

Market Consistent Embedded
Value at 12/31/2023

MAPFRE Group

April 2024



MAPFRE

We care about what matters to you

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Development of the MCEV in 2023

Million Euros and %

Market Consistent Embedded Value 12/31/2023	Value	Variation
Adjusted Net Asset Value (ANAV) ⁽¹⁾	2,326.5	17.1%
Value of In-force Business (VIF) ⁽¹⁾	4,587.4	0.4%
Market Consistent Embedded Value (MCEV) ⁽¹⁾	6,913.9	5.5%
<i>Attributable to the Parent Company</i>	5,099.5	7.6%
<i>Attributable to Non Controlling Interests</i>	1,814.4	-0.2%
Return on Embedded Value (RoEV)	10.0%	8.1 p.p.

Key highlights

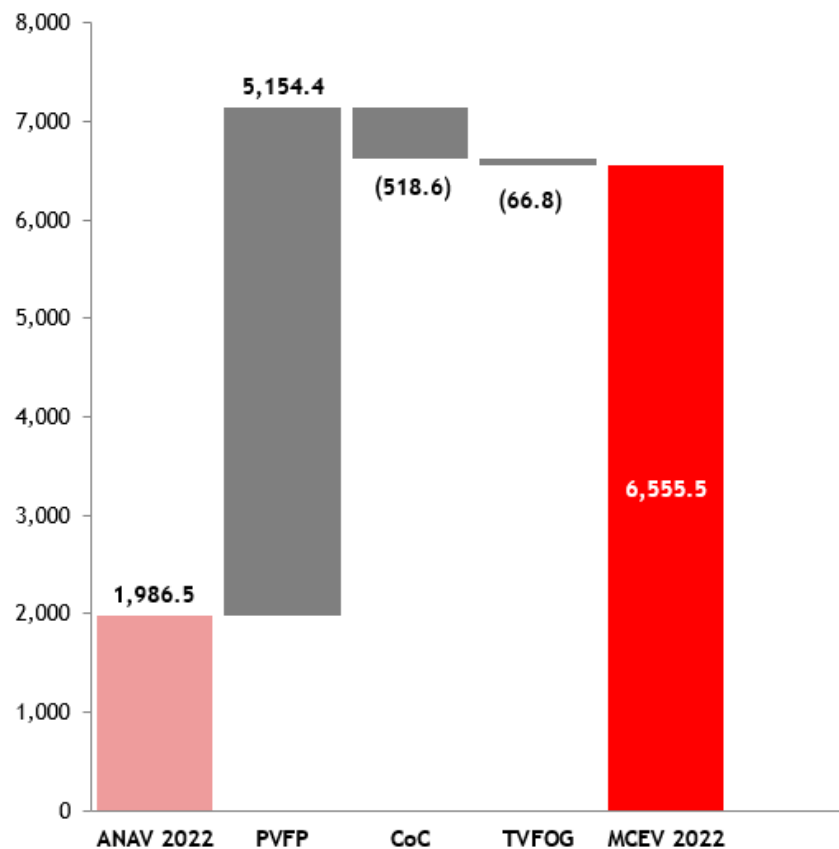
- Adjusted net asset value, following the movement in book equity, is increased by unrealised capital gains and the increase in profit for the year.
- Good contribution from the value of new business for the year, driven by new life business in Spain and life risk business in Brazil.
- Decreased interest rates which causes, on the one hand, an increase in the current value of the business, on the other hand, a decrease in financial yields. Overall, this represents an increase in the MCEV 2023.

(1) No adjustments made for the share of Non Controlling interests.

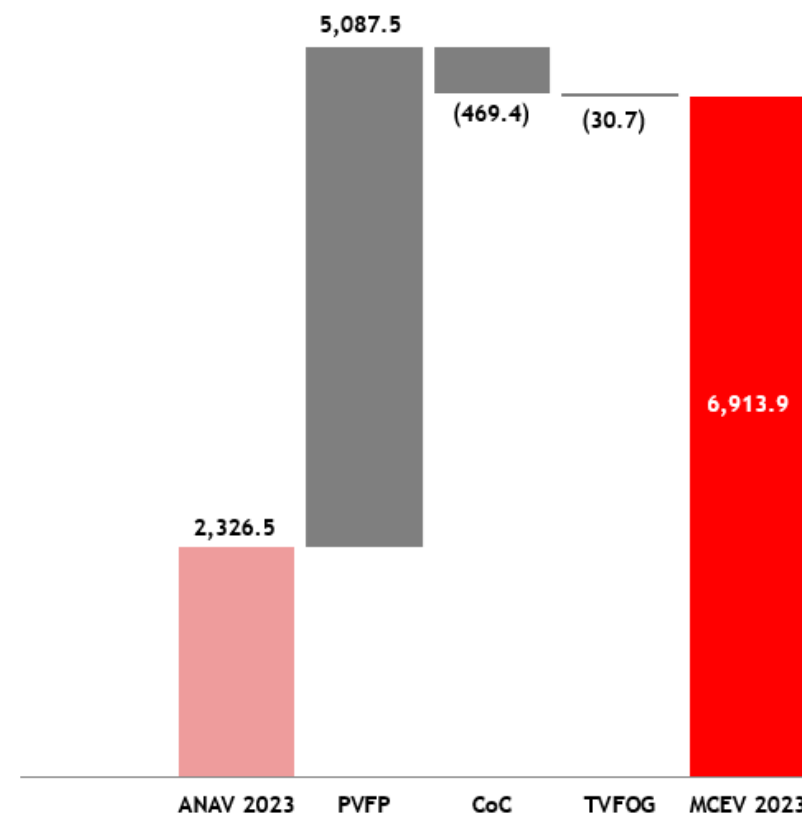
MCEV⁽¹⁾ components and their variation in 2023

Million Euros

MCEV 2022



MCEV 2023

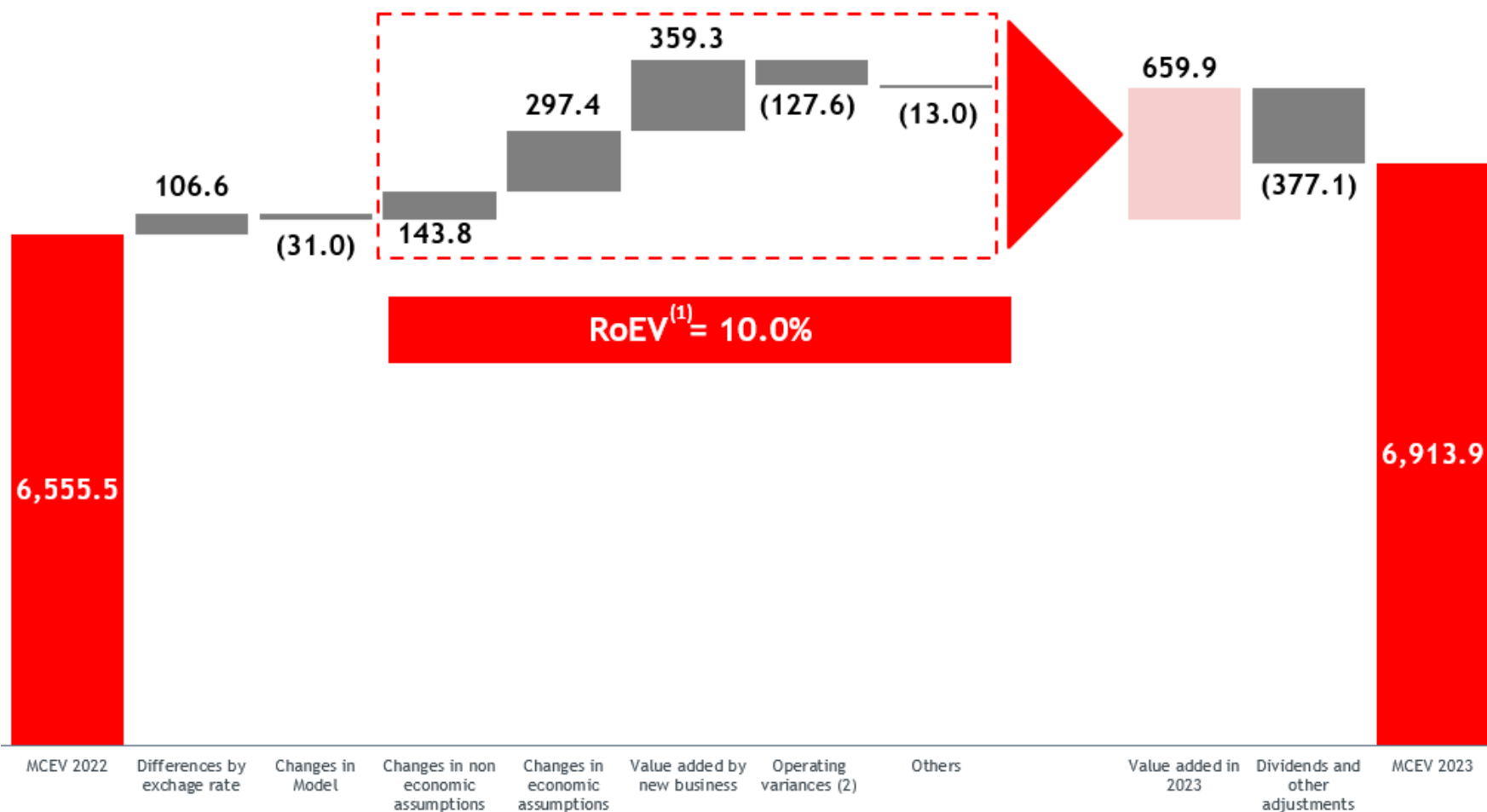


(1) No adjustments made for the share of Non Controlling interests.

Value added in 2023

Change in Embedded Value

Million Euros



(1) Return on Embedded Value = value added in the year / Embedded Value 2022 adjusted.

(2) Variance between the actual experience and the assumed experience used to calculate the beginning-of-the-year embedded value.

Analysis of the main variations in MCEV

Change

Description

Exchange rate differences

Conversion differences more stable than in previous years generating a slight increase of 106.6 million €.

Changes in assumptions

Under economic assumptions there is a decrease in the curves of risk-free rates in the main markets, with an effect in the discount of cash flows, the valuation of investments and financial yields (+297.4 million €).

Under non-economic assumptions the movement is due to a lower cost of capital, associated with a decrease in risks which increases the value by 99.4 million €, and adjustments in the lapses, expenses and claims assumptions which increase the value by 16.7 million €.

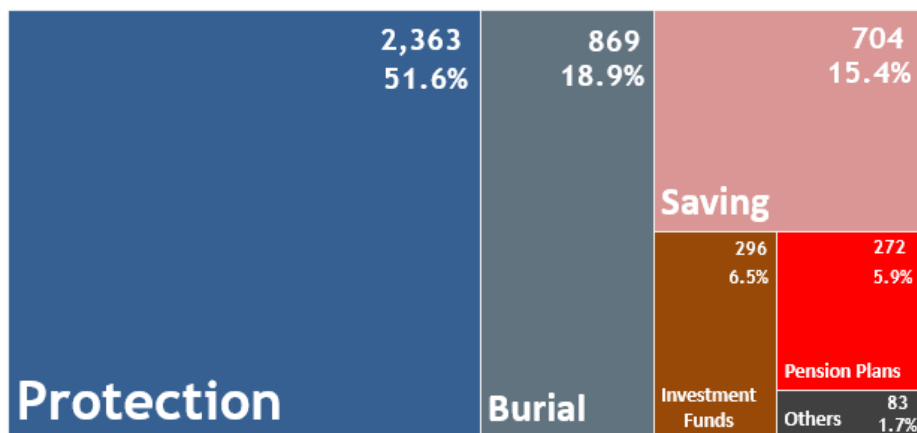
Analysis of the main variations in MCEV (contd.)

Change	Description
Value of New Business	Good value contribution of new business in the year, particularly the contribution of the banking business in Brazil (+179.8 million €) and the good performance of the life savings business in Spain (+63.6 million €)
Variations in operating experience	This includes the variation between expected and actual results for the year and the differences due to the actual performance of the portfolio, with a total effect of -127.6 million €.
Dividends and other adjustments	Amount of dividends distributed in the year (-377.1 million €).

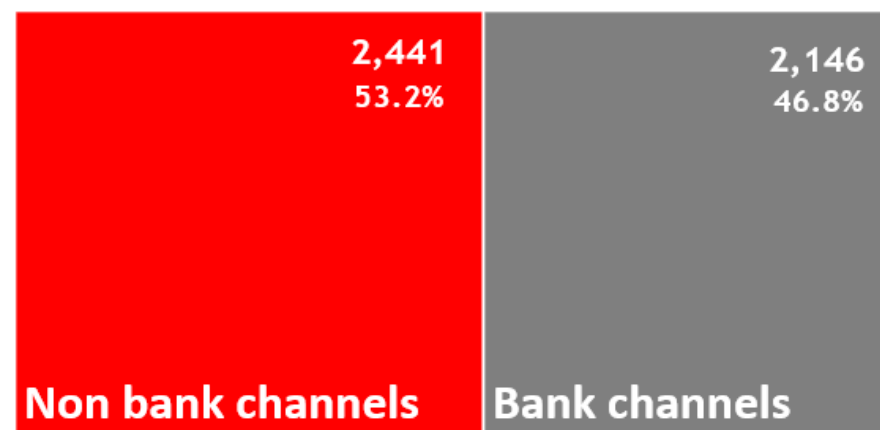
Breakdown of the Value of In-Force Business (VIF)⁽¹⁾ 2023

Million Euros and %

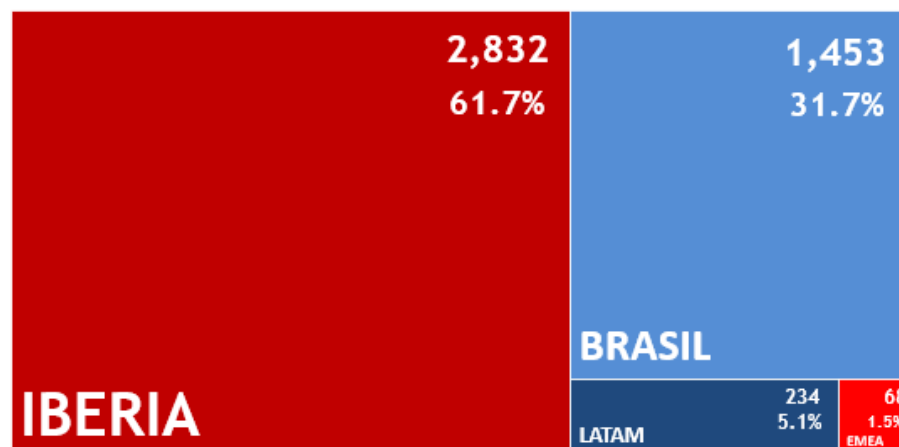
By business line



By distribution channel



By undertaking

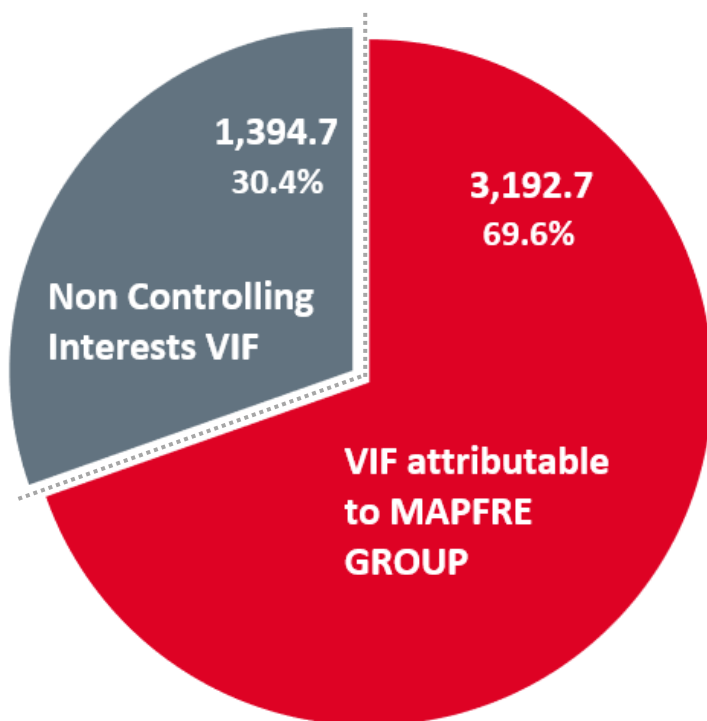


(1) No adjustments made for the share of Non Controlling interests.

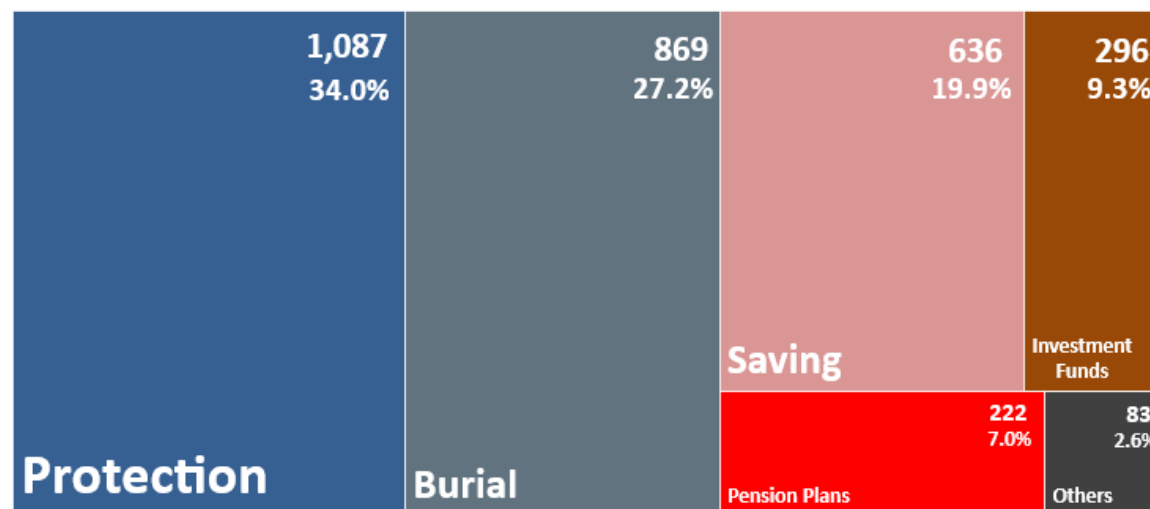
Breakdown of Value of Business in Force (VIF)

Million Euros and %

VIF = 4,587.4



VIF attributable to MAPFRE Group = 3,192.7

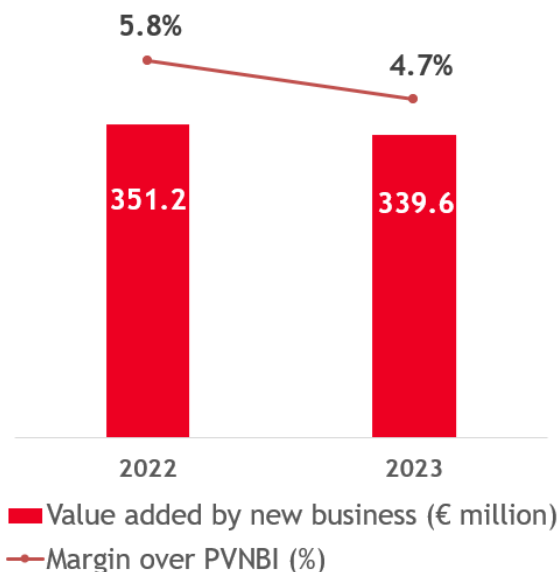


Value added by new business (VNB)

Million Euros and %

New Business in 2023	Value	Variation
Value added by new business ⁽¹⁾	339.6	-3.3%
Present Value of New Business Income (PVNBI) ⁽¹⁾	7,185.6	19.5%
New business margin	4.7%	-1.1 p.p.
Annual Premium Equivalent (APEs) ⁽²⁾	2,138.4	12.8%

Development of the value added



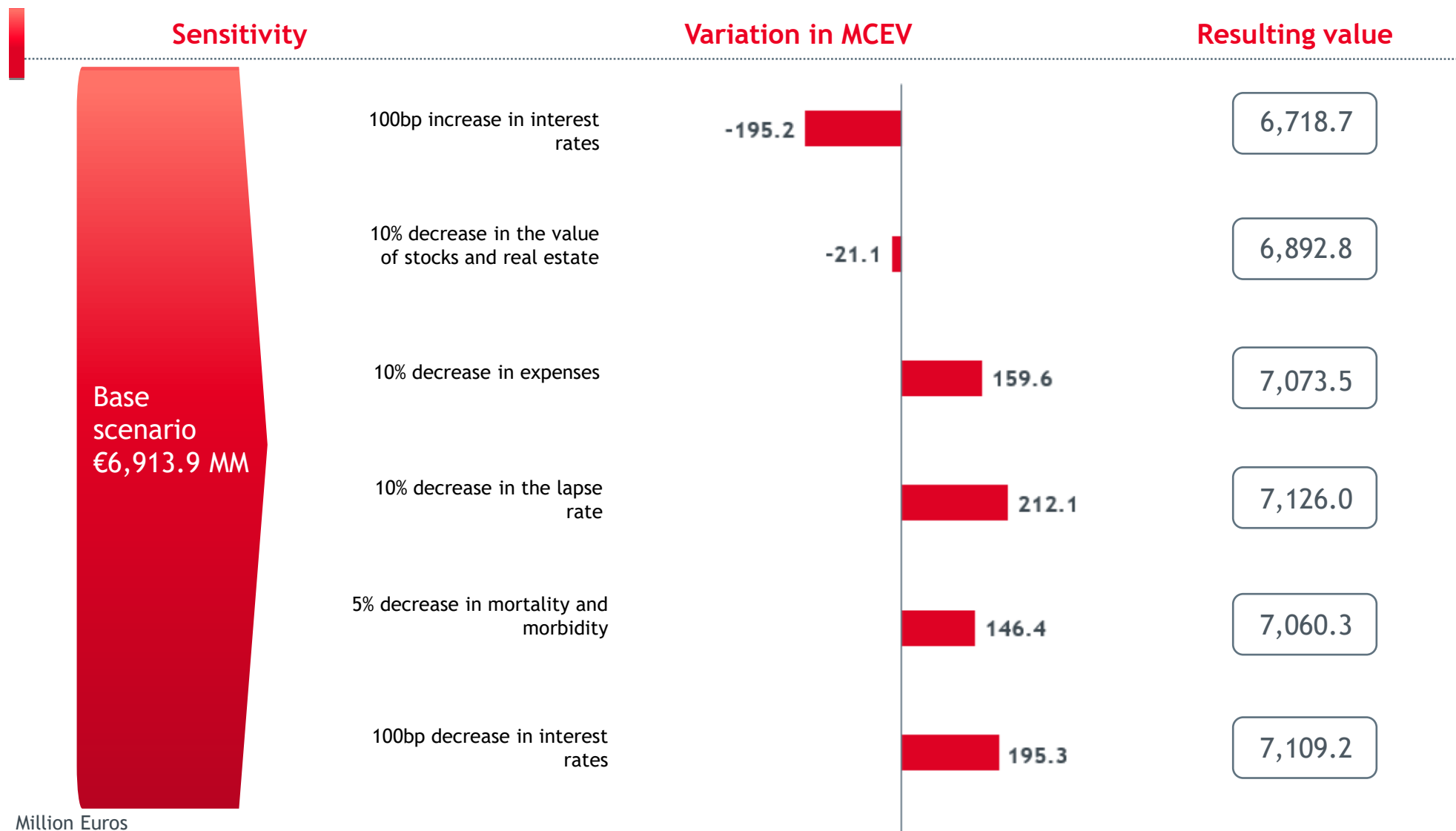
Key highlights

- Increase of more than 13% in the volume of new production premiums for the life business.
- Lower contribution of pension plans and investment funds in Spain.
- Positive contribution of savings and risk life products in Spain.
- Lower contribution than in previous years in the life insurance business in Brazil and in burial products Mapfre Spain.

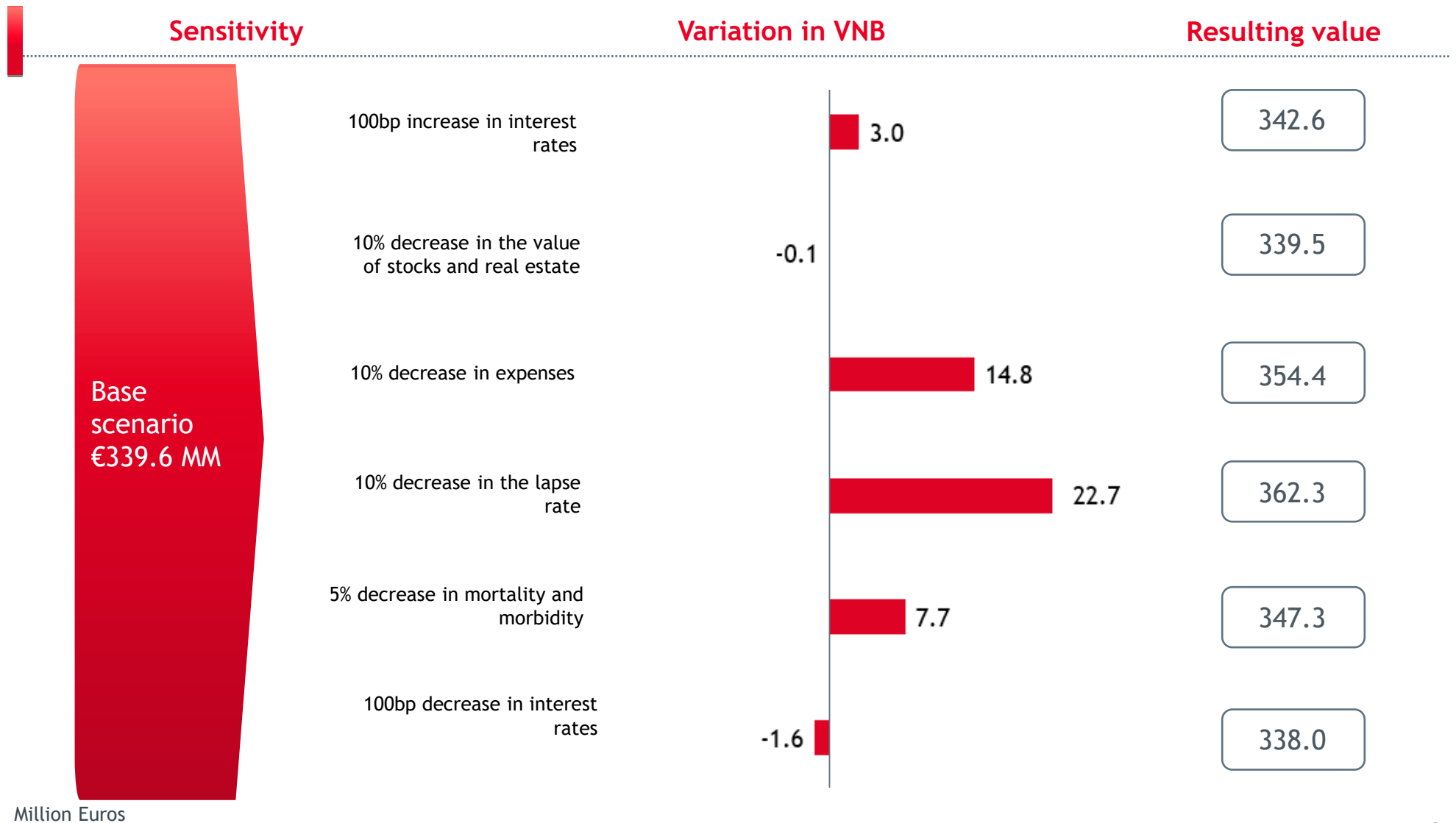
(1) No adjustments made for the share of Non Controlling interests.

(2) APEs = Recurrent premiums + single premium / 10

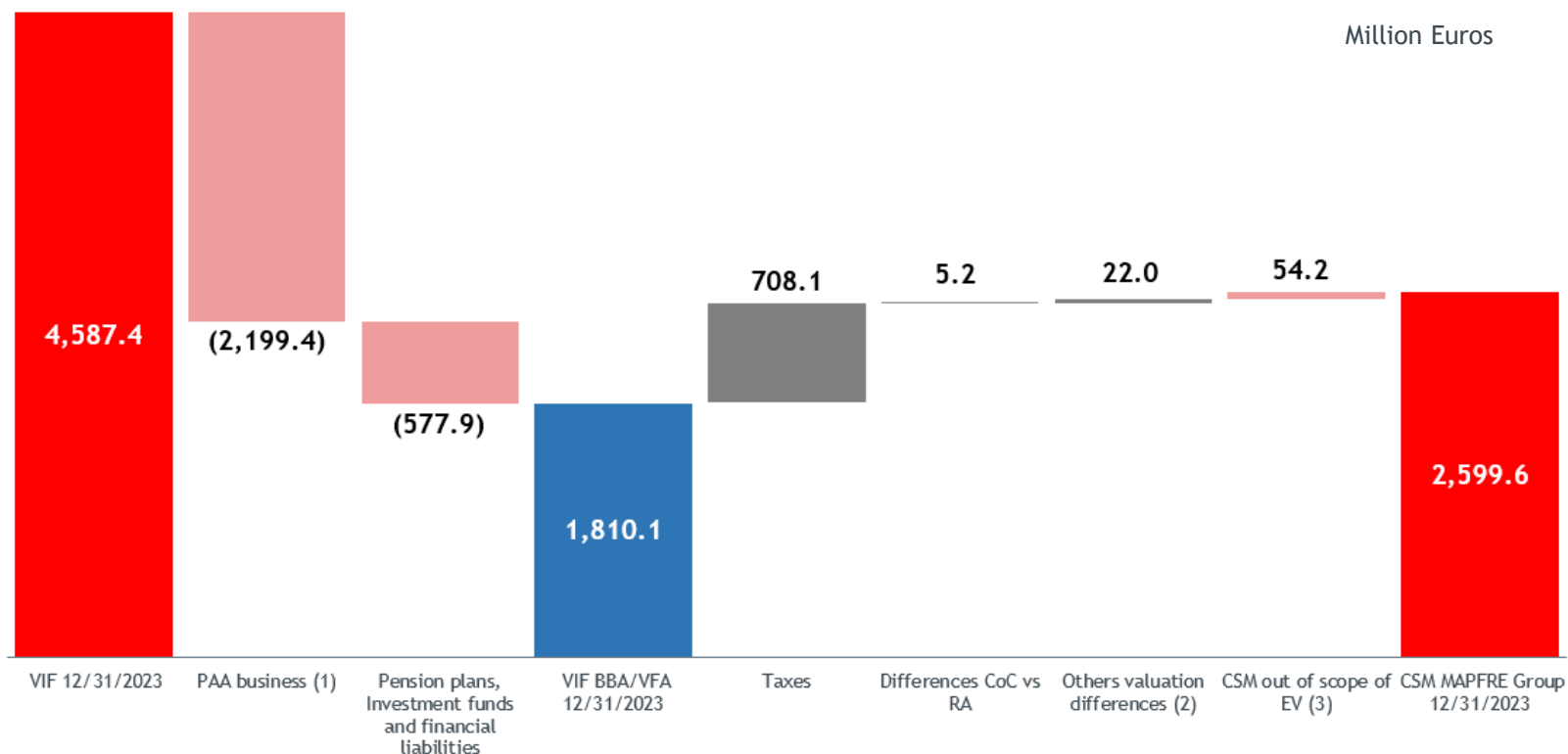
Sensitivity analysis of the Market Consistent Embedded Value (MCEV)



Sensitivity analysis of the value added by new business (VNB)



VIF - CSM IFRS 17 Reconciliation



Key highlights

- The valuation differences between the VIF and the CSM of IFRS17 are mainly explained by the different calculation scope and the effect of taxes.

(1) Yearly renewal term (YRT) life insurance is not included, is valued under PAA methodology in IFRS 17.

(2) Other differences between both valuations derived from discount rate curves, financial returns and other criteria in the calculation basis.

(3) CSM of life insurance liabilities of entities not valued in Embedded Value (Colombia, Panama and Puerto Rico mainly).

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Deloitte.

Deloitte Advisory, S.L.
Plaza Pablo Ruiz Picasso, 1
Torre Picasso
28020 Madrid
España

Tel: +34 915 14 50 00
www.deloitte.es

29 March 2024

Mapfre S.A.

Carretera de Pozuelo 52
Edificio 1
28222 Majadahonda (Madrid)

Dear Sir/Madam,

Opinion Letter – Embedded Value (“EV”) and value of the new business as at 31 December 2023 of the Mapfre Group

Scope

- Mapfre, S.A. has engaged Deloitte Advisory, S.L. (“Deloitte”), to provide an independent actuarial opinion on the results of the calculation of the Embedded Value (“EV”) and the new business value as at 31 December 2023, prepared by Mapfre S.A. and its subsidiaries.
- To provide this opinion, Deloitte has assessed the compliance of such calculations with the Market Consistent Embedded Value Principles and Guidance issued by the CFO Forum in April 2016 (the “MCEV Principles”), without considering other accounting or valuation principles such as IFRS 17.
- The business subject to the calculation of Embedded Value (“EV”) and the value of the new business as at 31 December 2023 comprises the Life and Funeral businesses generated by the companies with the highest business volume (measured in terms of provisions) of the Mapfre Group. These companies and businesses are:
 - Mapfre Vida, S.A. de Seguros y Reaseguros sobre la Vida Humana (“Mapfre Vida”) and its subsidiaries:
 - Mapfre Inversión S.V., S.A., consisting of Mapfre Inversión Dos, S.G.I.I.C., S.A. and Mapfre Vida Pensiones, E.G.F.P., S.A. and
 - Bankinter Seguros de Vida, S.A. de Seguros y Reaseguros;
 - Mapfre Seguros de Vida, S.A. in Portugal;
 - Middlesea Valletta Life Assurance Co Ltd., the life business of Mapfre in Malta;
 - Funeral business of the general insurance company of Mapfre in Spain, Mapfre España, S.A.;
 - Life and funeral business of Mapfre Perú Vida Compañía de Seguros y Reaseguros, S.A.;

- Life business of Mapfre in Brazil (Brasilseg Companhia de Seguros, Mapfre Previdencia S.A., Mapfre Vida S.A. and Mapfre Seguros Gerais S.A.);
- Life business of Mapfre Tepeyac in Mexico.

The general insurance business and a portion of the life business representing approximately 4% of the total technical provisions of life insurance of the Mapfre Group as of 31 December 2023 have not been included in the scope of the Embedded Value (“EV”) and value of the new business as at 31 December 2023.

- The results have been prepared by Mapfre, S.A. and its subsidiaries. Deloitte has carried out a review of the methodology and assumptions used in accordance with the requirements of the MCEV Principles, as well as the results of the EV, the value of the new business in 2023, and the associated sensitivities.
- The presentation of Mapfre S.A.’s Market Consistent Embedded Value at 31/12/2023 contains a summary of the key aspects of the methodology and assumptions used by Mapfre, S.A. as well as the results obtained.
- The work performed by Deloitte and this letter are subject to the conditions and limitations contained in paragraphs 10 to 16 of this letter. The work is based on information received up to 28 March 2024, inclusive.

Findings

- Deloitte has assessed that the methodology and assumptions used comply with the Market Consistent Embedded Value Principles and Guidance issued by the CFO Forum in April 2016.
- This compliance has been achieved by aligning the calculation of EV with the criteria used by Mapfre, S.A. for Solvency II, except for:
 - Contract limits in annual renewable term products, where the Solvency II criterion establishes that the contract limit for valuation purposes is at the end of the current annuity, the criterion applied in the MCEV has been to project the successive renewals, taking into account the probability of cancellation, until the expiration of the contracts.
 - The cost of capital which, consistently with the preceding point, has been calculated using theoretical required capital, which corresponded to applying the same contract limits to the calculation of the risks.
 - The discount curve used in the products of the funeral business in Spain, where the risk-free curve published by EIOPA plus a liquidity premium equal to that calculated for IFRS 17 has been used.
- Likewise, based on a high-level review of the results, without carrying out detailed checks on the models and processes involved, Deloitte has not found material findings that significantly impact the EV.

Conditions and limitations

10. The review was concluded on behalf of Mapfre S.A. in accordance with the instructions of the Directors of Mapfre, S.A. Our opinion is made solely to Mapfre, S.A. in accordance with the terms of Deloitte's contract for the provision of services. To the fullest extent permitted by applicable law, Deloitte does not accept or assume any liability to third parties other than Mapfre, S.A. for any decisions they may take in connection with the review work, the opinion expressed, or the content of this letter.
11. Deloitte has prepared this opinion letter for use by persons technically competent in financial and insurance matters and solely for the use of Mapfre, S.A. It should not be relied upon by any third party in its decision-making. No reference to Deloitte in any reports, accounts or other published documents in general to which other third parties may have access is permitted without our prior written consent.
12. In carrying out our review we have relied, without any independent verification, upon the data and information provided to us in the course of our work, both in written and oral form, by Mapfre, S.A. and its subsidiaries and upon the Directors of Mapfre, S.A. knowing of no other information or data which ought to have been made available to Deloitte and that could materially affect the opinion set out in this letter.
13. We have not reviewed whether the methodology and assumptions used by Mapfre for Solvency II comply with the regulations and requirements of Solvency II.
14. We have relied upon the information furnished to us relating to, but not limited to, the following:
 - a) Information published in previous years
 - b) Inventory of assumptions and results obtained
 - c) Components of the calculation of the Embedded Value as at 31 December 2023, including:
 - adjusted net asset value as at 31 December 2023
 - cost of FOGs or TVFOGs
 - cost of non-financial risks or CoC
 - present value of expected future accounting profits (or PVFP) of the portfolio in force as at 31 December 2023 after taxes
 - d) Central scenario of results and the most significant sensitivities for the Embedded Value and the value of the new business in 2023 for the life, funeral and pension businesses
 - e) Cash flow projections of the most significant products
 - f) Information on the methodology used in the calculation
15. Deloitte has not performed an assessment of the suitability, quality or value of the assets of Mapfre, S.A. and its subsidiaries, nor does it provide any guarantee as to the sufficiency of the technical reserves. We have not investigated any possible claims against Mapfre, S.A. or its subsidiaries, other than those made by insureds, policyholders or mutual or pension fund unitholders under the terms and conditions of their insurance policies, mutual fund or pension fund contracts considered standard. In particular, no account has been taken of claims in respect of pension obligations, contracts for the provision of services, or breaches of legislation.
16. The assumptions made about future experience include economic and financial forecasts, taxes, expenses, and lapse, mortality and reinsurance rates. We consider that these

assumptions represent reasonable estimates. However, actual future experience is likely to differ from these assumptions due to random fluctuations, changes in the operating environment and other factors. Such variations in experience could have a significant effect on the results and conclusions of this letter. Deloitte does not guarantee that the assumptions made in this letter will be reflected in actual future experience.

Yours faithfully,



Alejandro Collado
Partner

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Covered business

- The 2023 Embedded Value of the Life and Burial business generated by the companies with the highest business volume (measured in provisions) of the MAPFRE Group has been determined, consisting of the following business blocks:
 - Life assurance (including complementary) and Accidental Death insurance businesses sold through the agent channel in the IBERIA region (MAPFRE VIDA in Spain and MAPFRE SEGUROS DE VIDA in Portugal).
 - Life assurance (including complementary), Accidental Death insurance businesses and Pension Funds businesses of BANKINTER SEGUROS DE VIDA (including business in Spain and Portugal).
 - Mutual fund and pension fund businesses of MAPFRE INVERSIÓN S.V., S.A., MAPFRE INVERSIÓN DOS, S.G.I.I.C., S.A. and MAPFRE VIDA PENSIONES, E.G.F.P., S.A. de Seguros, S.A. ("MAPFRE INVERSIÓN Y PENSIONES").
 - Burial business of MAPFRE ESPAÑA.
 - Life business of MIDDLESEA VALLETA in Malta.
 - Life and Burial business of MAPFRE PERU Vida.
 - Life business in Brazil of Brasilseg Companhia de Seguros, MAPFRE Previdencia S.A., MAPFRE Vida S.A., MAPFRE Seguros Gerais S.A. .
 - Life business of MAPFRE MEXICO.

Non-covered business

- The MAPFRE Group operates in the Life insurance business in other countries that have not been included in the calculation scope of the MCEV 2023. These entities, out of reach in this information, represent around 4% of the MAPFRE Group's total life insurance liabilities at 31/12/2023.

Methodology

- The embedded value of the Life assurance, Accidental Death insurance, Mutual funds and Pension funds businesses includes the adjusted net asset value and the value of in-force business, defined as follows:
 - Embedded value = Adjusted Net Asset Value + Value of In-Force Business
 - Adjusted Net Asset Value (ANAV) = Shareholders' equity at market value, adjusted to obtain the economic value of capital
 - Value of the In-Force Business (VIF) = PVFP - TVFOG - CoC

- The calculation methodology for 2023 follows the Market Consistent Embedded Value (MCEV) criteria and principles.

- According to the latest version of the MCEV principles, a methodology aligned with Solvency II criteria has been chosen, except for:
 - Contract limits: in annual renewable products in which solvency II criterion establishes that the contract limit for valuation purposes is at the end of the current annuity, the criterion applied in the MCEV has been to project the successive renewals, considering the probability of cancellation, until the expiration of the contracts.
 - Consistent with the above, the cost of capital has been calculated on a theoretical required capital, which would correspond to applying that same limit of contract to the calculation of the risks.
 - The discount curve used in the burial insurance products in Spain, where the risk-free curve published by EIOPA plus an illiquidity premium equal to that calculated for IFRS17 has been used as the valuation curve.

In particular, Solvency II criteria have been followed in:

- Discount Curves: Risk-free reference rates published by EIOPA at the valuation date have been used, including volatility adjustments or matching adjustments (depending on the business).
- Risk Margin methodology has been followed for the cost of capital, including the factor of 6% per annum (before taxes).

Methodology (contd.)

▪ Adjusted Net Asset Value (ANAV):

- Adjusted Net Asset Value or "ANAV" is equal to equity in accordance with IFRS adjusted by: committed donations and dividends; goodwill; deferred expenses; and any other element necessary to obtain the economic value of capital.

▪ Present Value of Future Profits (PVFP):

- The Present Value of Future Profits or "PVFP" is equal to the present value of expected future accounting profits of the portfolio in force at the valuation date, after tax and discounted to the reference curve. The financial performance of the business in force has been calculated on the basis of interest rates on the reference curve, except for fixed interest rate assets related to Life-Savings and Burial insurance, where book yields have been used with an adjustment for credit risk based on the market value of the assets. The PVFP includes the "intrinsic value" of the FOG granted to the insured.
- The financial performance of future investments has been calculated based on interest rates of the reference curve.

Methodology (contd.)

▪ *Time Value of Financial Options and Guarantees (TVFOG):*

- Under MCEVP, FOG (Financial Options and Guarantees) are defined as those features of the covered business conferring potentially valuable underlying guarantees, or options to change, the level or nature of policyholders' benefits and exercisable at the discretion of policyholders, whose potential value is impacted by the performance of financial variables.
- The cost of FOG is valued through the measurement of two different elements:
 - intrinsic value: the cost of FOG under existing conditions at the valuation date.
 - time value: the change in the cost of FOG resulting from potential changes in policyholders' benefits that may occur throughout the life of the policy.
- The intrinsic value of FOG is already recognised implicitly in the calculation of the PVFP. It is therefore necessary to include the additional cost arising from the time value of FOG (TVFOG).
- TVFOG was calculated for the main FOG in the covered Life business. Specifically, the calculation focused on the TVFOG corresponding to the guaranteed interest rate in with-profits products, as well as in other products with variable interest rates and minimum guaranteed returns.
- The calculation of TVFOG assumed the realisation of gains/losses on equity and property investments to:
 - minimise the impact of profit sharing on the Company's results; and
 - keep the asset mix close to its breakdown as at 12/31/2023.
- TVFOG is based on stochastic simulations of market-consistent financial assumptions (between 1,000 and 2,000, depending on the entity) and is equal to the difference between the value of in-force business calculated under a deterministic approach and the average value of the in-force business calculated stochastically.

Methodology (contd.)

■ Cost of Capital (CoC):

- In line with the Risk Margin Solvency II calculation, the CoC used in the 2023 MCEV has been measured by applying a fixed rate of 6% (gross of taxes) to the required solvency capital, excluding market risks. The same criterion of contract limits has been considered as in the calculation of the PVFP.
- It is an adjustment for frictional costs and non-hedgeable risks, not considered in the Present Value of Future Profits.
- To calculate the CoC, the required capital has been projected into the future based on the most appropriate drivers for each line of business.

■ With-profits business:

- MAPFRE's with-profits in-force business in Spain comprises products with the following features that are common in the Spanish insurance market:
 - A minimum return guarantee, ranging between 0.5% and 6.0% in MAPFRE's case.
 - A profit-sharing mechanism defined as: $X\%$ of (Financial return - minimum guaranteed return - expense loadings) over the average mathematical reserve, which cannot be negative under any circumstance. $X\%$ varies by product, although it is equal to 90% in most cases. Financial returns and their volatility depend on the book returns of the assets backing the product, and is subject to some degree of discretion by management including, for instance, decisions on the realisation of gains/losses and on the asset mix.
- The combination of a minimum return guarantee and a profit-sharing mechanism that cannot yield negative results generates asymmetric flows for shareholders and, as a consequence, a positive time value of FOG.
- The profit-sharing business in Malta consists of products with flexible future discretionary participation with characteristics similar to those in the English market.
- Peru's with-profits business functions similarly to the business in Spain.

Methodology (contd.)

▪ *Look through MCEVP:*

- In order to correctly assign revenues and expenses to the businesses that generate them and measure the value of each block of business more consistently with its economic reality, the following adjustments were made:
 - The Mutual Funds business, as well as a part of Pension Funds and Accidental Death businesses, are sold through the distribution network of MAPFRE VIDA. The MCEV and VNB of the aforementioned Mutual Funds, Pension Funds and Accidental Death businesses have been adjusted in order to include the net present value of the future profits/losses expected to arise in the distribution company from this business.
 - The assets of the Life assurance business are managed by MAPFRE INVERSIÓN Y PENSIONES. The MCEV and VNB of the aforementioned Life assurance business have been adjusted in order to include the net present value of the future profits/losses expected to arise in the asset management company from this business.

▪ **Sensitivity:**

- In interest rates downward sensitivity, where the shift of 100 basis points drops rates below 0%, they are floored at zero according to the MCEV Guidance. Where the base rates are already negative, they are not further reduced.

Methodology (contd.)

▪ Value added by New Business (VNB):

- In Life assurance and Burial insurance, new business is defined as single, extraordinary and regular premiums written in the year, as well as extraordinary contributions to existing policies not already considered in the valuation of the in-force business. In the Mutual Funds business, new business is defined as new contributions. In the Pension Funds business, new business is defined as single, extraordinary and regular contributions from new participants, as well as extraordinary contributions from existing participants.
- The value added by new business is the intrinsic value added by new business in the period, net of acquisition expenses, TVFOG and CoC, valued at year-end using the assumptions applicable at that point in time.

▪ Statement of Directors:

- The Board of Directors of MAPFRE, S.A. confirms that the results shown in this document have been prepared in all material respects in accordance with the Market Consistent Embedded Value Principles issued by the European Insurance CFO Forum in April 2016.

This document presents the results, methodology and underlying assumptions used to calculate the 2023 MCEV for all the covered business.

Deloitte has been engaged to review the calculation of the embedded value results. The scope and conclusions of this review are stated in the Willis Towers Watson opinion letter.

Assumptions

MCEV 2022

Discount rate	Risk free rates as 12/31/2022 (EIOPA without VA)				
	Euro	Brazil	Peru	Mexico	
	1 year	3.18%	13.12%	6.66%	11.27%
	5 years	3.13%	12.61%	7.62%	8.87%
	10 years	3.09%	12.75%	8.42%	8.80%
	15 years	3.02%	12.28%	8.28%	8.38%
	20 years	2.77%	11.45%	7.75%	7.86%

Financial returns	Interest rates on the EIOPA curve ⁽¹⁾ , except for the existing fixed-income assets
- Existing assets	Saving, for which yields have been used in Books with a credit risk adjustment based on the market value of assets
- Reinvestment yield	Based on the risk-free curve Risk at 12/31/2022
Maintenance expenses	- Based on internal studies - Expressed in euros per policy - Indexed to inflation - There are no exceptional expenses to be excluded
Fees and comissions	In line with the existing fee structure
Mortality, disability, surrenders and turnover	Tables based on the company's own experience
Cost of Capital	100% SCR Solvency II (without limit of contract) ⁽²⁾
- Capital requirement	6% per annum before taxes
- Annual cost	The one corresponding to the country and year
Tax rate	Consistent with the market using implied volatilities in options on swaps as of 12/31/2022
Stochastic asset model (TVFOG)	Brazilian Real (0.1772), Peruvian Sol (0.2471) and Mexican peso (0.0481) to 12/2022
Exchange rate	

MCEV 2023

Discount rate	Risk free rates as 12/31/2023 (EIOPA without VA)				
	Euro	Brazil	Peru	Mexico	
	1 year	3.36%	10.13%	5.46%	11.21%
	5 years	2.32%	9.98%	6.17%	8.65%
	10 years	2.39%	10.45%	6.77%	8.59%
	15 years	2.47%	10.26%	6.71%	8.23%
	20 years	2.41%	9.69%	6.37%	7.74%

Financial returns	Interest rates on the EIOPA curve ⁽¹⁾ , except for the existing fixed-income assets
- Existing assets	Saving, for which yields have been used in Books with a credit risk adjustment based on the market value of assets
- Reinvestment yield	Based on the risk-free curve Risk at 12/31/2023
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Cost of Capital	100% SCR Solvency II (without limit of contract) ⁽²⁾
- Capital requirement	6% per annum before taxes
- Annual cost	The one corresponding to the country and year
Tax rate	Consistent with the market using implied volatilities in options on swaps as of 12/31/2023
Stochastic asset model (TVFOG)	Brazilian Real (0.1865), Peruvian Sol (0.2449) and Mexican peso (0.0535) to 12/2023
Exchange rate	

(1) With Volatility or Matching Adjustment for certain businesses, as applied under Solvency II.

(2) Using standard formula, except in the case of MAPFRE VIDA where the internal longevity model is used for these approved purposes and in Brazil where the local equivalent capital is used.

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Breakdown of the value added by new business (VNB)

Million Euros and %

Breakdown by business line

Product	PVNBI ⁽¹⁾		VNB ⁽²⁾		VNB/PVNBI	
	2023	2022	2023	2022	2023	2022
Protection	1,489.6	1,378.5	250.8	262.3	16.8%	19.0%
Saving	3,062.7	2,312.2	68.0	39.1	2.2%	1.7%
Burial	79.8	82.1	14.7	24.0	18.4%	29.2%
Others	38.1	41.3	2.1	3.8	5.5%	9.2%
I.F. y P.P. ⁽³⁾	2,515.4	2,198.9	4.0	22.0	0.2%	1.0%
TOTAL	7,185.6	6,013.0	339.6	351.2	4.7%	5.8%

Breakdown by distribution channel

By Distribution channel	PVNBI ⁽¹⁾		VNB ⁽²⁾		VNB/PVNBI	
	2023	2022	2023	2022	2023	2022
Non bank channels	5,316.9	4,256.9	79.9	90.2	1.5%	2.1%
Bank channels	1,868.7	1,756.1	259.7	261.0	13.9%	14.9%
TOTAL	7,185.6	6,013.0	339.6	351.2	4.7%	5.8%

(1) Present Value of New Business Incomes
(2) Value added by New Business at the point of sale.
(3) Investment Funds and Pension Plans.

Breakdown of 2023 change in MCEV between ANAV and VIF

Million Euros

	ANAV	Value of in-force business ⁽¹⁾	TOTAL
Value in 2022 - Attributable to MAPFRE Group	1,652.2	3,085.4	4,737.6
Non controlling interests	334.3	1,483.6	1,817.9
Value in 2022	1,986.5	4,569.0	6,555.5
Changes in non economic assumptions	0.0	143.8	143.8
Changes in economic assumptions	109.2	188.2	297.4
Value added by new business	-71.9	431.2	359.3
Deviation of actual value from expectations ⁽²⁾	626.9	-754.5	-127.6
Others	34.2	-47.2	-13.0
Value added in	698.4	-38.5	659.9
Changes in the model	0.0	-31.0	-31.0
Additions/ Exclusions	0.0	0.0	0.0
Other Adjustments	-377.1	0.0	-377.1
Changes in exchange rates	18.7	87.9	106.6
Value in 2023	2,326.5	4,587.4	6,913.9
Non Controlling Interests	419.7	1,394.7	1,814.4
Value in 2023 - Attributable to MAPFRE Group	1,906.8	3,192.7	5,099.5
RoEV⁽³⁾			10.0%

(1) VIF = PVFP - TVFOG - CoC

(2) Variance between the actual experience and the assumed experience used to calculate the beginning-of-the-year embedded value.

(3) Return on Embedded Value» = Value added in the year/ Previous Embedded Value adjusted.

Breakdown of the sensitivity analysis

Million Euros

Sensitivity of the Market Consistent Embedded Value

	SPAIN LIFE	SPAIN BURIAL	MALTA MSV	BRAZIL LIFE	PERU LIFE	PORTUGAL LIFE	MEXICO LIFE
Impact of:							
- 100bp increase in interest rates	-106.3	3.7	2.0	-98.5	-4.4	-4.1	12.4
- 10% decrease in the value of stocks and real estate	-19.7	0.0	-1.3	0.0	0.8	-0.9	0.0
- 10% decrease in expenses	81.9	39.7	1.9	28.5	4.4	1.9	1.3
- 10% decrease in the lapse rate	164.8	33.1	1.0	-1.2	5.8	5.7	2.9
- 5% decrease in mortality and morbidity	20.7	68.9	0.9	54.5	-1.4	1.3	1.5
- 100bp decrease in interest rates	117.8	-27.6	-12.7	126.3	2.0	4.4	-15.0

Sensitivity of the value added by New Business

	SPAIN LIFE	SPAIN BURIAL	MALTA MSV	BRAZIL LIFE	PERU LIFE	PORTUGAL LIFE	MEXICO LIFE
Impact of:							
- 100bp increase in interest rates	-7.6	0.2	0.1	4.9	4.1	0.0	1.3
- 10% decrease in the value of stocks and real estate	0.0	0.0	-0.1	0.0	0.0	0.0	0.0
- 10% decrease in expenses	9.5	0.6	0.2	3.2	0.7	0.2	0.4
- 10% decrease in the lapse rate	16.9	2.3	0.3	0.1	2.1	0.4	0.6
- 5% decrease in mortality and morbidity	-1.7	0.7	0.1	7.3	0.5	0.1	0.6
- 100bp decrease in interest rates	8.4	-0.4	-1.1	-4.9	-1.8	0.0	-1.8

Reconciliation of the Adjusted Net Asset Value (ANAV)

Million Euros

Consolidated shareholders equity for MAPFRE Group⁽¹⁾ as at 12/31/2023 (IFRS)	2,633.2
Unrealised gains (losses)	80.3
- of which: property	51.5
- of which: financial assets	28.8
Donations and dividends	-13.1
Intangible assets	-345.5
Commissions and other acquisition costs net of taxes	-1.3
Other	-27.1
Consolidated Adjusted Net Asset Value for MAPFRE Group as at 12/31/2023⁽²⁾	2,326.5
Non Controlling Interests	419.7
Consolidated adjusted shareholders' equity for MAPFRE Group as at 12/31/2023	1,906.8

1) It refers to the Own Funds of the covered business included in the MCEV, not to the total of Own Funds of the MAPFRE Group.

2) Amount used in Market Consistent Embedded Value calculations. It only includes ANAV of covered business.

Share of the parent company in the MCEV

Million Euros

	MAPFRE Group	Non Controlling Interests
ANAV		
ANAV	1,906.8	419.7
VIF		
NON BANK CHANNELS	2,440.8	0.0
BANK CHANNELS	751.9	1,394.7
TOTAL	3,192.7	1,394.7
MCEV 2023	5,099.5	1,814.4

Share of the parent company in the Value added by New Business

	MAPFRE Group	Non Controlling Interests
Value added by new business		
NON BANK CHANNELS	79.9	0.0
BANK CHANNELS	82.6	177.1
VNB 2023	162.5	177.1

Content

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2 Deloitte opinion letter

3 Methodological appendix

4 Statistical appendix

5 Glossary

- The “**Market Consistent Embedded Value Principles**” or “**MCEVP**” are the principles that establish the methodology that must be applied in order to calculate the Market Consistent Embedded Value. The MCEVP were agreed upon by the CFOs of the multinational European insurers belonging to the “CFO Forum” in order to increase the comparability and transparency of the embedded value calculations carried out by insurance companies. The document that contains the MCEVP can be obtained at the following Internet address: www.cfoforum.nl.
- The **Adjusted Net Asset Value** or “**ANAV**” is equal to the shareholders’ equity as defined under IFRS adjusted for: unrealised gains or losses belonging to shareholders; committed donations and dividends; goodwill; deferred expenses; and any other item needed to calculate the economic capital.
- **Financial Options and Guarantees** or “**FOG**” are those features of the covered business conferring potentially valuable guarantees underlying, or options to change, the level or nature of policyholders’ benefits and exercisable at the discretion of policyholders, whose potential value is impacted by the performance of financial variables.
- The **Value of an Option** is composed of two elements: the **Intrinsic Value** and the **Time Value**. In the case of a “call” option, the intrinsic value is equal to the difference between the price of the underlying asset and the strike price of the option (in the case of a put option the order of the difference is inverted). The intrinsic value cannot be less than zero. The time value is equal to the difference between the total value and the intrinsic value and it is ascribed to the potential for benefits under the option to increase in value prior to expiry.
- The **Present Value of Future Profits** or “**PVFP**” is determined as the present value of future statutory profits which are expected to be generated from the existing business in force at the valuation date, after tax and discounted using the risk free curve. Investment returns for existing business have been calculated on the basis of the risk free curve, except for existing fixed interest assets backing Life-Savings business, where book returns adjusted for credit risk and defaults rates have been used. PVFP includes the intrinsic value of financial options and guarantees granted to the insured.

- The **Cost of Capital** or “**CoC**” represents an allowance for frictional costs, non-hedgeable risks as well as unexpected credit risk which has not been considered in the value of in-force business. The CoC used in the calculation of the MCEV was measured on the basis of an amount of capital equal to 100% of the minimum regulatory requirement.
- The **Value of In-force Business** or “**VIF**” is equal to: $PVFP - TVFOG - CoC$
- The **Market Consistent Embedded Value** or “**MCEV**” is the embedded value calculated in accordance with “Market Consistent Embedded Value Principles”. MCEV is equal to: $ANAV + VIF$
- **Changes in Assumptions** are changes in the future experience assumed in the calculation of the present value of in-force business, including economic, expense, lapse and mortality assumptions.
- The **Expected Return on the Beginning of the Year Embedded Value** is equal to the actual after-tax investment return on the beginning-of-the-year adjusted net asset value less the cost of capital, plus the return, at the discount rate, on the beginning-of-the-year value of the in-force business and capital.
- The **Deviation of Actual Value from Expectations** arises mainly from the variance between the actual experience and the assumed experience used to calculate the beginning-of-the-year embedded value.
- The **Return on Embedded Value** or “**RoEV**” is obtained by dividing the value added in the year by the embedded value at the close of the previous year, adjusted for changes in the model.

- **New Business** is defined as: in the case of Life assurance, single, extraordinary and regular premiums from policies written in the year, as well as extraordinary contributions to existing policies not already considered in the valuation of the in-force business; in the case of mutual funds, new contributions; in the case of pension funds, single, extraordinary and regular contributions from new participants, as well as extraordinary contributions from existing participants.
- The **Present Value of New Business Income** or “**PVNBI**” corresponds to: in the case of Life assurance, the present value of received and expected premiums from new business; in the case of mutual funds, contributions received in the year; and in the case of pension funds, contributions received in the year and expected from new business.
- The **Value added by New Business** or “**VNB**” is the intrinsic value added by new business in the period, net of acquisition expenses, TVFOG and CoC, valued at year-end using the assumptions applicable at that point in time.

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It is possible that for reasons of rounding there is some mismatch in the first decimal between different tables or graphs throughout the presentation.

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