

FERNANDO MATA
VICE CHAIRMAN
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Ladies and gentlemen, shareholders, a very good morning to you all.

As you know, 2023 is MAPFRE's first fiscal year to present its consolidated annual accounts under the new international financial reporting standards known as IFRS 9 and 17, which modify the accounting of financial investments and insurance contracts, respectively. Therefore, since January 1, 2023, MAPFRE has been subject to double accounting regulations.

As a publicly traded company, MAPFRE is obliged to present its consolidated accounts under the new IFRS standards, which we today present for approval.

Furthermore, our insurance subsidiaries prepare their accounts under the insurance accounting standards applicable in each country. This is the case for MAPFRE ESPAÑA, MAPFRE VIDA and MAPFRE RE, referring to the relevant companies subject to Spanish regulations. Insurance regulators have adopted the new IFRS standards as the default insurance accounting framework only in Portugal and Malta.

In this context, at the end of my presentation, I will briefly mention the most relevant figures of the MAPFRE units in accordance with local accounting standards.

In any case, and regardless of the criteria applied, MAPFRE's main financial indicators show very positive performance in 2023, and deserve special recognition given that they were achieved in a very challenging and complex scenario, rife with political and economic uncertainty, and with inflation as a determining factor that impacts greatly on insurance activity.

Let's take a look at the key figures.

We closed the year with very strong growth in insurance service revenue, which stood at 24.8 billion euros, up 9.1 percent. This new metric is similar to the previous figure for written and accepted direct insurance and reinsurance premiums, excluding Life Savings premiums. The main growth driver was adapting rates to inflation, but we also recorded a solid increase in new business, especially in the enterprise and reinsurance segments.

Despite the increase in costs and extraordinary events, we delivered a 20% improvement in the Group's net result, which came in at 677 million euros, with very significant advances in most of our businesses and markets. Our result was affected by two catastrophic events: the earthquake in Turkey and Hurricane Otis in Mexico, with an aggregate impact of 159 million on the net result. In addition, the higher frequency of storms and other weather-related events in Spain and Central Europe had a net impact of more than 115 million over the figure for 2022. On the positive side, the profitability of our investments and the good performance of the Life business line stand out, which have proven to be a good tailwind for our earnings. Finally, and based on prudential criteria, the Group recorded a partial impairment of goodwill in the United States in the amount of 75 million euros.

And we continue underpinning another defining characteristic of your Company, namely, our commitment with MAPFRE's shareholders, who will once again receive one of the highest dividend yields on the Spanish market for 2023.

Here you have the breakdown of insurance revenue by the most relevant countries and units.

LATAM is the main contributor with 9.3 billion euros and growth of 10 percent. Brazil stands out for its performance, growing almost 14 percent and accounting for more than 50 percent of the region's revenue. Secondly, we have MAPFRE RE, with more than 8.0 billion in revenue and growth of 17 percent in reinsurance and 8 percent in Global Risks. Iberia is next, with almost 7.0 billion and growth of 7 percent, and finally, North America and EMEA contributed almost 2.6 billion and 1.2 billion, respectively.

Here you can see a breakdown of the result.

Moving on from revenue now. Insurance service expenses include benefits, acquisition expenses and other expenses for direct insurance and accepted reinsurance contracts and amounted to 22.4 billion euros. The reinsurance service, which includes premiums and claims ceded and commission revenue, represents a cost for MAPFRE of 1.4 billion. These three aggregate items provide an insurance and reinsurance result of just over 1.0 billion. The net financial result came in at 928 million, while other results, including other insurance income and expenses, results from other activities and the impact of restatement due to hyperinflation, show a negative balance of 321 million. The combined effect of all these components gives us a result before tax and non-controlling interests of 1.65 billion.

Taxes amounting to 381 million and the participation of external partners in profits amounting to 589 million are then deducted, leaving a net attributable result of 677 million euros.

Excluding goodwill impairment, the net result would be 752 million, up 33 percent on the previous year. I would like to remind you that this deterioration has no impact on cash generation, on MAPFRE's solvency, or on its ability to pay dividends.

I'll move on now to commenting on the main balance sheet figures.

Total assets grew by 5.3 percent to nearly 55.0 billion. Insurance contract liabilities rose 7.9% to more than 38.0 billion. This concept is similar to what we previously called technical provisions.

The investment portfolio is also driven by business growth and the improved valuation of the fixed income portfolio. It shows an increase of 6.6 percent, standing at 44.0 billion.

Attributable equity stands at 8.5 billion, up by 8.6 percent.

You can see the evolution of attributable equity on the screen behind me. The first two components, the result for the period and dividends, are the usual items that support changes in equity.

In addition, you can see a new concept of 360 million euros, which represents the net effect of the changes in value of financial investments, at 680 million, and insurance liabilities of 320 million. The new IFRS standards allow changes in the value of certain assets and liabilities to be reflected in equity, rather than in the income statement. MAPFRE applies this criterion for investments and liabilities in multi-year Life and Burial contracts, as well as the investment portfolio linked to equity. As such, the increase in shareholder value in 2023 would exceed 1.0 billion euros if this component of changes in value were added to the result for the year. Finally, currency conversion differences reflect the effect of exchanging shareholders' equity in the subsidiaries operating in other currencies to euros.

ROE for the year was 8.3 percent, and would have been over 9 percent if we exclude the impact of the goodwill impairment.

Turning to investments, most of the portfolio corresponds to fixed-income securities and other similar assets, which represent more than 76 percent of the total.

You can also see MAPFRE's position in public debt on the right of the screen, showing 23.0 billion, of which 9.6 billion is invested in Spanish public debt.

MAPFRE's capital structure amounts to more than 12.0 billion euros, comprising equity of almost 78 percent, and senior, subordinated and bank debt. The debt ratio remains at very acceptable levels, below 23 percent.

The solvency ratio, based on data up to September 2023, remains at very strong levels of 198 percent, practically twice the minimum required. 83.5 percent of our capital is of the highest quality, namely Tier 1.

I will now refer to MAPFRE's shareholder structure, stock market information and dividend policy.

As on December 31, 2023, MAPFRE had more than 209,000 shareholders, owners of the more than three billion outstanding shares.

The financial indicators show us that earnings per share were 0.22 euros. The ratio between the price and the book value of the share was 70 percent, which means that MAPFRE's market capitalization, at the close of the fiscal year, presents a 30 percent discount on its own funds.

Finally, the Price-earnings ratio is 8.8, which means that the market values MAPFRE at almost 9 times its annual earnings.

As you know, the majority shareholder of MAPFRE is Fundación MAPFRE, with 69.8 percent of the capital. Of the rest, approximately 17 percent belongs to institutional shareholders, mainly overseas, while retail shareholders, practically all of whom are Spanish, make up 13 percent. MAPFRE owns 15 million in the form of treasury stock, equivalent to 0.49 percent of the capital.

Now I'd like to talk about dividends for a moment. The results we have presented here allow us to hold firm on one of our defining characteristics, namely our commitment to shareholder remuneration.

If this Annual General Meeting approves the final dividend of 9 cents per share, 0.5 cents more than the previous year, the total dividend for the fiscal year will be 15 cents per share, equivalent to a payment of 462 million, matching the highest ever dividend paid by MAPFRE to its shareholders.

Over the last five years, MAPFRE has paid out dividends in excess of 2.1 billion. Finally, let me highlight that the dividend yield for fiscal 2023 was 7.7 percent.

Looking at stock market performance, the MAPFRE share ended the year up 7.3%, a level similar to that of the Stoxx Insurance index that brings together the main European insurers. If we add the dividend yield mentioned above to the stock market revaluation, total shareholder return would be 15 percent, one percentage point more than the Stoxx Insurance index.

Here you can see the market capitalization as at the end of the fiscal year, but this week it is around 6.4 billion euros.

As I said at the beginning of my presentation, I'd like to quickly review the MAPFRE's figures following the local principles in force in each country, which

will give a sense of continuity to the information presented at the previous shareholders' meetings. This information is presented in greater detail in section 1.7 of the Integrated Report.

MAPFRE's premiums in 2023 totaled almost 27.0 billion euros, an increase of 9.7 percent.

The result generated in the year produces a profit of 767 million euros, up by more than 19 percent. Given the goodwill impairment in the U.S. mentioned before, the Group's attributable profit stood at 692 million euros, 7.7 percent more than the previous year. The combined ratio, which improved by 0.8 percentage points, is still above the levels expected by MAPFRE.

Return on capital rose by one point to 9 percent, which would be almost 10 percent if we discount the aforementioned 75 million euros in goodwill impairment.

Here you can see the distribution of premiums and the evolution of combined ratios by business line.

As far as Non-Life premiums go, the growth of 10.9 percent in General P&C Insurance stands out, as does the 9.5 percent growth in Accident and Health and the 3.3 percent in Automobile. In terms of the Life business, premium volume is similar in Life Protection and Life Savings, with the growth of almost 35 percent in Savings driven by the business in Spain.

In relation to the combined ratio, Automobile, with a ratio of 106 percent, continues to experience difficulties due to the impact of inflation on costs and its transfer over to rates, which has slowed down to some degree. There have been

significant improvements in the ratio in North America and LATAM, while both Iberia and EMEA have shown slight increases, due to the greater frequency of atmospheric phenomena in the second half of the year. Recovery plans for the Automobile line are progressing in all countries, albeit at an uneven pace. We have improved the Non-Life combined ratio in nine markets, in another 14 we already have it below 100, and we hope to achieve this same objective in practically all markets in the last few months of 2024.

The General P&C ratio, at 87.6 percent, shows great stability, with Brazil's excellent performance here worthy of note. The Accident and Health ratio also improved, falling to below 99 percent in 2023.

Finally, the Life Protection ratio remains at very profitable levels that help offset the impacts of previous years due to COVID.

Here you can see the distribution of premiums by region and business unit.

Iberia, which comprises Spain and Portugal, leads the Group's business growth, with an increase of 15.8 percent and premiums of nearly 8.9 billion. MAPFRE Spain maintains its strong leadership position in the main business lines.

Latin America is the Group's main contributor to premiums and earnings. It contributes nearly 10.0 billion in premiums, distributed almost equally between Brazil and the other countries in the region.

BRAZIL continues to present very strong figures and its result grew by 62 percent, thanks to improvements in both technical and financial results. In the remaining LATAM countries, premiums grew by 13.3 percent, while the net result stood at 140 million, with significant contributions from Mexico and Peru.

In North America, premiums grew by 3.6 percent to 2.7 billion euros. The result shows a slight loss, mainly due to the impact of Automobile insurance in the United States, while Puerto Rico recorded a good result with a contribution of 28 million euros.

MAPFRE RE's premiums rose by 8.8 percent, exceeding 7.8 billion. Both the reinsurance and Global Risks businesses are progressing at a good pace.

In terms of its result, MAPFRE RE boosted profits by 70 percent, supported by the recovery of rates in the reinsurance market. This unit delivered the highest earnings in its history.

And finally, revenue at MAWDY is back on a growth path, supported by its new strategy focused on the assistance business.

In short, and to conclude, I would like to convey the message that the new IFRS accounting regulations bring a new economic vision of MAPFRE's balance sheet and income statement, with significant changes in how insurance contracts are accounted for. However, the positive trend in business growth, increased profitability and the evolution of efficiency ratios are in line with the indicators presented by our subsidiaries under their local accounting principles. This new accounting will not change the cash flow, the solvency position or the financial strength of MAPFRE's balance sheet.

And that's it from me. Thank you very much for your attention and for the trust you place in MAPFRE.