2021.

As a result of their distribution among the Group companies, the Company has registered in the last two years the receivables and payables shown in the accompanying table, generated in the period, in relation to the companies subject to Tax Group 9/85.

COMPANY	AMOUNT			
	CREDIT		DEBIT	
	2022	2021	2022	2021
MAPFRE VIDA S A DE SEGUROS Y REASEG SOBRE LA VIDA HUMANA	—	—	8,527	1,092
MAPFRE RE COMPAÑÍA INTERNACIONAL DE REASEGUROS S A	—	7,972	7,499	—
MAPFRE INMUEBLES S A	—	—	1,795	1,235
MAPFRE INVERSION S V S A	48	266	—	—
MAPFRE VIDA PENSIONES S G F P S A	—	—	238	25
MAPFRE ASSET MANAGEMENT S G I I C S A	—	471	1,591	—
CONSULTORA ACTUARIAL Y DE PENSIONES MAPFRE VIDA S A	7	—	—	1
GESTION MODA SHOPPING S A	—	—	13	17
MIRACETI S A	—	13	70	—
MAPFRE VIDEO Y COMUNICACIÓN S A (MAVICO)	—	—	89	130
MAPFRE CONSULTORES DE SEGUROS Y REASEGUROS S A	3	1	—	—
MAPFRE ASISTENCIA CIA INTERNACIONAL DE SEGUROS S A	—	—	2,285	20,451
IBEROASISTENCIA S A	—	—	56	20
CENTRO DE EXPERIMENTACIÓN Y SEGURIDAD VIAL MAPFRE S A	59	—	—	137
CLUB MAPFRE S A	—	—	81	10
DESARROLLOS URBANOS CIC S A (DESURCIC)	—	—	711	242
MAPFRE INTERNACIONAL	—	—	15,023	16,105
MULTISERVICIOS MAPFRE S A (MULTIMAP)	—	25	123	—
SERVICIOS INMOBILIARIOS MAPFRE S A (SERVIMAP)	—	10	38	—
MAPFRE TECH	—	—	4,425	2,551
MAPFRE AUTOMOCIÓN	—	—	389	212
IBEROASIS CONSULTING DE SOLUCIONES Y TECNOLOGIAS S A	—	—	—	—
M PARTICIPACIONES (formerly SERVIFINANZAS)	—	605	—	—
CENTROS MEDICOS MAPFRE SA	—	—	1,090	917
VERTI ASEGURADORA CIA DE SEGUROS Y REASEGUROS S A	—	—	1,447	1,697
MEDISEMAP AGENCIA DE SEGUROS S L	5	—	—	1
MAPFRE ESPAÑA COMPAÑÍA DE SEGUROS Y REASEGUROS S A	—	63,789	5,436	—
FUNESPAÑA S A	—	—	188	107
SERVICIOS FUNERARIOS FUNEMADRID S A	—	32	33	—
ALL FUNERAL SERVICES S L	—	35	62	—
FUNERARIAS REUNIDAS EL BIERZO S A	—	17	56	—
POMPES FÚNEBRES DOMINGO S L	3	3	—	—
MAPFRE AM INVESTMENT HOLDING S A U	—	—	—	60
SALUD DIGITAL MAPFRE	—	—	1,613	2,991
MAPFRE GLOBAL RISKS AGENCIA DE SUSCRIPCIÓN S.A.U.	—	—	54	121
RISK MED SOLUTIONS	—	—	226	222
FUNERARIA ALIANZA CANARIA S.L.U	—	—	12	2
FUNESPAÑA DOS S.L.U.	—	—	351	186
MAMPAR IMPERIAL 14 SL	—	—	33	18
<b>TOTAL</b>	<b>125</b>	<b>73,239</b>	<b>53,556</b>	<b>48,550</b>

Thousand euros

The total amount of corporate tax payable to the Spanish tax authorities for fiscal year 2022, and the net amount of the aforementioned receivables and payables, gives rise to the amount to be collected by the Company, namely 32,830,532 euros (39,366,976 euros in 2021).

During the past two years, no significant eliminations were made in the consolidated Tax Group due to temporary differences.

The following table breaks down the amounts pending reversal as a result of the eliminations for temporary differences of the Company in the Tax Group.

Item	Group company	Fiscal year	Year of elimination
Shares	MAPFRE INTERNACIONAL, S.A.	-3	2,003
Shares	Mapfre Asistencia	512	2003
Shares	MAPFRE ESPAÑA, CÍA SEGUROS Y REA SA	(92)	2004
Shares	MAPFRE ESPAÑA, CÍA SEGUROS Y REA SA	10,251	2005
Shares	MAPFRE TECH, S.A.	1,219	2010
Shares	SOLUNION	(16)	2010
Shares	MAPFRE ESPAÑA, CÍA SEGUROS Y REA SA	(1,764)	2010
Shares	MAPFRE ESPAÑA, CÍA SEGUROS Y REA SA	(184)	2010
Shares	MAPFRE ESPAÑA, CÍA SEGUROS Y REA SA	(956)	2010
Shares	MAPFRE VIDA, S.A.DE SEG Y REA	(251)	2010
Real estate	Mapfre ESPAÑA	3,826	2011
Real estate	Mapfre ESPAÑA	(1,324)	2011
Shares	MAPFRE ESPAÑA, CÍA SEGUROS Y REA SA	398	2011
Shares	MAPFRE ESPAÑA, CÍA SEGUROS Y REA SA	(1,095)	2011
Shares	MAPFRE VIDA, S.A.DE SEG Y REA	56	2011
Shares	MAPFRE VIDA, S.A.DE SEG Y REA	(154)	2011
Shares	MAPFRE ESPAÑA, CÍA SEGUROS Y REA SA	212	2011
Shares	MAPFRE ESPAÑA, CÍA SEGUROS Y REA SA	(583)	2011
Shares	MAPFRE AUTOMOCION	(15)	2015
<b>Total</b>		<b>10,037</b>	

Thousand euros

The adjustment for the integration of the provisions for pension commitments, with the limit of 25 percent of the previous tax base regulated in Article 11.12 of Law 27/2014, to be applied to the consolidated tax base in 2022, was 237,899 euros (256,908.54 euros in 2021).

### **Verification by tax authorities**

In accordance with current legislation, the declarations made for the different taxes cannot be considered final until they have been inspected by the tax authorities or the four-year limitation period has elapsed.

In relation to the Inspector actions for Corporate Tax, years 2013 to 2016, referring to the Tax Consolidation Group No. 9/85, minutes of disagreement were signed that affected MAPFRE S.A. as an individual company with regard to the deductibility of certain personnel expenses and the deduction for technological innovation expenses. The settlements derived from said minutes were appealed before the the Central Economic-Administrative Court, (Spain's TEAC), which has dismissed the economic-administrative claim filed by the company. Faced with said dismissal, a contentious-administrative appeal has been filed before the National Court.

MAPFRE S.A. considered that, in accordance with the criteria expressed by the internal tax advisors, the regularizations carried out did not have a significant impact on the individual annual accounts, and there are solid defense arguments in the pending appeals, which is why no specific provision was recorded for these concepts.

In the 2022 financial year, MAPFRE S.A., as the parent company of Fiscal Group No. 9/85, and in order to limit the financial cost of the suspension of the acts derived from the Inspection actions of the financial years 2013 to 2016, has proceeded to enter the tax debt of the non-conformity records of the Corporation Tax for the years 2013 to 2015, together with the suspensive interest. Insofar as there are solid defense arguments in the ongoing economic-administrative and judicial proceedings, it has proceeded to record a credit against the Public Treasury in the amount of 110 million euros. Simultaneously MAPFRE S.A. has recognized a debit against the dependent companies of the Fiscal Group to which the concepts signed in disagreement correspond for an amount of 106 million euros, the difference corresponding to the concepts in disagreement that affect MAPFRE S.A. as an individual company.

During the 2022 financial year, Fiscal Group No. 9/85 requested the rectification of its Corporate Taxes for the 2017 to 2019 financial years in relation to the recovery of certain adjustments derived from the minutes of the 2013 to 2016 financial years and to request the recognition of the Elimination of double taxation in relation to certain investments in variable income that at the Tax Group level were considered qualified participations, requesting the recognition of a return of 61 million euros that has been accounted for as a credit against the Public Treasury. Simultaneously, a debit for the same amount has been recorded against the Group's dependent entities that are individually affected by the aforementioned rectification.

Regarding the deduction for technological innovation (IT) expenses, the National Court has recently handed down several rulings that accept the arguments of the Tax Inspectorate to defend its competence to delimit the scope of the deduction, and considering that the software is not a concept covered by the deduction for IT expenses provided for in the Corporate Tax Law. Said Judgments contradict the previous Jurisprudence established by the National Court itself in this matter, which rejected the validity of the reports evacuated by the Computer Support Teams at the request of the Tax Inspection, with the purpose of regularizing the application of the IT deduction for software developments. Said Judgments will be appealed in cassation before the Supreme Court, and there are well-founded reasons to expect that the criteria maintained by the MAPFRE Fiscal Group will be validated by the Supreme Court, revoking the latest rulings issued in this regard. The Fiscal Group has appealed against the proceedings filed, among other items, for the regularization of this deduction, which in the case of MAPFRE S.A. as an individual entity amounts to an amount of 84,000 euros (years 2013 to 2016). Additionally, the deduction applied by the company in the years 2017 to 2021 was 2,846,000 euros, and the one generated in the year 2022 was 460,000 euros.

### **Business restructuring operations**

On November 3, 2022, a merger of the companies MAPFRE S.A. (absorbing company) was carried out with MAPFRE PARTICIPACIONES S.A. and MAPFRE AM INVESTMENT HOLDING, S.A.U. (absorbed companies), in which the latter two were absorbed by the former.

The date from which the merger has accounting and tax effects is January 1, 2022.

Said operation is covered by the Special Regime of Chapter VII Title VII of Law 27/2014 of November 27 on Corporation Tax.

As of December 31, 2022, the company is open to inspection for all taxes to which it is subject for the years 2019 to 2022 inclusive and the Corporation Tax for the years 2017 and 2018. In the opinion of the Company's advisors, the possibility of tax liabilities occurring that significantly affect the financial position of the Company as of December 31, 2022 is remote.

For the purposes of the provisions of article 86 of Law 27/2014 on Corporation Tax, MAPFRE S.A. As the acquiring entity, it provides the following information:

- The tax periods in which the transferring entities acquired the transferred assets cover the following years:
  - MAPFRE AM INVESTMENT HOLDING SAU: From financial year 2017 to financial year 2022
  - MAPFRE PARTICIPACIONES S.A.: From the year 1986 to the year 2022

- The last closed balance sheets of the transferring entities are attached as Appendix 2.
- The assets acquired that have been included in the accounts of the absorbing company MAPFRE S.A., for a value different from that for which they appeared in those of the transferring entities are the following:
  - 5,170,307 MAPFRE ESPAÑA shares, the contributed value of these shares was 286,146,000 euros and their recognized value was 509,006,000 euros, representing 16.48 percent of the capital.
  - 3,334,615 shares of SOLUNION SEGUROS, the contributed value of said shares has been 62,331,000 euros and its recognized value has been 75,959,000 euros, which represents 50 percent of the capital.
  - 7,880 shares of LA FINANCIÈRE RESPONSABLE, the contributed value of said shares has been 535,000 euros and its recognized value has been 402,000 euros, which represents 24.95 percent of the capital.
  - 1,039,213 ABANTE shares, the contributed value of these shares was 43,157,000 euros and their recognized value was 47,258,000 euros, representing 18.77 percent of the capital.
- There are no tax benefits in the transferring entities MAPFRE AM INVESTEMENT HOLDING SAU and MAPFRE PARTICIPACIONES SA, with respect to which MAPFRE SA must assume compliance with certain requirements in accordance with the provisions of section 1 of article 84 of Law 27/2014.

In March 2019, administrative authorization was obtained to carry out the total spin-off operation of the entity MAPFRE GLOBAL RISKS COMPAÑÍA DE SEGUROS Y REASEGUROS S.A., which had been agreed in 2018, in favor of the entities MAPFRE RE COMPAÑÍA DE REASEGUROS S.A., MAPFRE ESPAÑA COMPAÑÍA DE SEGUROS Y REASEGUROS S.A., MAPFRE PARTICIPACIONES S.A. and MAPFRE GLOBAL RISKS AGENCIA DE SUSCRIPCIÓN S.A.U.

During fiscal year 2016, the merger by absorption of the companies MAPFRE AMÉRICA S.A. (absorbing company) and MAPFRE INTERNACIONAL S.A. (absorbed company) took place, with the company changing its name to MAPFRE INTERNACIONAL S.A.

Both operations were covered by the Special Regime foreseen in Chapter VII, Title VII of Corporate Tax Law 27/2014 of November 27, and the corresponding reports include mandatory accounting information regarding these operations.

On September 6, 2013, 100 percent of the shares of SEGUROS GERAIS held by MAPFRE INTERNACIONAL were spun off to MAPFRE FAMILIAR. MAPFRE S.A. is the sole partner of the companies involved in the operation.

On February 22, 2011, the capital of MAPFRE VIDA was increased via non-monetary contributions from the companies CAJA CASTILLA LA MANCHA VIDA Y PENSIONES DE SEGUROS Y REASEGUROS and UNIÓN DUERO COMPAÑÍA DE SEGUROS VIDA S.A.

On June 6, 2011, the capital of MAQUAVIT INMUEBLES, S.L.U. was increased via the contribution of the holding of the company MAPFRE QUAVITAE.

The 2011 annual report contains mandatory accounting information concerning these operations.

All the aforementioned operations were subject to the Special Regime of Chapter VIII, Part VII of Royal Legislative Decree 4/2004.

Up to 2008, the following merger operations were carried out, under the tax deferral regime established in the Corporate Tax regulations:

- Merger by absorption of MAPFRE-CAJAMADRID HOLDING DE ENTIDADES ASEGURADORAS S.A. by MAPFRE S.A.
- Merger by absorption of MAPFRE AUTOMOBILES, COMPAÑÍA DE SEGUROS Y REASEGUROS S.A., MAPFRE CAJA SALUD, COMPAÑÍA DE SEGUROS, S.A. and MAPFRE GUANARTEME, COMPAÑÍA DE SEGUROS DE CANARIAS S.A. by MAPFRE SEGUROS GENERALES, COMPAÑÍA DE SEGUROS Y REASEGUROS S.A. (which changed its company name to MAPFRE FAMILIAR, COMPAÑÍA DE SEGUROS Y REASEGUROS S.A.).
- Merger by absorption of MAPFRE AGROPECUARIA, COMPAÑÍA DE SEGUROS Y REASEGUROS S.A. by MAPFRE EMPRESAS, COMPAÑÍA DE SEGUROS Y REASEGUROS S.A.
- Merger by absorption of MAPFRE AMÉRICA VIDA S.A. by MAPFRE AMÉRICA S.A.

In 2008, the capital of MAPFRE INTERNACIONAL S.A. was increased via share contributions from the Turkish company GENEL SIGORTA.

In 2007, the capital of MAPFRE INTERNACIONAL S.A. was increased via contributions from the companies MAPFRE SEGUROS GERAIS, CATTOLICA and MAPFRE USA.

In 2006, a capital increase took place in MAPFRE INTERNACIONAL S.A. through the contribution of the Company's stake in MIDDLESEA and MAPFRE ASIAN INSURANCE CORPORATION.

On January 31, 2003, there was a capital increase of MAPFRE RE in which the Company contributed the property on Paseo de Recoletos No. 25, Madrid, which it had received in the global assignment of assets and liabilities of INCALBARSA, formalized on December 27, 2000.

In fiscal year 2001, the Company carried out a securities redemption operation through which shares in MAPFRE SEGUROS GENERALES, Compañía de Seguros y Reaseguros S.A. were contributed to a capital increase of MAPFRE-CAJA MADRID, Holding de Entidades Aseguradoras S.A.

In fiscal year 2000, the Company carried out business restructuring operations consisting of the contribution of shares in MAPFRE VIDA, Sociedad Anónima de Seguros y Reaseguros sobre la Vida Humana S.A., MAPFRE CAUCIÓN Y CRÉDITO, Compañía de Seguros de Reaseguros S.A., and MAPFRE SEGUROS GENERALES, Compañía de Seguros y Reaseguros S.A. to a capital increase of MAPFRE-CAJA MADRID Holding de Entidades Aseguradoras S.A.

In that same year, the global assignment of assets and liabilities of INCALBARSA S.A. was formalized in favor of the sole shareholder, CORPORACIÓN MAPFRE S.A.

Mandatory accounting information relating to the operations described above is contained in the report of the annual accounts for the years in which they were formalized.

All restructuring operations previously described were subject to the Special Deferral Regime provided for in Chapter VIII of Part VII of Royal Legislative Decree 4/2004, which approved the Recast Text of the Corporate Tax Law.

## VAT Group

Since 2010, and for the purposes of value added tax, the Company forms part of the VAT Group no. 87/10 formed by the controlling company, MAPFRE S.A., and those of its controlled companies that agreed to join the VAT Group when it was created.

In 2022, the following companies comprised VAT Tax Group No. 87/10.

MAPFRE S.A.  
 MAPFRE INTERNACIONAL S.A.  
 MAPFRE RE COMPAÑÍA DE REASEGUROS S.A.  
 MAPFRE ESPAÑA, COMPAÑÍA DE SEGUROS Y REASEGUROS S.A.  
 MAPFRE VIDA S.A. DE SEGUROS Y REASEGUROS SOBRE LA VIDA  
 MAPFRE ASISTENCIA CIA INTERNACIONAL DE SEGUROS Y REASEGUROS S.A.  
 BANKINTER VIDA SOCIEDAD DE SEGUROS Y REASEGUROS S.A.  
 VERTI ASEGURADORA COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A  
 MAPFRE TECH S.A  
 BANKINTER SEGUROS GENERALES, S.A. DE SEGUROS Y REASEGUROS.  
 MAPFRE INVERSIÓN SOCIEDAD DE VALORES S.A.  
 MAPFRE ASSET MANAGEMENT SGIC S.A.  
 CENTRO DE EXPERIMENTACIÓN Y SEGURIDAD VIAL MAPFRE S.A.  
 MAPFRE GLOBAL RISKS AGENCIA DE SUSCRIPCIÓN S.A.  
 CAJA GRANADA VIDA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.  
 CAJA MURCIA VIDA Y PENSIONES DE SEGUROS Y REASEGUROS,S.A.  
 SANTANDER MAPFRE SEGUROS Y REASEGUROS, S.A.  
 CCM VIDA Y PENSIONES DE SEGUROS Y REASEGUROS S.A. (\*)

(\*) Until October, 2022

## 13. Revenues and expenses

The accompanying table shows the employee benefits paid by the Company in the last two years.

BREAKDOWN OF SOCIAL SECURITY CONTRIBUTIONS	AMOUNT	
	2022	2021
Social security	7,667	7,226
Contributions to pensions	7,169	7,908
Other employee benefits	6,531	5,899
<b>TOTAL</b>	<b>21,367</b>	<b>21,033</b>

Thousand euros

## 14. Provisions and contingencies

The accompanying table shows the movement in the provisions recognized on the balance sheet for the last two fiscal years.

HEADING	OPENING BALANCE		INCREASES		DECREASES		CLOSING BALANCE	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>Long-term provisions</b>								
Long-term employee benefit obligations	9,863	11,052	2,621	768	(1,764)	(1,957)	10,720	9,863
Other provisions	—	—	—	—	—	—	—	—
<b>Short-term provisions</b>								
Current provisions	—	—	—	—	—	—	—	—
<b>TOTAL</b>	<b>9,863</b>	<b>11,052</b>	<b>2,621</b>	<b>768</b>	<b>(1,764)</b>	<b>(1,957)</b>	<b>10,720</b>	<b>9,863</b>

Thousand euros

As of December 31 of the last two fiscal years, "Long-term employee benefit obligations" primarily included:

- Defined benefit plans that are externalized, detailed in note 16 of the Annual Report, amounting to 4,517,000 euros (4,417,000 euros in 2021).
- Long service bonuses, detailed in the recognition and measurement standards for "Personnel expenses," amounting to 3,163,000 euros (3,790,000 euros in 2021).
- Life insurance covering death between the ages of 65 and 77 years detailed in the note on measurement bases for "Personnel expenses," amounting to 646,000 euros (901,000 euros in 2021); the updated PASEM-2020 actuarial tables have been applied for the last two years.

At the close of the last two fiscal years, and up to the date these annual accounts were prepared, there was no evidence of the existence of contingent assets and contingent liabilities for significant amounts.

## 15. Environmental information

The Company did not incur any environmental-related item in the last two fiscal years that may be considered significant or specifically included in these annual accounts.

## 16. Medium-term and long-term remuneration and stock-based payments

### Long-term remuneration

The current defined benefit and defined contribution plans are measured as described in the recognition and measurement standards.

The expense for defined-contribution pension plans amounted to 7,169,000 euros in 2022 (7,908,000 euros in 2021).

Existing defined benefit plans, all of them instruments taking the form of insurance policies underwritten by MAPFRE VIDA, are those in which the benefit is established based on final salaries, and entitling the beneficiary to a life annuity, tied to the annual consumer price index (CPI). They apply entirely to retired personnel.

### A. Amounts recognized on the balance sheet

The reconciliation of the present value of the obligation arising from defined benefit plans in the last two fiscal years is shown in the accompanying table.

Item	2022	2021
<b>Present value of obligation as on January 1</b>	<b>4,417</b>	<b>4,533</b>
Current year's service costs	—	—
Interest cost	188	186
Actuarial gains and losses	48	89
Benefits paid	(279)	(266)
Settlements	—	—
Other items	143	(125)
<b>Present value of obligation as on December 31</b>	<b>4,517</b>	<b>4,417</b>

Thousand euros

The following table shows the reconciliation of the opening and closing balances of plan assets and the redemption rights for the last two fiscal years, the value of which corresponds to the mathematical provision for the policies externalizing commitments.

Item	2022	2021
<b>Value of reimbursement right at January 1</b>	<b>4,417</b>	<b>4,533</b>
Expected return from allocated assets	188	186
Employer contributions	—	—
Actuarial gains and losses	48	89
Benefits paid.	(279)	(266)
Settlements	—	—
Other items	143	(125)
<b>Value of reimbursement right at December 31</b>	<b>4,517</b>	<b>4,417</b>

Thousand euros

### B. Assumptions

The main actuarial hypotheses used at the closing date have been the PERM/F-2020 survival tables in 2021 (PERM/F-2000 in 2020) and the consumer price index (CPI) annual rate of 3 percent in both years, using an identical discount rate and expected return on assets as the products include cash flow matching.

### Other medium-term remuneration and share-based payments

The Board of Directors approved a medium-term incentive plan in 2019 that was measured and recognized on the income statement in line with indications set down in the measurement bases described in note 4 h) "Personnel expenses". No provision was made for this concept because the objectives established in the Plan were not met.

On February 9, 2022, the Board of Directors of MAPFRE S.A. approved a new long-term Incentive Plan, described in valuation standard 4.h). The amount provisioned in the year for this Plan amounts to 1,665,000 euros.

### Share-based remuneration plan

The MAPFRE S.A. Share-Based Remuneration Plan for 2021, reflected in Note 4.h of this report, was joined by 4,704 employees, 43 percent of the total employees of companies based in Spain.

The expense accrued for the right to receive additional shares free of charge was 300,000 euros.

## 17. Business combinations

On November 3, 2022, and in order to reorganize the Group's operating structures, the entities MAPFRE S.A. merged by absorption. (absorbing company) with MAPFRE PARTICIPACIONES S.A. and MAPFRE AM INVESTMENT HOLDING S.A.U. (absorbed companies), withdrawing for the purposes of the merger on January 1, 2022.

The effect of this operation, as they are operations carried out between Group companies, led to an increase in reserves amounting to 396,424,000 euros.



Item	MAPFRE PARTICIPACIONES	MAPFRE AM INVESTMENT HOLDING
	2021	2021
<b>ASSETS</b>		
Long-term investments in group and associate companies	584,955	414
Long-term financial investments	323	47,257
Deferred tax assets	1	—
Short-term investments in group and and associate companies	33,087	60
Cash and other equivalent liquid assets	392	461
<b>TOTAL ASSETS</b>	<b>618,758</b>	<b>48,192</b>
<b>LIABILITIES</b>		
Short-term provisions	—	—
Short-term debts with group and associate companies	610	24,054
Trade debtors and other accounts payable	7	—
<b>TOTAL LIABILITIES EXCLUDING SHAREHOLDERS' EQUITY</b>	<b>617</b>	<b>24,054</b>
<b>Fair value of net assets</b>	<b>618,141</b>	<b>24,138</b>
<b>Cost of combination</b>	<b>225,855</b>	<b>20,000</b>
<b>Thousand euros</b>		

Appendix 2 of this report includes the balance sheets as of 12.31.2021 of the absorbed companies.

## 18. Subsequent events

There have been no significant events subsequent to the fiscal year-end.

## 19. Related-party transactions

The main transactions performed with related parties over the last two fiscal years are detailed in the accompanying table.

Expenses and revenue	Group companies		Other related parties		TOTAL	
	2022	2021	2022	2021	2022	2021
1) Financial expenses	—	(149)	—	—	—	(149)
4) Leasing	(3,291)	(3,143)	—	—	(3,291)	(3,143)
9) Other expenses	(29,471)	(24,962)	—	—	(29,471)	(24,962)
<b>EXPENSES</b>	<b>(32,762)</b>	<b>(28,254)</b>	<b>—</b>	<b>—</b>	<b>(32,762)</b>	<b>(28,254)</b>
10) Financial income	5,989	10,611	—	—	5,989	10,611
13) Dividends received	838,771	362,702	—	—	838,771	362,702
15) Provision of services	61,246	61,024	—	—	61,246	61,024
<b>REVENUE</b>	<b>906,006</b>	<b>434,337</b>	<b>—</b>	<b>—</b>	<b>906,006</b>	<b>434,337</b>

Thousand euros

Other transactions	Group companies		Other related parties		TOTAL	
	2022	2021	2022	2021	2022	2021
Financing agreements: credits and capital contributions delivered.	284,227	125,300	—	—	284,227	125,300
Financing agreements: credits	—	(32,940)	—	—	—	(32,940)
Amortization or cancellation of credits.	(215,597)	(242,421)	—	—	(215,597)	(242,421)
Repayment or cancellation of loans.	—	—	—	—	—	—
Dividends and other profits distributed.	—	—	318,047	292,515	318,047	292,515

In 2022, the following capital contributions were made to Group and associated companies: 242,072,000 euros to MAPFRE RE and 7,500,000 euros to MAPFRE TECH.

There were no capital contributions to Group and associated companies in fiscal year 2021.

As of December 31, 2022, there has been an outstanding disbursement on ALMA MUNDI INSURTECH shares amounting to 20,000,000 euros.

As of December 31 of the last two fiscal years, there has been an outstanding disbursement on MAPFRE ASISTENCIA shares amounting to 19,999,000 euros.

The accompanying table shows the amount of balances receivable from and payable to Group companies at the close of the last two fiscal years.

Item	Assets		Liabilities	
	2022	2021	2022	2021
Loans and receivables	47,400	274,501	—	—
Loan interest	23	189	—	—
Tax group	125	73,239	251,475	80,160
<b>Other items</b>	<b>27,741</b>	<b>33,357</b>	<b>6,680</b>	<b>42,596</b>
<b>TOTAL</b>	<b>75,289</b>	<b>381,286</b>	<b>258,155</b>	<b>122,756</b>

Thousand euros

There are no financial expenses associated with the drawdown on the CARTERA MAPFRE line of credit described in Note 8 relating to the last two financial years.

Transactions with related parties coincide with the normal trading activities of the Company and were conducted at arm's length.

### Board of Directors and other Delegate Committees

The following table shows the remuneration paid out over the last two years to members of the Company's Board of Directors:

Item	Amount:	
	2022	2021
<b>Short-term remunerations</b>		
Salary	1,883	2,236
Short-term variable remuneration	1,450	2,141
Fixed allowance	1,880	1,855
Travel, subsistence and accommodation allowances	57	68
Other items	102	153
<b>Medium-term variable remuneration</b>	<b>—</b>	<b>—</b>
<b>TOTAL</b>	<b>5,372</b>	<b>6,453</b>
Other remuneration		
Life Insurance	90	94

Thousand euros

The basic remuneration of external directors comprises an annual fixed amount for their membership of the Board of Directors, which totaled 110,000 euros in the last two fiscal years. In the last two years, the Vice-Presidency-Coordinating Director received a fixed annual allocation of 220,000 euros. The members of the Steering Committee receive 10,000 euros, and they also receive an attendance allowance of 3,000 euros in the last two years. Said amount totals, in the case of the chairmanship of the Audit and Compliance Committee, 70,000 euros in the 2022 financial year (68,000 euros in 2021). In addition, the person who holds the position of president of a Delegate Committee received 62,000 euros in the 2022 financial year (60,000 euros in 2021). The remuneration in financial year 2022 of the members of the Audit or Compliance Committee amounted to 49,000 euros (48,000 euros in 2021) and the rest of the members of Delegate Committees receive 40,000 euros in financial year 2022 (39,000 euros in 2021).

In addition, Life Insurance has been established in the event of death, with an insured capital of 150,253 euros. External directors also enjoy some of the other benefits provided to staff, such as health insurance.

Executive board directors receive the remuneration established in their contracts, which includes a fixed salary, incentives of variable amounts linked to results, Life and disability insurance, and other compensation generally established for Company personnel. In addition, there are commitments in place for pensions in the event of retirement, permanent disability and death via Life insurance, all within the directors' remuneration policy. Contributions to defined contribution plans totaled 2,214,000 euros in 2022 (3,677,000 euros in 2021), raising the amount of the accumulated rights to 25,763,000 euros (28,027,000 euros in 2021).

Executive board directors do not receive the fixed allowance established for external directors.

Regarding short-term variable remuneration already accrued, at the end of 2022, 2,622,000 euros are pending payment (3,174,000 euros in 2021).

In the 2022 financial year, the Board of Directors of MAPFRE S.A. at the proposal of the Company's Appointments and Remuneration Committee, on February 9 of the same year, approved an annual and extraordinary bonus for a specific group, linked to the Automobile Combined Ratio and jointly to the percentage growth in Earned Premiums and percentage variation in Expenses allocated (excluding Life Savings). The amount accrued for this additional component in the short term, for the members of the Board of Directors in 2022 amounts to 62,500 euros (490,000 euros in 2021 in relation to another bonus with different objectives).

Additionally, in 2021, other remunerations corresponding to non-recurring concepts amounting to 1.09 million euros were accrued.

Additionally, and with respect to incentive plans, the Board of Directors of MAPFRE S.A. on February 9, 2022, at the proposal of its Appointments and Remuneration Committee, approved a 2022-2026 Long-term Incentive Plan comprising three overlapping cycles, each one with a three-year objective measurement period, aimed at certain executives and key professionals of the Company and Group companies. The amount provisioned for the members of the Board of Directors in 2022, corresponding to the first overlapping cycle (2022-2024) amounts to a total of 333,000 euros in cash and equity instruments.

The basic remuneration for external directors is approved at the Annual General Meeting at the proposal of the Board of Directors and pursuant to the report issued by the Appointments and Remuneration Committee. The amount of the contractual remuneration for executive directors and the fixed payment for serving on the boards or on the steering committees is approved by the Board of Directors, subject to a report by the aforementioned committee.

The amount paid for third-party liability insurance premiums for directors due to damage caused by acts or omissions during the performance of their duties reached 627,000 euros (568,000 euros in 2021).

During the last two years, the Company's directors did not undertake any operations with the Company itself or with any other Group company, either outside the scope of the companies' ordinary trading activities or not at arm's length.

During the last two years, no conflicts of interest, either direct or indirect, arose between the directors or their related parties and the Company.

## Senior management

The remuneration paid to C-Suite management in the last two fiscal years is shown in the accompanying table.

	2022	2021
No. of senior management members	8	9
Fixed remunerations	2,443	2,635
Variable remunerations	1,404	1,679
Other remuneration	308	298
<b>TOTAL</b>	<b>4,155</b>	<b>4,612</b>
Life Insurance	44	46

**Thousand euros**

Additionally, as a contribution to defined contribution plans, 2,245,000 euros in 2022 (1,831,000 euros in 2021) have been recorded as an expense for the financial year, increasing the amount of accumulated rights to 11,620,000 and euros (9,279,000 euros in 2021 ).

With regard to the short-term variable remuneration accrued in this year and in previous years, at the end of 2022, 2,222,000 euros are pending payment (2,351,000 euros in 2021).

In the 2022 financial year, the Board of Directors of MAPFRE S.A. at the proposal of the Company's Appointments and Remuneration Committee, on February 9 of the same year, approved an annual and extraordinary bonus for a specific group, linked to the Automobile Combined Ratio and jointly to the percentage growth in Earned Premiums and percentage variation in Expenses allocated (excluding Life Savings). The amount accrued for this additional component in the short term, for the members of members of the Company's Senior Management team in 2022 amounts to 86,000 euros (568,000 euros in 2021 in relation to another bonus with different objectives).

Additionally, and with respect to incentive plans, the Board of Directors of MAPFRE S.A. on February 9, 2022, at the proposal of its Appointments and Remuneration Committee, approved a 2022-2026 Long-term Incentive Plan comprising three overlapping cycles, each one with a three-year objective measurement period, aimed at certain executives and key professionals of the Company and Group companies. The amount provisioned for members of Senior Management in the first year, 2022, corresponding to the first overlapping cycle (2022-2024) amounts to a total of 457,000 euros in cash and equity instruments.

## 20. Other information

The following tables show the average and year-end headcount during the last two fiscal years, by category and gender.

### Average number of employees

ITEM	2022		2021	
	Men	Women	Men	Women
Board Directors and C-Suite	12	5	13	5
Senior Management	144	83	134	79
Technicians	108	128	105	121
Associates	6	37	7	40
<b>TOTAL AVERAGE NUMBER OF EMPLOYEES</b>	<b>270</b>	<b>253</b>	<b>259</b>	<b>245</b>

### Number of employees at year-end

ITEM	2022		2021	
	Men	Women	Men	Women
Board Directors and C-Suite	12	5	12	5
Senior Management	154	88	137	79
Technicians	105	128	104	126
Associates	6	35	6	38
<b>TOTAL NUMBER OF EMPLOYEES</b>	<b>277</b>	<b>256</b>	<b>259</b>	<b>248</b>

The table below shows the average number of employees with a disability of 33 percent or more employed in Spain, along with the category they belong to.

ITEM	2022	2021
Senior Management	3	3
Advisors	4	3
Associates	2	3
<b>TOTAL</b>	<b>9</b>	<b>9</b>

Fees charged by the external auditor are shown below. It is deemed that these fees do not compromise the independence of the auditors.

ITEM	AMOUNTS	
	2022	2021
Audit services	1,090	576
Other verification services	175	111
Tax services	—	—
Other services	82	67
<b>Total services of main auditor</b>	<b>1,347</b>	<b>754</b>

**Thousand euros**

Other verification services include services provided by KPMG Auditores, S.L. to the Company during fiscal year 2022, among which are the six-monthly review, the issuing of comfort letters, the solvency review and the report of agreed procedures on the description of the Systems for Internal Control over Financial Information (SCIIF).

In addition, other companies affiliated with KPMG International billed the Company 82,000 euros, mainly for the independent review of the information contained in the Non-Financial Information Reports (EINF).

Information regarding the services provided by KPMG Auditores, S.L. to the companies linked by a control relationship to MAPFRE S.A. during the fiscal year ending December 31, 2022, can be found in the Annual Accounts of MAPFRE S.A. and its subsidiary companies as of December 31, 2022.

Details of payments made to providers in the last two years are shown below.

ITEM	2022	2021
	Days	Days
Average provider payment period	17	21
Ratio of paid operations	17	21
Ratio of operations pending payment	—	—

	Amounts	Amounts
Payments made	98,227	108,018
Payments pending	427	4,343
<b>Total payments for the year</b>	<b>98,654</b>	<b>112,361</b>

**Thousand euros**

The information on invoices paid in a period less than the maximum established in the delinquency regulations is shown in the accompanying table.

ITEM	2022	2021
Monetary amount paid	98,227	108,018
<b>Thousand euros</b>		
Percentage of total monetary payments made to providers	99.57 %	96.13 %
Total number of invoices paid to providers	6,359	4,089
Percentage of the total number of invoices paid to providers	96.32 %	99.73 %

# Appendix 1

## Fiscal year 2022

Name	Legal form	Address	Activity	PARTICIPATION							Thousands of euros					
				%		Voting rights		Capital	Reserves	Other equity items	Earnings for the year		(Impairment)		Accumulated impairment	Dividends received
				Direct	Indirect	Direct	Indirect				Earnings from operations	Other earnings	Book value	/Reversal year		
MAPFRE Tech	S.A.	Crta.Pozuelo, 52 Majadahonda - 28222 Madrid	IT	100.00	—	100.00	—	26,869	1,688	—	316	(947)	27,646	—	240	—
MAPFRE Internacional	S.A.	Crta.Pozuelo, 52 Majadahonda - 28222 Madrid	Holding	100.00	—	100.00	—	824,432	5,153,666	(1,806,240)	235,088	13,909	4,141,762	—	—	—
MAPFRE Re Cia. de Reaseguros	S.A.	Paseo de Recoletos, 25 28004 Madrid	Reinsurance	94.21	—	94.21	—	342,165	1,651,925	(245,932)	143,400	—	1,019,041	—	—	24,086
MAPFRE Asistencia, Cia Internacional de Seguros y Reaseguros	S.A.	Sor Angela de la Cruz, 6 28020 Madrid	Insurance and reinsurance	100.00	—	100.00	—	170,670	46,703	(98,019)	1,104	5,760	79,693	(12,562)	288,212	—
MAPFRE Inmuebles	S.G.A.	Crta.Pozuelo, 52 Majadahonda - 28222 Madrid	Real estate	10.00	7.02	10.00	7.02	593,474	(92,303)	—	4,701	(15,753)	53,115	(1,560)	53,886	—
Mapfre Vida	S.A.	Crta.Pozuelo, 52 Majadahonda - 28222 Madrid	Insurance and reinsurance	99.92	—	99.92	—	60,242	1,120,068	290	162,994	63,183	1,133,100	—	—	420,735
MAPFRE Investment	S.A.	Avda.18 de Julio , 841 Montevideo ([Uruguay])	Financial	100.00	—	100.00	—	7,851	5,041	(6,805)	—	1,189	6,932	—	—	—
MAPFRE Consultores de Seguros y Reaseguros	S.A.	Paseo de Recoletos, 25 28004 Madrid	Advisory and management services	50.00	50.00	50.00	50.00	120	257	—	(7)	29	61	—	—	—
MAPFRE Inversión	S.A.	Crta.Pozuelo, 50 Majadahonda - 28222 Madrid	Societies company	—	99.92	—	99.92	33,055	93,745	(3,995)	(16,001)	61,338	2	—	—	1
SOLUNION SEGUROS, CIA INTERNACIONAL SA	S.A.	Avda. General Perón, 40 - 28020 Madrid		0	50.00	—	50.00	40,149	63,425	39,465	12,376	—	75,950	—	—	—
MAPFRE Asset Management	S.A.	Crta.Pozuelo, 50 Majadahonda - 28222 Madrid	Real estate investment management	0.01	—	0.01	—	2,043	(6,742)	294	(10,988)	44,005	2	—	—	5
MAPFRE España	S.A.	Crta.Pozuelo, 52 Majadahonda - 28222 Madrid	Insurance and reinsurance	100.00	—	100.00	—	564,624	1,025,423	(209,130)	144,237	5,270	3,466,557	—	—	392,633
	0	0	0 Financial	—	—	—	—	—	—	—	—	—	—	—	—	—

The amounts for Equity Accounts and results of the companies correspond to consolidated data.

## Fiscal year 2022

Name	Legal form	Address	Activity	Thousands of euros												
				PARTICIPATION				Capital	Reserves	Other equity items	Earnings for the year		(Impairment)		Accumulated impairment	Dividends received
				%		Voting rights					Earnings from operations	Other earnings	Book value	/Reversal year		
Direct	Indirect	Direct	Indirect													
Desarrollos Urbanos	S.A.	Crta.Pozuelo, 52 Majadahonda - 28222 Madrid	Real estate	0.08	9.99	0.08	9.99	383	3,875	—	710	(2,841)	3	—	53	—
MGR Agencia de Suscripción	S.A.	Crta.Pozuelo, 52 Majadahonda - 28222 Madrid	Insurance and reinsurance	100.00	—	100.00	—	60	1,989	—	(332)	806	1,952	—	—	812
ALMA MUNDI INSURTECH FUND, FCRE	LTDA	Paseo de Gracia, 71 - 08008 Barcelona	Insurance and reinsurance	26.40	—	—	—	94,700	(4,250)	24,016	1,169	—	23,351	—	—	—
ALMA MUNDI INSURTECH FUND II, FCRE	0	Paseo de Gracia, 71 - 08008 Barcelona	Insurance and reinsurance	35.47	—	—	—	28,192	(60)	—	—	—	10,000	—	—	—
Santander MAPFRE Hipoteca Inversa	S.A.	Calle Juna Ignacio Luca de Tena, 11 - 28027 Madrid	Insurance and reinsurance	50.00	—	—	—	5,000	—	—	(3,142)	—	2,500	1	—	—
LA FINANCIERA RESPONSABLE	0	Rue de Ponthieu, 52 - 75008 Paris	Insurance and reinsurance	24.95	—	—	—	1,169	—	—	(113,297)	—	402	—	—	499
<b>Total</b>													<b>10,042,069</b>	<b>(14,121)</b>	<b>342,391</b>	<b>838,771</b>
Other investments													23			
Total investments in Group companies and associates													10,042,092			

The amounts for Equity Accounts and results of the companies correspond to consolidated data.

## Fiscal year 2021

Name	Legal form	Address	Activity	PARTICIPATION							Thousands of euros						
				%		Voting rights		Capital	Reserves	Other equity items	Earnings for the year		(Impairment)		Accumulated impairment	Dividends received	
				Direct	Indirect	Direct	Indirect				Earnings from operations	Other earnings	Book value	/Reversal year			
MAPFRE TECH	S.A.	Crta.Pozuelo, 52 Majadahonda - 28222 Madrid	IT	0.77	99.17	0.77	99.17	19,369	(37)	—	(53)	1,574	—	—	240	—	
MAPFRE Internacional	S.A.	Crta.Pozuelo, 52 Majadahonda - 28222 Madrid	Holding	100.00	—	100.00	—	824,432	4,980,195	[1,665,002]	230,790	[36,227]	4,141,763	—	—	—	
MAPFRE Re Cia. de Reaseguros	S.A.	Paseo de Recoletos, 25 28004 Madrid	Reinsurance	93.77	—	93.77	—	293,284	1,328,337	24,995	151,651	—	776,969	—	—	54,028	
MAPFRE Asistencia, Cia Internacional de Seguros y Reaseguros	S.A.	Sor Angela de la Cruz, 6 28020 Madrid	Insurance and reinsurance	100.00	—	100.00	—	170,670	45,450	[101,226]	5,353	[4,749]	92,253	1,958	277,609	—	
MAPFRE Inmuebles	S.G.A.	Crta.Pozuelo, 52 Majadahonda - 28222 Madrid	Real estate	10.00	90.00	10.00	90.00	593,474	[114,679]	—	(6,671)	26,778	54,676	(508)	51,817	1	
	0	0	0 Real estate	—	—	—	—	—	—	—	—	—	—	—	—	—	
Mapfre Vida	S.A.	Crta.Pozuelo, 52 Majadahonda - 28222 Madrid	Insurance and reinsurance	99.92	—	99.92	—	60,242	1,310,945	254,569	171,291	58,838	1,133,100	—	—	117,784	
Mapfre Investment	S.A.	Avda.18 de Julio , 841 Montevideo ((Uruguay)	Financial	100.00	—	100.00	—	8,339	5,281	[8,275]	—	609	7,430	—	—	—	
MAPFRE Consultores de Seguros y Reaseguros	S.A.	Paseo de Recoletos, 25 28004 Madrid	Advisory and management services	50.00	50.00	50.00	50.00	120	240	—	(5)	20	61	—	—	—	
MAPFRE Inversión	S.A.	Crta.Pozuelo, 50 Majadahonda - 28222 Madrid	Societies company	—	99.92	—	99.92	33,055	123,990	17,585	[14,936]	57,670	2	—	—	—	
MAPFRE AM Investment	S.A.	Crta.Pozuelo, 50 Majadahonda - 28222 Madrid	Holding	100.00	—	100.00	—	20,000	(102)	—	60	68	20,000	—	—	—	
MAPFRE Asset Management	S.A.	Crta.Pozuelo, 50 Majadahonda - 28222 Madrid	Real estate investment management	0.01	99.91	0.01	99.91	2,043	(6,535)	4,137	(12,118)	48,401	2	—	—	5	
MAPFRE España	S.A.	Crta.Pozuelo, 52 Majadahonda - 28222 Madrid	Insurance and reinsurance	83.52	16.48	83.52	16.48	564,624	1,103,050	524,751	309,599	818	3,054,021	—	—	190,405	
MAPFRE Participaciones	S.A.	Crta.Pozuelo, 52 Majadahonda - 28222 Madrid	Financial	100.00	—	100.00	—	216	382,716	77,916	(1,071)	59,678	225,856	—	—	—	

The amounts for Equity Accounts and results of the companies correspond to consolidated data.



## Fiscal year 2021

Name	Legal form	Address	Activity	PARTICIPATION		Capital	Reserves	Other equity items	Thousands of euros		Book value	(Impairment) /Reversal year	Accumulated impairment	Dividends received		
				%					Earnings for the year							
				Direct	Indirect				Direct	Indirect					Earnings from operations	Other earnings
Desarrollos Urbanos	S.A.	Crta.Pozuelo, 52 Majadahonda - 28222 Madrid	Real estate	0.08	99.92	0.08	99.92	383	1,098	—	242	(966)	2	(7)	45	—
MGR Agencia de Suscripción	S.A.U	Crta.Pozuelo, 52 Majadahonda - 28222 Madrid	Insurance and reinsurance	100.00	—	100.00	—	60	1,903	—	87	724	1,952	—	—	479
ALMA MUNDI Insurtech Fund, FCRE	LTDA	Paseo de Gracia, 71 - 08008 Barcelona	Online insurance policy price comparison company	26.40	—	—	—	113,297	(4,250)	24,016	1,169	—	25,000	4,500	0	0
Total												9,533,087	5,943	329,711	362,702.4	
Other investments												3				
Total investments in Group companies and associates												<b>9,533,090</b>				

The amounts for Equity Accounts and results of the companies correspond to consolidated data.

No companies are listed on the stock market.

(\*) Recoverable amount determined based on the fair value of the company's assets and liabilities.

## Appendix 2

<b>BALANCE SHEET AS AT DECEMBER 31, 2021 - MAPFRE PARTICIPACIONES</b>	
<b>ASSETS</b>	<b>2021</b>
<b>A) NON-CURRENT ASSETS</b>	<b>448.801</b>
I. Intangible fixed assets	--
II. Property, plant and equipment	--
IV. Non-current investments in Group companies and associates	448.477
1. Equity instruments	448.477
V. Non-current financial investments	323
1. Equity instruments	323
VI. Deferred tax assets	1
<b>B) CURRENT ASSETS</b>	<b>33.479</b>
I. Non-current assets held for sale	--
III. Trade debtors and other receivables	--
IV. Current investments in Group companies and associates	33.087
2. Loans to companies	32.940
5. Other financial assets	147
VI. Current accruals	--
VII. Cash and other equivalent liquid assets	392
1. Cash	392
<b>TOTAL ASSETS (A+B)</b>	<b>482.280</b>
<b>Thousand euros</b>	

<b>BALANCE SHEET AS AT DECEMBER 31, 2021 - MAPFRE PARTICIPACIONES</b>	
<b>EQUITY AND LIABILITIES</b>	<b>2021</b>
<b>A) EQUITY AND LIABILITIES</b>	<b>481.663</b>
<b>A-1 SHAREHOLDERS' EQUITY</b>	<b>481.663</b>
<b>I. Capital</b>	<b>216</b>
1. Authorized share capital	216
II. Share premium	--
<b>III. Reserves</b>	<b>318.239</b>
1. Legal and statutory	43
2. Other reserves	318.196
<b>V. Results for previous years</b>	<b>124.530</b>
1. Retained earnings	124.530
2. Negative results for previous years	--
<b>VII. Result for the period</b>	<b>38.678</b>
VIII. (Interim dividend)	--
<b>A-2 VALUATION CHANGE ADJUSTMENTS</b>	<b>--</b>
I. Financial assets held for sale	--
<b>B) NON-CURRENT LIABILITIES</b>	<b>--</b>
I. Non-current provisions	--
II. Non-current debt	--
III. Non-current with Group companies and associates	--
IV. Deferred tax liabilities	--
<b>C) CURRENT LIABILITIES</b>	<b>617</b>
II. Current provisions	--
IV. Current debt with Group companies and associates	610
V. Trade creditors and other payables	7
3. Sundry creditors	7
<b>TOTAL EQUITY AND LIABILITIES (A+B+C)</b>	<b>482.280</b>

Thousand euros

**BALANCE SHEET AS AT DECEMBER 31, 2021 - MAPFRE AM INVESTMENT HOLDING**

<b>ASSETS</b>	<b>2021</b>
<b>A) NON-CURRENT ASSETS</b>	<b>43.704</b>
I. Intangible fixed assets	--
III. Real estate investments	--
IV. Non-current investments in Group companies and associates	547
V. Long-term financial assets	43.157
VI. Deferred tax assets	--
<b>B) CURRENT ASSETS</b>	<b>521</b>
III. Trade debtors and other receivables	--
IV. Current investments in Group companies and associates	60
VI. Current accruals	--
VII. Cash and other equivalent liquid assets	461
<b>TOTAL ASSETS (A+B)</b>	<b>44.225</b>
<b>Thousand euros</b>	

<b>EQUITY AND LIABILITIES</b>	<b>2021</b>
<b>A) EQUITY</b>	<b>20.171</b>
<b>A-1) SHAREHOLDERS' EQUITY</b>	<b>20.171</b>
I. Capital	20.000
1. Authorized share capital	20.000
II. Share premium	--
III. Reserves	(6)
V. Results for previous years	49
VII. Result for the period	128
<b>C) NON-CURRENT LIABILITIES</b>	<b>24.054</b>
IV. Current debt with Group companies and associates	24.054
V. Trade creditors and other payables	--
2. Other creditors	--
<b>TOTAL EQUITY AND LIABILITIES (A+C)</b>	<b>44.225</b>
<b>Thousand euros</b>	

**INDIVIDUAL MANAGEMENT REPORT**

**2022**

**MAPFRE S.A.**

# INDIVIDUAL MANAGEMENT REPORT 2022

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## 2022 INDIVIDUAL MANAGEMENT REPORT

MAPFRE S.A. (the "Company") is a corporation whose main activity is the investment of its funds in real-estate assets and tradeable financial securities.

### A. Key individual figures

Key income statement figures are as follows:

- Dividend revenue from Group companies and associates amounted to 838.8 million euros, compared to 362.7 million euros in 2021.
- Operating expenses amounted to 156.2 million euros, a 1.43 percent increase on 2021.
- Financial income amounted to 2.5 million euros, compared to 0.4 million euros for the previous year.
- Financial expenses stood at 76.8 million euros, 12.1 percent higher than the previous year.
- During the year, 14.1 million euros of provisions were recorded for impairment of stakes in Group companies and associates (5.9 million euros were reversed in 2021).
- As a result of the foregoing, earnings before tax stood at 662.7 million euros for the fiscal year, (207.8 million euros in 2021).
- A corporate tax 31.1 million euros was posted in 2020, compared with 39.3 million euros in 2020.
- Post-tax earnings were 693.9 million euros, which represents an increase of 184.5 percent compared to the previous year.

Key balance sheet figures are as follows:

The shareholders' equity of MAPFRE S.A. amounted to 7,765.3 million euros, which represents an increase of 649.3 million euros compared to the previous year, 9.12 percent, as a result of the difference between the profit for the year and the dividends paid during the year, which amounted to 243.9 million euros, the final dividend for the 2021 financial year distributed in 2022 and 184.8 million euros for the interim dividend for the 2022 fiscal year and 396.4 million euros arising from the merger of the companies MAPFRE PARTICIPACIONES, S.A.U and MAPFRE AM INVESTMENT HOLDING, S.A.U.

- Total assets amount to 10,804.8 million euros, of which 10,138.6 and 60.9 million euros correspond to investments in Group companies and associates in the long and short term, respectively.

### B. Main activities

The main variations in the Company's financing sources during the 2022 were as follows:

- Partial cancellation of loans with Group companies for an amount of 211.6 million euros, and granting of new loans for an amount of 8.0 million euros.
- Partial cancellation of the syndicated loan, maturing in December 2025, for an amount of 382.0 million euros and new drawdowns for an amount of 766.0 million euros.
- New issuance of subordinated bonds for the amount of 500 million euros.
- New issuance of cancellation of bank loans for the amount of 155.9 million euros.

## Investments in Group companies

During the fiscal year, the Company had the following expenditure in respect of investments in Group companies.

- Purchase of 512,499 MAPFRE TECH shares - 103,300 shares from MAPFRE INTERNACIONAL, 8,101 shares from MAPFRE ASISTENCIA, 336,538 shares from MAPFRE ESPAÑA, 82 shares from MAPFRE INVERSIÓN, 4,133 shares from MAPFRE RE and 60,345 shares from MAPFRE VIDA - for a total amount of 20,146,000 euros, equivalent to 39.39 euros per share, which means that MAPFRE S.A. now owns 100 percent of the company.
- During the year, the following capital contributions have been made in Group companies and associates: 242,072,000 euros in MAPFRE RE and 7,500,000 euros in MAPFRE TECH.

## C. MAPFRE and its shareholders

The accompanying table shows the key information relating to MAPFRE shares at the end of fiscal year 2022.

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	Madrid and Barcelona Stock Exchanges (continuous market)
ISIN code	ES0124244E34

(1) Indices that measure the outcome of a company's actions to uphold and support sustainable development and human rights.

According to Sociedad de Bolsas's (Grupo BME) data, a daily average of 3,928,545 shares were traded on this platform in 2022, and average daily effective trading reached 6.9 million euros.

## VALUE AND RETURN

The share price performance is shown in the following table, compared two key benchmark indices (the IBEX 35 and the STOXX Europe 600 Insurance and IBEX 35 Bancos):

	1 YEAR	2 YEARS
MAPFRE	0.2%	13.8%
STOXX Europe 600 Insurance	-1%	14.3%
IBEX 35	-5.6%	1.9%
IBEX 35 Bancos	13.1%	39.2%

MAPFRE's earnings per share (EPS) during the same period are shown below:

	2022	2021
EPS (euros)	0.21	0.25
Var. %	-16.1%	45.3%

## SHAREHOLDER STRUCTURE AND REMUNERATION

At the close of fiscal year 2022, MAPFRE had 219,031 shareholders.

The composition of the shareholder base is as follows:

Non-institutional 13.4 percent, Spanish institutional 4.1 percent, other countries institutional 12.1 percent, treasury stock 0.6 percent, and Fundación MAPFRE 69.8 percent.

On November 30, 2022, the interim dividend charged against the 2022 fiscal year was paid, in the amount of 0.0604 euros per share gross, 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 2022 to be proposed at the Annual General Meeting is 0.085 euros per share before tax. Consequently, the total dividend against the 2022 fiscal year amounts to 0.145 euros per share before tax, representing a payout ratio of 69.5 percent.

Dividend payments and the dividend yield, calculated on an average share price basis, are indicated in the accompanying table.

	2022	2021
DIVIDEND PER SHARE (euros)	0.145	0.135
DIVIDEND YIELD	8.26%	7.6%



## D. Environment

In November 2021, COP26 came to a close in Glasgow, from which the Net-Zero Alliance arose with the aim of achieving net zero insured portfolios of alliance members by 2050. MAPFRE joined this initiative during 2022 and is currently working together with the other members of the alliance to define a protocol for establishing objectives.

In 2022, the progress of the objectives defined for 2024 of the Environmental Footprint Plan continues. Said objectives, as well as the actions necessary to achieve them, are included in the 22-24 Sustainability Plan, to guarantee the aligned and coordinated action of all MAPFRE Group entities in this matter. Among the achievements obtained are:

- a. In June 2022, MAPFRE in Spain surpassed the target for self-consumption for 2024, with a generation of more than 3GWh per year. The installation of an additional 2 GWh is expected to be completed in the first quarter of 2023.
- b. 100 percent renewable electricity purchase contracts are already available, when the electricity market allows it, in Spain, Germany and Portugal. Progress continues in the percentage of kWh under this modality in Italy and Brazil, according to the planned planning.
- c. The new corporate expense standard has been approved with a clear objective of reducing the impact on the carbon footprint of work trips, mainly by plane. The standard is being adapted in all countries and in Spain it is directly implemented.
- d. Progress has been made with the implementation of hybrid remote work models in Group entities, which will reduce the carbon footprint of employees when traveling to the workplace.

In accordance with the neutrality strategy, MAPFRE's carbon footprint in Spain and Portugal has been offset, which involved the planting of more than 6,500 trees as part of reforestation projects. The selection of compensation projects is carried out in accordance with the Corporate Strategy for Greenhouse Gas Compensation, which defines the selection criteria to encourage the recovery of biodiversity and ensure ecosystem services and natural capital, going one step beyond the creation of carbon sinks.

To date, in the environmental aspect, MAPFRE continued to expand its certifications in this area, and already has 44 headquarters of Group companies in Spain, Brazil, USA, Mexico, Puerto Rico, Turkey, Peru, Italy, Germany, Colombia, Chile, Paraguay, Portugal and Argentina certified with ISO 14001, in addition to 26 headquarters buildings located in Spain, Puerto Rico and Mexico with ISO 50001 energy management certification.

Regarding the Carbon Footprint, the expansion of the scope of ISO 14064 also continues its progress according to the planned plan, having already verified the carbon footprint inventories of the Group entities located in Spain, Brazil, USA, Mexico, Puerto Rico, Turkey, Peru, Colombia, Chile, Germany, Italy, Portugal and the Dominican Republic.

Against the current backdrop of economic and climate crisis, the Circular Economy continues to stand out as a necessary solution, contributing to making companies more competitive and resilient. In this area, MAPFRE has certified its Data Processing Centers located in Alcalá de Henares in accordance with the AENOR Zero Waste Regulation, having previously maintained the same certification for the Group's headquarters located in Majadahonda (Madrid).

In relation to Natural Capital, the UN Conference on Biological Diversity (COP 15) took place in 2022, with the aim of agreeing on a new global framework to transform society's relationship with biodiversity and guarantee that, for 2050, the shared vision of living in harmony with nature is fulfilled. In this context, MAPFRE is analyzing, together with Fundación Biodiversidad, its current commitment in terms of Biodiversity and Natural Capital, to define the new challenges and objectives aligned with this new global framework.

### Security

During 2022, work continued to ensure a safe environment in which MAPFRE could carry out its activity normally, through the protection of tangible and intangible assets, including the services it provides to its clients, as established by the Corporate Security and Privacy Policy approved by the Board of Directors of MAPFRE S.A. on December 13, 2018.

In relation to protection against cyber risks, this year the MAPFRE Group's Cyber Resilience Plan (PCR) has continued to be deployed, a master plan that articulates MAPFRE's evolution in terms of Cybersecurity, Privacy, Data Protection and Operational Resilience Digital.

As at the end of 2022, the PCR was 55 percent deployed compared to what is envisaged in the plan for same. Highlights from the year include action taken to improve the protection of critical elements of the technological platform, the deployment of information technological security solutions updates to better protect job positions and email services, including access to cloud environments, the definition of the evolution of the protection architecture for remote access to the MAPFRE network and the new security support model for projects that use agile methodologies and platforms (DevSecOps).

In addition, the increase in remote work and the appearance of new cyber attack mechanisms that exploit weaknesses in knowledge and/or awareness have required a new boost in actions to improve the culture of cybersecurity. Thus, during 2022, development of the "Firewall Mindset MAPFRE, #CybersecuritCulture" was finalized in Spain, and the initiative, which aims to improve cybersecurity awareness through interactive and dynamic training that sees employees completing a practical case of identifying a targeted phishing attack, was rolled out to other companies. As at year end, 14,417 cyberagents (employees) had completed the training exercise.

To verify the effectiveness of the training and awareness actions carried out, cyber exercises are carried out on a recurring and systematic basis aimed at evaluating the behavior of employees in the face of the most common cyber attacks. In 2022, the percentage of employees who performed adequately in these exercises exceeded 83 percent.

## E. Acquisition and disposal of treasury stock

The purchase and sale operations of MAPFRE S.A. shares comply with the provisions of current regulations, the resolutions adopted in this regard by the Annual General Meeting and the MAPFRE Group's Treasury Stock Policy, which regulates actions related to transactions involving shares of the Company.

In the fiscal year 2022, 203,765 shares were delivered to directors of subsidiaries, registering a negative impact of 58,419.42 euros (negative 84,274.36 euros in 2021), which has been included under the heading "Other Reserves".

In addition, 10,070,672 shares related to the MAPFRE S.A. Share Compensation Plan were delivered, as described in "Valuation Rules" Note 4.h., registering a negative impact of 3,676,641.59 euros, which have been included in the "Other reserves" heading.

At the end of the fiscal year, the Company owned 19,789,583 treasury shares (30,064,020 in 2021), which represents 0.6426 percent of the capital (0.9762 percent in 2021) and at an average price of 2.09 euros in the two last full-year periods.

The nominal value of the treasury stock acquired amounts to 1,978,958 euros (3,006,402 in 2021).

## F. Human resources

The following tables show the average and year-end headcount during the last two years, by category and gender.

Average number of employees.

ITEM	2022		2021	
	Men	Women	Men	Women
Board Directors and C-Suite	12	5	13	5
Senior Management	144	83	134	79
Technicians	108	128	105	121
Associates	6	37	7	40
<b>TOTAL AVERAGE NUMBER OF EMPLOYEES</b>	<b>270</b>	<b>253</b>	<b>259</b>	<b>245</b>

Number of employees at year-end.

ITEM	2022		2021	
	Men	Women	Men	Women
Board Directors and C-Suite	12	5	12	5
Senior Management	154	88	137	79
Technicians	105	128	104	126
Associates	6	35	6	38
<b>TOTAL NUMBER OF EMPLOYEES</b>	<b>277</b>	<b>256</b>	<b>259</b>	<b>248</b>

The following table shows the average number of employees in the Group with a degree of disability equal to or higher than 33 percent, indicating the categories to which they belong.

ITEM	2022	2021
Senior Management	3	3
Advisors	4	3
Associates	2	3
<b>TOTAL</b>	<b>9</b>	<b>9</b>

MAPFRE is a global company built on the continuous effort of 31,293 people who lie at the heart of our people management strategy, the pillars of which are development, promotion and well-being.

The levers we use to meet these major challenges are:

- Strategic business needs
- Active listening to our employees
- A workplace centered on well-being that offers an inclusive and diverse environment that allows people to express themselves freely
- Developing capabilities through continuous learning, self-development and mobility
- Training in digital capabilities and new work methodologies
- Promoting social sustainability through constant improvement in the quality of employment and employability

With MAPFRE's commitment to people, our company becomes a place where the time that each person invests becomes meaningful.

Working in this regard helps to further our transition to a more open, more digital, and more transformative company.

MAPFRE has a Capability Transformation plan whose main objective 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.

At MAPFRE, transfers remain essential for employee development and employability. In 2022, 15.7 percent of employees were transferred, representing 4,532 employees. In addition, 86.2 percent of managerial positions were filled internally.

A total of 41 percent of selection processes were covered by internal mobility.

MAPFRE has a global knowledge management technology platform in place, called Eureka, where all employees can connect to share knowledge and best practices

Currently more than 2,700 pieces of knowledge have been contributed from the company's 15 areas of knowledge, and more than 1,450 employees worldwide have been identified as Knowledge References, as they are the ones who mainly disseminate it.

MAPFRE promotes employee learning through its Corporate University, and all training activities are designed in accordance with its business strategy and objectives. The Corporate University has 15 schools, 17 knowledge rooms and an InnoLAB, and is present in all countries in which MAPFRE operates.

The company focuses on continuous and permanent collaboration with the world of education at a global level through our Universities Plan: "MAPFRE with Universities."

The plan is executed globally through three main pillars:

- Promoting knowledge of the insurance culture.
- Our "Grow with Us" Intern Plan.
- Sharing knowledge through a two-way relationship of collaboration, innovation and knowledge transfer.

We have developed a global transformational leadership plan in which we accompany leaders in a process toward a new way of working and leading. The plan will be implemented over three years and aims to support leaders and guide them so they can offer the "best version" of themselves.

Since MAPFRE is a company that cares for people, it establishes appropriate and competitive remuneration according to 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.

Its guiding principle is a transparent Remuneration Policy, known to all employees, that makes remuneration an element of motivation and satisfaction, enabling the targets to be met and the strategy to be fulfilled within the framework of the company's long-term interests.

This policy also promotes appropriate and efficient risk management by discouraging both the acceptance of risks that exceed the company's tolerance limits and conflicts of interest. It gives specific treatment to the remuneration of the management groups and those with special impact on the company's risk profile.

To fulfill its Sustainability Plan 2022–2024, MAPFRE has committed to reducing its pay gap to within +/-1 percent by 2024. Therefore, in 2022, the methodology for calculating the equal pay gap, verified in 2018 by the consulting firm Ernst & Young (EY), continued to be applied.

Following the extraordinary success of the 2022 Share Remuneration Plan in Spain, a new flexible Remuneration Plan for Group employees in Spain was launched for 2023, with the aim of increasing their link to the company's strategy and future profit. Like the previous one, this plan offers the possibility of voluntarily allocating an annual amount of remuneration to the purchase of MAPFRE S.A. shares, although in this new edition there will be no delivery of additional shares. These shares will be delivered monthly throughout 2023. The new plan had a total of 1,581 applicants, representing 15 percent of the workforce in Spain, which continues to reflect a high level of trust among employees in the company's future.

MAPFRE is a diverse, egalitarian and inclusive company with a Global Diversity and Equal Opportunity Policy 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 and deploying all their talent and complementing each other with equal opportunities.

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 and 2022, it was included in the Bloomberg GEI (Gender Equality Index), which distinguishes companies around the world that stand out for promoting equality and for their transparency in information related to gender issues. As at the end of 2022, women held 31.7 percent of management positions and accounted for 42 percent of job positions of responsibility.

MAPFRE promotes the integration of people with disabilities into the workforce and committed to ensuring that 3.5 percent of its employees are people with disabilities. Since 2015, the Group has had a Global Disability Program in place that has been implemented in every country, and it includes measures to promote integration and a culture of awareness. In 2022, people with disabilities made up 3.5 percent of the workforce.

Since October 2021, the group has been a part of the International Labour Organization (ILO) Global Business and Disability Network, which aims to help make corporate employment policies and practices more inclusive of people with disabilities worldwide, as well as to increase awareness of the positive relationship between disability inclusion and business growth.

The objective of the Policy on Health, Well-being, and Prevention of Occupational Risks 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.

MAPFRE is present worldwide, with employees of 81 nationalities, giving the Group great cultural diversity and providing the talent it needs to successfully conduct its business activities while activating collaboration and sharing knowledge.

MAPFRE supports the diversity of sexual orientation and in 2020 adopted the Standards of Conduct for Business for Tackling Discrimination against Lesbian, Gay, Bi, Trans, & Intersex (LGBTI) People, an opportunity to expand companies' contribution to the fight against discriminatory practices around the world.

The company has implemented an active listening and experience measurement model that promotes employee participation and allows them to participate directly in decision-making on issues that affect them. This model involves the ongoing measurement of the employee's life cycle, identifying their different times of interaction with the company, from before they join the company until the time that they leave it, and is complemented by the continual measurement of employee satisfaction and commitments.

MAPFRE has a model in place to measure the employee experience:

- eNPS<sup>®</sup> Survey (RELATIONAL eNPS<sup>®</sup>).
- Employee experience life cycle analysis (TRANSACTIONAL eNPS<sup>®</sup>).
- Human Resources Perceived Quality Index.

The eNPS<sup>®</sup> survey, which is conducted twice a year, provides indicators on recommendation, satisfaction and engagement, among others.

- Relational eNPS®: The employee net promoter score measures the likelihood that employees will recommend MAPFRE as a company to work for. In 2022, this was measured in 29 countries, and 91 percent of the workforce asked to rate this aspect gave a response of Very good or Excellent.
- Employee Satisfaction Index - ESI: Measures employee satisfaction by assessing the following 10 elements: knowledge of objectives, pride in work carried out, recognition for work carried out, contribution to the company, receipt of quality feedback, opportunities for development, collaboration, work tools, care for people, pride in the social footprint. In 2021, the result was 70 percent.

MAPFRE has deployed a People app to serve as a channel for communication and interaction with employees in Spain, Mexico, Brazil, Turkey, Peru, Puerto Rico, and Germany, with a total of 12,734 active users. This information, communication and management channel aimed at employees allows them to, among other things, receive notifications, view their salary receipts, request medical appointments, communicate leave and vacations, read important news and information about their workplace and sign up for volunteer activities.

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. The Group expressly opposes, and does not tolerate, any harassment in the workplace, regardless of who the victim or perpetrator is. This commitment must be present in all relationships between employees and in relationships between employees and providers, clients, collaborators, and other stakeholders. Furthermore, it also extends to all the organizations with which MAPFRE works.

To facilitate well-being and a healthy work-life balance, MAPFRE offers its employees a wide range of company benefits, which accounted for an investment of 166.5 million euros in 2022.

## G. External audit

Fees charged by the external auditor are shown below. It is deemed that these fees do not compromise the independence of the auditors.

ITEM	AMOUNTS	
	2022	2021
Audit services	1,090	576
Other verification services	175	111
Tax services	—	—
Other services	82	67
<b>Total services of main auditor</b>	<b>1,347</b>	<b>754</b>
<b>Thousand euros</b>		

Other verification services include services provided by KPMG Auditores, S.L. to the Company during the financial year 2022, among which the semi-annual review, the issuing of comfort letters, the solvency review and the report on agreed procedures on the description of the SCIIF stand out.

Other entities affiliated with KPMG Internacional have billed the Company 82,000 euros, mainly for the independent review of the information in the Non-Financial Information Statement.

The information related to the services provided by KPMG Auditores, S.L. to companies linked by a control relationship with MAPFRE S.A. during the year ended December 31, 2022, is included in the annual accounts of MAPFRE S.A. and subsidiaries of December 31, 2022

## H. Governing bodies

At the Annual General Meeting held on March 11, 2022, Mr. Antonio Huertas Mejías, Ms. Catalina Miñarro Brugarolas and Ms. María del Pilar Perales Viscasillas were reelected as directors.

On February 11, 2022, Mr. Luis Hernando de Larramendi Martínez time as a member of the Board of Directors came to an end, due to his death. On October 17, 2022, Mr. José Antonio Colomer Guiu submitted his resignation as a member of the Board of Directors, in compliance with the provisions of the Regulations of the Board of Directors.

At the meeting of the Board of Directors held on October 27, 2022, Ms. María Amparo Jiménez Urgal was appointed as a board director through the co-optation procedure, replacing Mr. Colomer Guiu. Likewise, at the aforementioned meeting of the Board of Directors, Ms. Ana Isabel Fernández Álvarez was appointed a member of the Steering Committee, Ms. Marieta Jiménez Urgal and Mr. Antonio Miguel-Romero de Olano as members of the Appointments and Remuneration Committee, Mr. Antonio Gómez Ciria as chairman of the Risk and Sustainability Committee and as member of the Audit and Compliance Committee and Mr. Francisco José Marco Orenes as member of the Risk and Sustainability Committee.

During the 2023 financial year, the terms of office of Mr. Antonio Gómez Ciria and Ms. María Amparo Jiménez Urgal, who was appointed by the co-optation procedure on the aforementioned date, will expire.

The reelection of Mr. Antonio Gómez Ciria and Ms. María Amparo Jiménez Urgal is proposed, as well as the appointment of D. Francesco Paolo Vanni D'Archirafi as a new board director. Said proposals have been formulated by the Appointments and Remuneration Committee.

Likewise, during the 2023 financial year, the mandates of Mr. José Manuel Inchausti Pérez and Mr. Antonio Miguel-Romero de Olano will expire and their re-elections are to be proposed to the Annual General Meeting. Likewise, the appointment of Mrs. María Elena Sanz Isla as a new executive board director is proposed. Said proposals are the subject of favorable report from the Appointments and Remuneration Committee.

## I. Average provider payment period

Details of payments made to providers in the last two fiscal years are shown below.

ITEM	2022	2021
	Days	Days
Average provider payment period	17	21
Ratio of paid operations	17	21
Ratio of operations pending payment	—	—
	Amounts	Amounts
Payments made	98,227	108,018
Payments pending	427	4,343
<b>Total payments for the year</b>	<b>98,654</b>	<b>112,361</b>

Thousand euros

The information on invoices paid in a period less than the maximum established in the delinquency regulations is as follows:

ITEM	2022	2021
Monetary amount paid	98,227	108,018
Thousand euros		
Percentage of total monetary payments made to providers	99.57%	96.13%
Total number of invoices paid to providers	6,359	4,089
Percentage of the total number of invoices paid to providers	96.32%	99.73%

## J. Research, development and innovation

MAPFRE OPEN INNOVATION (MOi) is MAPFRE's strategic commitment to boost client-centered transformation. With it, the company aims to foster innovation carried out by and for people.

Created as an open innovation platform, MOi uses partnerships with other stakeholders and emerging technologies to make a positive impact on our business and on society. In other words, for MOi, accelerating value creation for MAPFRE is as important as contributing to the progress toward a more prosperous, just and equal society. Since 2019, more than two million clients have benefited from solutions originating from this model, in terms of both insurance operations (contracting or benefits) and relational and aspirational aspects. These solutions address major social issues, such as the democratization of medical care, support for the independence of the elderly or services designed with a gender perspective.

In addition, proposals have been analyzed from more than 2,500 startups, of which more than 40 have gone through *insur\_space*, MAPFRE's fast-track-to-market program for startups, 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 120 million euros with a projected size of 250 million euros, was launched in early 2022 and has already made six investments.

In 2022, initiatives were launched in the areas identified as priorities at the beginning of the year: cyber protection, climate risk, emerging risks, new mobility, health and well-being. In addition, progress was made in the deployment, scaling and export of critical solutions to transform operations: image-based assessment, claims automation and voice automation.

With regard to cyber protection, MAPFRE has been working to develop new products and solutions for companies, especially SMEs (small and medium enterprises). The situation faced by these companies, which are key to the economic and social fabric of their countries, is critical: 60 percent of companies of this size that suffer a severe cyberattack do not recover and cease their activity in the six months following the cyber-incident; 70 percent of cyberattacks in Spain target SMEs, and the average cost of the economic impact exceeds 35,000 euros.

Thanks to the concept tests and pilots developed with innovative startups, MAPFRE already has an insurance solution that provides coverage to 14,000 companies in Spain. However, our approach goes beyond economic and compensation coverage and consists of offering proactive (pre-incident) prevention services, giving SMEs an active defense system to detect and neutralize attacks before they cause any damage. The work underway aims to identify the vulnerable areas of these companies in terms of cybersecurity. Our objective is to offer an advising service for insured companies to assist them with aspects of improvement, mitigation actions, and priority protection needs, helping to boost their technological security levels.

MAPFRE OPEN INNOVATION's activity is perfectly aligned with the group's purpose and the United Nations Sustainable Development Goals.

Ultimately, with the consolidation of MOi, MAPFRE aims to accelerate transformation from within and reinforce our leadership position. By adapting faster to the changing circumstances and moving toward the new business models and innovative solutions that arise from digital and technological changes, the ultimate goal is to offer the best solutions and services to clients.

Accumulated data for fiscal years 2022, 2021 and 2020 are:

- Clients who have benefited from MOi products and services: 2,340,508.
- Initiatives developed in 15 countries.

## **DIGITAL BUSINESS**

MAPFRE continues to grow its digital business, operating through three brands: MAPFRE, VERTI and SAVIA. At year end, digital business growth stood at 8.2 percent. During this period, progress was made in extracting more value from existing digital capabilities, gaining maturity in digital attraction processes and operations, online pricing, digital client management and advanced fraud detection, among other areas. New scalable digital capabilities were also provided for the Group, mainly focused on improving digital acquisition and sales, developing new digital distribution channels with a focus on digital partners, and improving profitability. Much emphasis has been placed on the use and activation of digital data and client knowledge as transversal themes.

## **QUALITY**

In order to assess the quality perceived by customers, the MAPFRE Quality Observatory applies a global model for measuring customer experience that facilitates:

- To establish a homogeneous framework in all countries and businesses to determine the customer experience level at MAPFRE and its competitors in a consistent and comparable way.
- To identify pain points that negatively impact MAPFRE customers and the probability that they will recommend MAPFRE. This allows actions to be taken to improve perceived quality, based on active listening to the customer.
- To understand the promotion and recommendation levers that customers consider to be the company's strengths. Promoting these strengths helps to improve customers' financial performance and to attract a new portfolio, thanks to the power of being recommended by MAPFRE promoters.
- To provide the countries with a decision-making tool based on first-hand knowledge of customers' priorities.

The MAPFRE Quality Observatory is responsible for defining models and carrying out all comprehensive measurements of the customer experience. These measurements are carried out through surveys of internal and external clients in all the countries and businesses in which MAPFRE operates, covering the lines of insurance, reinsurance, global risks and assistance services. To do this, by analyzing the Net Promoter Score (NPS®) indicator, the level of customer perception of the company and its critical points of contact with the company are evaluated, which in turn produces recommendations on the main areas for improvement.

The Quality Observatory performs diagnoses on the level of customer experience through the preparation of reports on the results of the measurements, which help the different business areas make decisions.

In 2022, two relational NPS® measurement waves were carried out, involving a representative sample of MAPFRE's portfolio. These two waves, involving more than 100,000 respondents, covered more than 20 countries and lines of business. As part of this study, the observatory also measures the client experience level at MAPFRE's major competitors in each country and line of business. Specifically, 84 companies were analyzed around the world.

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 has already been implemented in Brazil, Spain, the United States, Puerto Rico, Mexico, Peru, Chile, Panama, Costa Rica, Nicaragua, Honduras, El Salvador, Guatemala, Dominican Republic, Germany and at MAPFRE Asistencia in Italy. The homeowners business line in the United States has also adopted the model.

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 it has begun to measure the broker's experience with MAPFRE in Brazil. Specifically, it evaluates the perception of brokers who collaborate with MAPFRE in terms of their relationship with the company, levers of success, and the company's support and advice for policy sales and the management of policy use by the end client.

Additionally, in 2022 the Quality Observatory conducted the fifth measurement of internal client experience (iNPS®) and of the experience of cedants and brokers of the reinsurance services provided by MAPFRE RE. For the first time, it also carried out a survey on the perception of MAPFRE GLOBAL RISKS' service to the Group companies with which it interacts.

Based on the results obtained in the surveys, the Business and Clients area coordinates all transformation actions and plans whose main objective is to improve perceived quality (relational and/or transactional). Through these plans and the information collected in surveys, MAPFRE can better understand its clients and adapt processes to their needs, focusing on pain points. All this work will help to improve the NPS® while reducing social, economic and personal risks derived from a poor perception of MAPFRE's service. In addition, continual improvement will allow the company to offer products and services tailored to clients' needs.

MAPFRE has 262 people, a significant number of employees, assigned to quality control and monitoring throughout the world, and several companies are in possession of quality certifications. To renew these certifications, these companies must maintain high customer service standards.

MAPFRE holds ISO 9001 certification in Spain and Turkey. MAPFRE ASISTENCIA holds certification for the same quality standard in Algeria, Argentina, Brazil, Chile, Colombia, Ecuador, Italy, Mexico, the Dominican Republic and Tunisia.

## K. Environmental, social and governance factors and risks

MAPFRE permanently analyzes those factors that, if they materialize, could have an impact on the business (in terms of investment and underwriting). In this analysis, environmental, social and governance (ESG) factors are taken into account, since they facilitate obtaining additional information on social movements and transformations, the expectations of interest groups and also of the market that affect to the organization.

Based on the analysis of these ESG factors and how they may affect the business in the short, medium and long term, their relationship and inclusion in the type of risk established by the company and in the adoption of prevention and mitigation measures is determined.



MAPFRE's business model and strategy are an example of how the company addresses global sustainability challenges, manages ESG risks and opportunities, and innovates in the development of insurance products and solutions that benefit customers and the society in which they operate. Opera.

ESG risks are naturally integrated into business processes, providing long-term solutions. ESG risk and opportunity management helps in decision-making in areas such as underwriting, investment, innovation in products and services, provision of services, which are the keys to generating trust among stakeholders.

### **Integration of ESG aspects in investment processes**

In relation to investment processes, since 2017 MAPFRE has adhered to the Principles for Responsible Investment of the United Nations Organization (PRI) and has a Responsible Investment Action Framework in place.

MAPFRE has an Investment Policy in place, approved by the Board of Directors of MAPFRE S.A., applicable to all insurance and reinsurance companies of the Group.

The Corporate Investment Area is the guarantor of ensuring that the established responsible investment principles are complied with in the organization and of reporting annually on their compliance to the Sustainability Committee. Likewise, MAPFRE ASSET MANAGEMENT (hereinafter MAPFRE AM) has a Risk Committee, which periodically analyzes the composition of the portfolios, their ESG evaluation and the controversies that may arise from the application of the causes of exclusion approved by MAPFRE, as well as the carbon footprint of the investment portfolio.

To monitor and manage ESG risks in investments, MAPFRE has its own ESG analysis framework, which is periodically reviewed to incorporate best practices in this area. The investment team is responsible for implementing the methodologies included in the action framework, looking for opportunities and minimizing risks.

### **Integration of ESG aspects in underwriting processes**

In 2012, MAPFRE signed up to the Principles for Sustainable Insurance (PSI) promoted by the Financial Initiative of the United Nations Environment Program (UNEPFI), committing to integrate ESG factors into the decision-making that forms part of the underwriting processes of the Group's insurance operations.

This commitment is defined in the Underwriting Policy, approved by the Board of Directors of MAPFRE S.A. and applicable to all insurance and reinsurance companies and aligned with the corporate business strategy. MAPFRE has a Global Business Committee, which meets monthly, and an Underwriting Policy Committee, which meets every six months and is in charge, among other functions, of the correct application of this policy and analyzes and proposes operating rules for exclusion on ESG issues.

MAPFRE permanently analyzes those factors that, if they materialize, could have an impact on the business, or could have it. In this analysis, ESG factors are taken into account, since they allow obtaining additional information on social movements and transformations, the expectations of interest groups and also of the market that affect the organization.

Based on the analysis of these ESG factors, and how they may affect the business in the short, medium and long term, their relationship and inclusion in the type of risks established by the company and in the adoption of prevention and mitigation measures will be determined.

For the underwriting of global risks, MAPFRE has developed an internal ESG assessment model that, through the use of specialized tools, assesses and quantifies the ESG impact of the activity carried out by a business group, taking into account the sector and the countries where it operates.

The model assigns a level of reputational risk to the business group, which is linked to the level of authorization required to sign the operation, which may require the approval of the Management Committee of the Global Risks Unit and, where appropriate, also the additional authorization of the CEO.

Action in the face of natural catastrophes requires adequate forecasting of these events and the correct assessment of the losses that they may cause, since they are essential for the management of an insurance company. The economic impact that the company will have to absorb and also the response that it will be able to give to its customers depends on this, and this management is inherent to its operations.

The Reinsurance Unit is entrusted with various tasks related to the control of exposures and management of the Group's catastrophic risk, as well as providing adequate reinsurance coverage to each of the entities individually and to the Group as a whole.

## Sustainable underwriting products and services

Sustainable innovation is an important business opportunity. For this reason, MAPFRE continues to work on the design of sustainable solutions, analyzing market options and advancing toward new business models and solutions that arise from digital and technological changes with the ultimate goal of offering the best solutions and services to current and future customers, thereby contributing to the just transition to a low carbon economy and a more inclusive and equal society.

MAPFRE's experience as an insurer makes it possible to manage risks and develop solutions for a sustainable future, adding value through dialogue with stakeholders and sharing its experience to improve general awareness of risk and mitigation in the sector, attending to the following products:

- Environmental products and services: those insurance products or services aimed at specifically adapting and/or mitigating an environmental risk or opportunity and/or related to climate change.
- Social products and services: those insurance products or services aimed at specifically covering the basic needs of the population, products or services related to the protection of life, health and education in disadvantaged communities and/or low-income groups ( minimum wages or less), as well as aspects related to the protection of human rights, non-discrimination, inclusion and diversity.
- Good governance products and services: those products aimed at protecting businesses from one of the main current vulnerabilities: cyber attacks.

## L. Other risks and uncertainties

### Material risks

From the analysis of the main risks faced by the Group throughout the period contemplated in the business plan, cyber risk and failures in ICT systems stand out. The continuous increase in volume and sophistication of the malicious cybernetic activity to which MAPFRE is exposed when carrying out its business activity in a digital or cyber environment implies a high operational risk, and requires continuous updating and reinforcement of cybersecurity measures.

Secondly, persistent inflation stands out, which has a direct impact on the energy component and on the price of all supplies and products, generally affecting all companies and customers and, as far as the insurance sector is concerned, materializing in an increase in claim expenses and a fall in the number of policies taken out.

### Emerging risks

Additionally, the Group analyzes risks with a significant potential impact that could affect the longer term (5-10 years).

The risk derived from climate change stands out both as a material and emerging risk. The analysis of its impact is carried out from the following aspects:

- Physical risks: There is an increase in the severity and frequency of extreme weather events in the countries where MAPFRE is present, with the occurrence of events such as floods, fires, hurricanes, heavy rainfalls, heat waves, extreme droughts, etc. These events are increasing the accident rate of insurance companies, which in this context need to review risk models and adapt them in order to deal with the effects of these phenomena.
- Transition risks: There is great uncertainty about the effects that government measures and regulations aimed at decarbonizing the economy may cause. Through these measures, changes in the habits of customers are promoted, such as the promotion of the modification of the forms of mobility (e.g. in Spain the Law of Climate Change and Energy Transition that foresees changing the use of private vehicles to improve ECO mobility ), and the discouraging of the purchase of goods, services and assets considered unsustainable (e.g. in Europe the EU Taxonomy Regulation that includes the classification of economic activities considered as environmentally sustainable), measures aimed at the consequent decrease in demand for a large part of the existing products and services, and that consequently will cause the deterioration of the value of the assets that are not considered sustainable.

Climate change risk management is primarily focused on increasing understanding of the increased catastrophic hazard from climate change and improving exposure management by:

- The incorporation of climate change in the decision-making of the business strategy.

- A detailed knowledge of the insured risks (such as their geolocation and the characteristics of their assets), in order to carry out a correct coverage and selection of catastrophic protection.
- Proper management and control of accumulations to optimize the use of capital.
- Maximum collaboration and transparency between the insured and the insurer to facilitate the best evaluation and pricing.
- The taking out of reinsurance coverage.

The regulatory avalanche on sustainability, with great fragmentation, abundant ambiguity and disparity of criteria on the part of the different regulatory provisions, generates uncertainty in insurance companies regarding the continuity and management of the portfolio of existing products and services, as well as regarding the assets that will be considered unsustainable and the impact that such treatment may have on their valuation.

The second emerging risk identified with a potentially significant impact on the Group focuses on difficulties in adapting products and services to changes in the environment, society and the markets in which it operates. The speed of change and the solutions demanded by customers, who are increasingly aware of contracting sustainable products and with new ways of operating with companies, require a continuous adaptation of products and services that, if not carried out properly, can lead to loss of competitiveness. In order to manage this risk, the Group has established a broad set of initiatives whose main objective is to orient processes towards the customer, with the continuous adaptation of technical and operational management with the customer as the center.

Another emerging risk identified is the risk of instability and financial crises due to conflicts and scarcity of resources.

The Group is exposed in the long term to the triggering effects of sociopolitical risk, where drastic and very rapid changes are taking place, with a tendency to increase protectionism. The invasion of Ukraine by Russia with the sanctions adopted by the European Union and the United States, and the economic and political influence of China are examples of this.

The COVID-19 pandemic, the Russia-Ukraine conflict and the sanctions and impacts on the economy, added to the scarcity of resources caused by climate change could have geopolitical implications by encouraging states to adopt more nationalist policies, start new conflicts or aggravate existing ones. This could increase political instability and social unrest, which could spread rapidly if it coincides with structural causes present in the economy and in society (high food and energy prices, water scarcity, high unemployment, the income inequality and poor public services, etc.). The increase and maintenance of high inflation rates and the increase in the countries' debt levels as a result of dealing with various crises, added to the previously mentioned factors, could cause a decrease in purchasing power with the consequent contraction in demand for insurance products.

The results of the Group in the long term may be altered by fluctuations in the financial markets in which it operates, by changes in exposure to interest rates that may reduce the sale of certain products (Life, savings), profitability of investments, as well as the adequacy of technical provisions and the increase in costs and loss ratio. Additionally, regulatory changes derived from conflicts can cause direct losses due to restrictions to operate.

MAPFRE tries to identify the aspects that may affect the Group socially and politically, as well as monitor the main macroeconomic and financial variables, with special emphasis on their impact on the insurance industry and on the Group's financial strength.

The Group is reasonably protected against the risks described above by maintaining a strategic line based on:

- Technical rigor in risk underwriting and claims management, and a level of expenses below the market average.
- Conservative investment management policy applying sustainability criteria to generate a positive impact on the environment and society.
- Maintaining a reasonable level of indebtedness and liquid assets, which mitigates potential liquidity and debt refinancing problems in adverse conditions.
- Continuous analysis of customer needs and flexible processes that allow the supply of products and services to be adapted to demand.

In turn, the Group and its companies are subject to the risk-based management requirements established in the Solvency II regulations. These regulations establish the minimum amount of capital resources that companies must have in order to be authorized to operate, the types of capital resources admissible in accordance with the regulations and the capital available. For this reason, maintaining a high solvency ratio in the Group is the main protection measure against the risks it faces.

## M. Non-financial information

The information regarding the non-financial information status of the Company is included in the Integrated Report, which is part of the Consolidated Management Report of the MAPFRE Group, the lead entity of which is MAPFRE S.A., and which will be deposited, together with the Consolidated Annual Accounts, in the Mercantile Registry of Madrid.

## N. Significant events for the company after the year-end close

There were no significant events subsequent to the year-end close.

## O. Outlook

The year 2022 will be marked as a turning point in recent economic history. Inflation has returned, causing many central banks to resume implementing a monetary policy not seen since the 1970s. These levels of inflation not seen in 50 years have been triggered, in the first instance, by the rise in gas, oil, problems in supply chains and the costs of maritime freight.

The hope that inflation would be transitory in nature did not materialize. On the contrary, energy prices, despite the recent easing in gas prices, are expected to remain high. The sabotage of the Nordstream pipelines has made a return to the previous energy status quo impossible, at least for a long time, even if relations with Russia were to normalize. As far as oil goes, OPEC+ has reiterated its desire to keep prices high, through cuts in the production target.

In Europe, the energy crisis has not yet had a full impact on consumption, due to the subsidies and tax reductions granted by governments, but this complicates the medium-term sustainability of public accounts. Additionally, the authorities in Brussels see an opportunity to speed up the transition to green energy, accepting that there is a cost to bear. Governments are accelerating investment in renewable energy, and now the debate is on whether nuclear and gas can be considered clean energy. Meanwhile, non-clean energies have the extra cost for CO<sub>2</sub> emission rights.

The high cost of energy and its implications for inflation were the central theme of 2022. The increase in costs for producers and transportation have turned out to be more persistent than initially expected, leading to an impact on other products and services.

Households and companies have assumed the impact of inflation through loss of purchasing power or a reduction in margins, always with the expectation that it was a transitory situation. When this turned out to not be the case, the point was reached where workers are now mobilizing for pay increases and avoiding a second consecutive year of loss of purchasing power. This situation has been made manifest through demonstrations throughout Europe, as well as protests by stevedores and railway employees in the United States.

The time has therefore come for the second round effects (pay rises), which all economic agents hoped to be able to avoid, in that they could complicate the process of inflationary control. In the United States, although employment levels continue at record highs, it seems that the turning point may have been reached, as massive layoffs are announced at almost all large technology companies, driven by a downturn in the broader economy and a corresponding drop in marketing spending.

Likewise, higher producer costs (28 percent in Germany, 21 percent in Spain and 36 percent in Italy, according to November data) have continued to deteriorate business margins, while their transfer to consumers is beginning to become evident, mainly in those companies with greater pricing power.

The end of the era of cheap and abundant energy has implications for competitiveness and, therefore, for the continuity of much of the industry in Europe. Large companies, with a high volume of business around the world, are aware of how these geostrategic complexities affect them in the long term. Everything seems to indicate that Europe has already realized that the energy situation will continue to drag industry down, with Germany and Italy facing a recession, while Spain and France, among others, will continue to grow, although below their potential. Without peace with Russia, cheap energy is not likely to return, while social unrest looks set to rise.

In the United States, the Federal Reserve has sharply tightened financial conditions to try to alleviate demand pressure, following in the footsteps of Paul Volker in the 1970s. However, at that time, the level of indebtedness of the entire system was much lower than the current one. In the current context, doubling interest rates has a much bigger impact in terms of the cost of servicing debt.

The current rises in interest rates signal an entry into uncharted waters, which occurs with sovereign bond rates that have been falling for 40 years, official rates that have remained low for 15 years, and successive increases in indebtedness (due to the quantitative monetary expansions to save the crises of 2008, 2012, and 2020). Now energy costs and the cost of living in general are slowing down consumption and the economy, and the action of central banks further deepens the slowdown due to the increase in financial costs.

In short, inflation will fall as long as central banks maintain their policy of keeping interest rates high for longer, even at the cost of the level of economic activity and increasing solvency risks. Europe, for its part, faces the additional obstacle of a weak euro, which is felt in imports, especially energy.

The strong dollar affects the entire market for bonds issued outside the United States, making it more expensive to repay principal and interest. The situation has been alerted by organizations such as the United Nations and the World Bank, which have petitioned central banks not to raise rates any further, due to the stifling effect it is having on emerging countries.

As for China, the probability of a recession is lower because it is coming off the back of many years of sustained high levels of growth. The risks in China are to be found in real estate and in systemic financial risks. China is now Saudi Arabia's largest oil importer, and has replaced Europe as the largest importer of Russian gas, so it is in a position to expand its manufacturing competitive advantage.

In this context, the estimate for global growth in 2022 would be 3.5 percent, and 2.0 percent for 2023, after an estimated 6.1 percent growth in 2021. The probability of a recession in 2023 now stands at 65 percent for the United States, 80 percent for the Eurozone, 90 percent for Germany, 58 percent for Spain and 87.5 percent for Italy.

In terms of risks, inflation in 2023 will benefit from the base effect in the comparison. Gas prices have eased, although this may be temporary, partly because storage capacity in Europe is full at the start of the winter season. However, the forecast is that energy costs will remain high, not only because there is no visibility on the normalization of relations with Russia, but also because the fossil fuel industry is not investing in new exploration, extraction and refining projects.

Attention must be paid to the dynamics of credit contraction, through which the central banks expect their monetary policy to control inflation. Commercial banks will cut back on granting credit, both because economic activity is slowing down and because the repayment capacity of some borrowers is reduced.

In this context, the Federal Reserve could, at a given moment, conclude the series of rate hikes, although the current probability of that happening is low, and would depend on how the inflation scenario evolves. The Fed could prioritize growth and employment objectives, in response to a labor market that is expected to begin to weaken in the coming quarters, as already indicated by the first layoffs in the technology sector.

## **P. Annual Corporate Governance Report**

The Annual Corporate Governance Report for the year 2022, as required under Article 538 of Royal Decree Law 1/2010, of July 2, approving the Consolidated Text of the Companies Act, forms an integral part of the Consolidated Management Report, which is available on the website of the Spanish National Securities Market Commission (CNMV) at the following address:

<https://www.cnmv.es/portal/Consultas/EE/InformacionGobCorp.aspx?TipoInforme=1&nif=A08055741&lang=en> and on the corporate website ([www.mapfre.com](http://www.mapfre.com)).

## Q. Annual Report on Director's Remuneration

The Annual Report on Director's Remuneration for the year 2022, as required under Article 538 of Royal Decree Law 1/2010, of July 2, approving the Consolidated Text of the Companies Act, forms an integral part of the Consolidated Management Report, which is available on the website of the Spanish National Securities Market Commission (CNMV) at the following address:

<https://www.cnmv.es/portal/Consultas/EE/InformacionGobCorp.aspx?TipoInforme=1&nif=A08055741&lang=en> and on the corporate website ([www.mapfre.com](http://www.mapfre.com)).

The Individual Annual Accounts for MAPFRE S.A., on the preceding pages 1 to xx herein, and the Individual Management Report on the preceding pages xx to xx herein, corresponding to the financial year 2022, , endorsed in their entirety by the Secretary of the Board, were ratified by the Board of Directors at its meeting held on February 8, 2023. 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. Likewise, the Management Report includes a true and fair view of the development of the results and of the position of the Company, and broadly informs, along with the Individual Annual Report, of the risks and uncertainties it faces.

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Mr. Antonio Huertas Mejías  
Chairman

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Ms. M.ª Amparo Jiménez Urgal  
Member

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Mr. Ignacio Baeza Gómez  
1st Vice Chairman

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Mr. Francisco J. Marco Orenes  
Member

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Ms. Catalina Miñarro Brugarolas  
2nd Vice Chairman

---

Mr. Fernando Mata Verdejo  
Member

---

Mr. José Manuel Inchausti Pérez  
3rd Vice Chairman

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Mr. Antonio Miguel-Romero de Olano  
Member

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Ms. Ana Isabel Fernández Álvarez  
Member

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Ms. M.ª del Pilar Perales Viscasillas  
Member

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Ms. M.ª Leticia de Freitas Costa  
Member

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Mr. Ángel Luis Dávila Bermejo  
Secretary and Non-Member

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Ms. Rosa M.ª García García  
Member

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Mr. Antonio Gómez Ciria  
Member