



Auditor's Report on MAPFRE, S.A. and subsidiaries

(Together with the annual accounts and consolidated directors' report MAPFRE, S.A. and subsidiaries for the year ended 31 December 2021)

(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 Consolidated 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 CONSOLIDATED ANNUAL ACCOUNTS

Opinion

We have audited the consolidated annual accounts of MAPFRE, S.A. ("the Parent") and subsidiaries (the "Group"), which comprise the balance sheet at December 31, 2021, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the notes to the financial statements, all consolidated, for the year then ended.

In our opinion, the accompanying consolidated annual accounts give a true and fair view, in all material respects, of the equity and financial position of the Group as at 31 December 2021 and of its financial performance and cash flows, all consolidated, for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

Basis for Opinion

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 Consolidated Annual Accounts section of our report.

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

Valuation of mathematical provisions for direct insurance (17,255.9 million of Euros)

See notes 5.15 and 6.13 of the notes to the consolidated annual accounts

<i>Key audit matter</i>	<i>How the issue was addressed in our audit</i>
<p>The Group calculates mathematical provisions for commitments with its policyholders, including some very long-term. Estimating mathematical provisions requires the use of actuarial calculations and methods that employ key assumptions involving a high degree of judgement and uncertainty, among which are the future evolution of mortality, morbidity, administration costs, interest rates, etc.</p> <p>In addition, the IFRS-EU require that the adequacy of insurance contract liabilities be tested, including life insurance liabilities, in order to determine whether sufficient provision has been made on the basis of projected future cash flows associated with contracts in force, taking into account the most up-to-date assumptions available. These tests also require the use of actuarial methods, where the assumptions used have a significant impact.</p> <p>The use of inadequate assumptions in actuarial methods can have a significant impact on the consolidated annual accounts, therefore it has been considered a key audit matter.</p>	<p>Our audit approach included testing the design and implementation of key controls established by the Group in the process of estimating mathematical provisions, including controls on the definition of key assumptions and on the completeness and accuracy of the data bases used when estimating these provisions.</p> <p>Our substantive procedures in relation to the mathematical provisions, which were carried out in collaboration with our actuarial specialists consisted primarily of the following:</p> <ul style="list-style-type: none"> – Based on our knowledge and experience of the sector, we assessed the reasonableness of the actuarial models and the assumptions used in calculating the mathematical provisions, comparing them to best actuarial practices, regulatory requirements and market trends. – We have analyzed the reasonability over the amounts accounted for, considering the economic and technical conditions of the insurance contracts and those established in prevailing legislation. – We have recalculated the actuarial provision for a sample of policies selected on the basis of our risk assessment, having previously tested the databases used in these calculations for integrity and accuracy. <p>We also assessed the adequacy of the information disclosed in the consolidated annual accounts regarding the mathematical provisions, considering the requirements of IFRS-EU.</p>

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Valuation of the provision for non-life direct insurance and reinsurance accepted claims (11,020.8 million of Euros)

See notes 5.15 and 6.13 of the notes to the consolidated annual accounts.

<i>Key audit matter</i>	<i>How the issue was addressed in our audit</i>
<p>The Group recognises the provision for non-life insurance claims to cover the estimated cost of events occurring up to the closing date. Estimating this provision is complex and requires actuarial methods and calculations based on judgement and significant assumptions, particularly for those lines of business where the claim settlement period can be very long, such as in motor, liability, fire, aviation and transport.</p> <p>When valuing the claims provision, estimates are used on a case-by-case basis, as well as actuarial projection methods based on past information and assumptions on their future evolution. These estimates include assumptions related to the amount of the expected settlement and claim payment patterns, and due to their nature, there is a significant degree of uncertainty and a change in assumptions could significantly impact the consolidated annual accounts, therefore it has been considered a key audit matter.</p>	<p>Our audit procedures included testing the design and implementation of key controls established by the Group in the process of estimating the claims provision, including controls on the definition of key assumptions, as well as on the completeness and accuracy of the data bases used when estimating these provisions.</p> <p>Our substantive procedures in relation to the claims provision, which were carried out in collaboration with our actuarial specialists and for a representative sample of lines of business selected based on our risk assessment and their significance, consisted primarily of the following:</p> <ul style="list-style-type: none"> • Testing the completeness and accuracy of the data bases used in the actuarial calculations. • Based on our knowledge and experience of the sector, we assessed the reasonableness of the actuarial models and the assumptions used in calculating the claims provision, comparing them to best actuarial practices, regulatory requirements, market assumptions and historical trends. • We estimated the claims provision and, based on our experience, determined a range for assessing its reasonableness. <p>We also assessed the adequacy of the information disclosed in the annual accounts on the provisions for non-life insurance claims, considering the requirements of IFRS-EU.</p>



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Valuation of financial instruments not quoted on active markets and recognized at fair value (10,988.3 million of Euros)

See notes 5.5, 5.6, 6.4 and 6.5 of the notes to the consolidated annual accounts.

<i>Key audit matter</i>	<i>How the issue was addressed in our audit</i>
<p>The classification of the financial instruments in the different existing portfolios in the applicable financial standards determines the criteria to be applied in their subsequent valuation.</p> <p>The majority of the MAPFRE Group's financial instruments are valued using market prices in active markets. Nonetheless, where there is no quoted price in an active market, the fair value of financial instruments is determined using valuation techniques that consider factors such as non-observable market inputs or complex valuation models that require a high degree of judgement. Changes in the assumptions considered, market events or new regulations can also have a significant impact on valuation.</p> <p>We have considered that there is a significant inherent risk associated with the valuation of financial instruments accounted for at fair value and that are classified hierarchically for valuation purposes by the Group as financial instruments at level 3 (use of some significant input information that is not based on observable market data) and level 2 (significant input information based on directly or indirectly observable market data), in both cases, by the use of complex valuation models, which has been considered a key audit matter .</p>	<p>Our audit approach included assessing the key controls linked to the processes of valuing financial instrument portfolios and performing substantive testing thereon.</p> <p>In collaboration with our specialists in financial instruments, we selected representative samples of the population of the Group's financial instruments, for which its adequate valuation was evaluated, through the performance of various substantive procedures, which included the recalculation of fair value and the evaluation of the reasonableness of the data used for the valuation models, especially those not directly observable in the market.</p> <p>Additionally, we assessed whether the information disclosed in the consolidated annual accounts on financial instruments adequately reflects the Group's exposure to the risk of valuing financial instruments, and whether it complies with the disclosure requirements of IFRS-EU.</p>



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**Valuation of goodwill and portfolio acquisition costs
(2,003.3 million of Euros)**

See notes 5.1 and 6.1 of the notes to the consolidated annual accounts

<i>Key audit matter</i>	<i>How the issue was addressed in our audit</i>
<p>The Group has recognised significant goodwill and portfolio acquisition costs from the acquisition of entities or businesses.</p> <p>Valuing these assets requires determination of the cash-generating units (CGUs), the calculation of carrying amount of each CGU, the estimation of the recoverable amount and the identification of facts that may determine the existence of impairment indicators in subsequent closings. Determining the recoverable amount of each CGU includes among other issues, financial projections that consider assumptions about macroeconomic developments, internal circumstances of the entity and competitors, discount rates or future business performance.</p> <p>The Group performs at least on an annual basis for goodwill, or when indications of impairment are identified for both goodwill and registered portfolio acquisition costs, an evaluation to determine if there is impairment in these assets. In this sense, our assessment has focused mainly on goodwill and portfolio acquisition costs of the most significance and those whose estimated recoverable value is closer to the carrying amount of the net assets.</p> <p>Given the complexity of the estimates and the use of assumptions that, in general, include uncertainty and judgment, we consider that the valuation of goodwill and portfolio acquisition costs has a significant inherent risk associated and, therefore, has been considered as a key audit matter.</p>	<p>Our audit procedures included testing the design and implementation of key controls established by the Group in the process of identifying CGUs, evaluating impairment indicators, having financial projections approved by the Management and defining the assumptions and calculation methods used to estimate the recoverable amount of CGUs.</p> <p>Based on our knowledge and experience, we assessed the reasonableness of the methods used by the Group to estimate the recoverable amounts of CGUs, considering IFRS-EU and best market practices.</p> <p>Our substantive procedures, which were performed for a sample of CGUs, including the most relevant ones, have consisted, basically, in the following:</p> <ul style="list-style-type: none"> • Evaluating the existence of goodwill and portfolio acquisition cost impairment indicators considering external and internal factors such as macroeconomic indicators, sector expectations, the financial performance of CGUs and management's expectations. • In collaboration with our valuation specialists, analysing the discount and growth rates used by the Group to estimate the recoverable amount of CGUs. • Assessing the reasonableness of the financial projections prepared by management, comparing them to the historical financial information of the CGUs, to business plans approved by the Group and to market expectations in the sectors in which they operate. • Performing a sensitivity analysis of the key assumptions and financial projections used to estimate the recoverable amount of CGUs. <p>We also assessed the adequacy of the information disclosed in the annual accounts on goodwill and portfolio acquisition costs, considering the requirements of IFRS-EU.</p>



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Other Information. Consolidated Directors' Report

Other information solely comprises the 2021 consolidated directors' report, the preparation of which is the responsibility of the Parent's Directors and which does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not encompass the consolidated director's report. Our responsibility regarding the information contained in the consolidated director's report, in conformity with prevailing audit regulations in Spain, entails:

- a) Checking only that the consolidated non-financial information statement, certain information included in the Corporate Governance Report and the Annual Report on Directors' Remuneration, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.
- b) Assessing and reporting on the consistency of the remaining information included in the consolidated director's report with the consolidated financial statements, based on the knowledge of the Group obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the consolidated director's report are in conformity 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 consolidated director's report is consistent with that disclosed in the consolidated annual accounts for 2021 and its content and presentation are in accordance with applicable regulations.

Directors' and Audit and Compliance Committee's Responsibility for the Consolidated Annual Accounts

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

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

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



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Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts

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

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

- Identify and assess the risks of material misstatement of the consolidated 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, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's directors.
- Conclude on the appropriateness of the Parent's 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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.



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We communicate with the audit and compliance committee of the Parent 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.

We also provide the Parent's audit and compliance committee 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 audit and compliance committee of the Parent, we determine those that were of most significance in the audit of the consolidated 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 files of the European single electronic format (ESEF) of MAPFRE, S.A. and subsidiaries for the 2021 financial year, which include the XHTML file containing the consolidated financial statements for the year, and the XBRL files as labeled by the entity, 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 2021 financial year, in accordance with the formatting and mark-up requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation).

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

In our opinion, the digital files examined correspond in their entirety to the audited consolidated financial statements, which are presented and have been marked up, in all material respects, in accordance with the ESEF Regulation

Additional Report to the Audit and Compliance Committee of the Parent _____

The opinion expressed in this report is consistent with our additional report to the Parent's audit and compliance committee dated 9 February 2022.



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Contract Period

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

Previously, we had been appointed as auditors by the shareholders of MAPFRE, S.A. for a period of 3 years, and have been auditing uninterrupted the Group's consolidated 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)

Angel Crespo Rodrigo
On the Spanish Official Register of Auditors ("ROAC") with No. 21.033
9 February 2022

**CONSOLIDATED ANNUAL ACCOUNTS
AND
CONSOLIDATED MANAGEMENT REPORT**

2021

MAPFRE S.A.

CONSOLIDATED ANNUAL ACCOUNTS

2021

MAPFRE S.A.

CONSOLIDATED ANNUAL ACCOUNTS 2021

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A) CONSOLIDATED BALANCE SHEET AS ON DECEMBER 31, 2021 AND 2020

ASSETS	Notes	2021	2020
A) INTANGIBLE ASSETS	6.1	2,911.2	2,780.1
I. Goodwill	6.1	1,472.4	1,409.8
II. Other intangible assets	6.1	1,438.8	1,370.3
B) PROPERTY, PLANT AND EQUIPMENT	6.2	1,295.0	1,279.3
I. Real estate for own use	6.2	1,071.8	1,040.4
II. Other property, plant and equipment	6.2	223.2	238.9
C) INVESTMENTS		39,243.0	38,931.4
I. Real estate investments	6.2	1,260.0	1,199.5
II. Financial investments			
1. Held-to-maturity portfolio	6.4	1,527.8	1,584.4
2. Available-for-sale portfolio	6.4	28,961.5	30,100.7
3. Trading portfolio	6.4	5,754.1	4,826.0
III. Investments recorded by applying the equity method		657.0	336.4
IV. Deposits established for accepted reinsurance		835.0	652.2
V. Other investments		247.6	232.2
D) INVESTMENTS ON BEHALF OF LIFE INSURANCE POLICYHOLDERS BEARING THE INVESTMENT RISK	6.5	2,957.3	2,502.4
E) INVENTORIES		54.0	49.5
F) PARTICIPATION OF REINSURANCE IN TECHNICAL PROVISIONS	6.13	6,084.6	5,378.6
G) DEFERRED TAX ASSETS	6.20	299.6	221.7
H) RECEIVABLES	6.6	5,594.7	5,359.1
I. Receivables on direct insurance and co-insurance operations	6.6	3,892.0	3,477.3
II. Receivables on reinsurance operations	6.6	791.7	1,012.2
III. Tax receivables			
1. Tax on profits receivable	6.20	191.4	181.6
2. Other tax receivables		173.7	149.9
IV. Corporate and other receivables	6.6	545.9	538.1
V. Shareholders' called capital		—	—
I) CASH		2,887.6	2,418.9
J) ACCRUAL ADJUSTMENTS	5.11	1,902.5	1,908.7
K) OTHER ASSETS		247.4	163.4
L) NON-CURRENT ASSETS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS	6.9	377.3	8,159.5
TOTAL ASSETS		63,854.2	69,152.6

Figures in millions of euros

A) CONSOLIDATED BALANCE SHEET AS ON DECEMBER 31, 2021 AND 2020

EQUITY AND LIABILITIES		Notes	2021	2020
A) EQUITY		6.10	9,666.6	9,837.8
I.	Paid-up capital	6.10	308.0	308.0
II.	Share premium		1,506.7	1,506.7
III.	Reserves		7,102.4	7,057.2
IV.	Interim dividend	4.2	(184.8)	(154.0)
V.	Treasury Stock	6.10	(62.9)	(63.4)
VI.	Result for the period attributable to controlling company	4.1	765.2	526.5
VII.	Other equity instruments	0	—	—
VIII	Valuation change adjustments	6.10	805.3	1,270.7
IX.	Currency conversion differences	6.22	(1,776.3)	(1,915.7)
	Equity attributable to the controlling company's shareholders		8,463.6	8,536.0
	Non-controlling interests		1,203.0	1,301.8
B) SUBORDINATED LIABILITIES		6.11	1,122.2	1,121.6
C) TECHNICAL PROVISIONS		6.13	39,968.3	39,190.2
I.	Provisions for unearned premiums and unexpired risks	6.13	7,638.6	7,195.3
II.	Provisions for life insurance	6.13	19,089.5	19,588.9
III.	Provision for outstanding claims	6.13	11,986.1	11,210.5
IV.	Other technical provisions	6.13	1,254.1	1,195.5
D) TECHNICAL PROVISIONS FOR LIFE INSURANCE WHERE POLICYHOLDERS BEAR THE INVESTMENT RISK		6.13	2,957.3	2,502.4
E) PROVISIONS FOR RISKS AND EXPENSES		6.14	653.6	582.6
F) DEPOSITS RECEIVED ON CEDED AND RETROCEDED REINSURANCE		6.15	82.4	71.6
G) DEFERRED TAX LIABILITIES		6.20	537.7	670.6
H) DEBT		6.16	8,441.8	7,593.4
I.	Issue of debentures and other negotiable securities	6.12	862.8	1,005.6
II.	Due to credit institutions	6.12	1,106.5	866.4
III.	Other financial liabilities	6.12	2,368.6	1,596.7
IV.	Due on direct insurance and co-insurance operations		915.0	951.0
V.	Due on reinsurance operations	6.16	1,252.8	1,305.9
VI.	Tax liabilities			
	1. Tax on profits to be paid	6.20	65.2	58.5
	2. Other tax liabilities	6.16	341.0	246.6
VII.	Other debts	6.16	1,529.9	1,562.7
I) ACCRUAL ADJUSTMENTS		5.11	300.5	318.5
J) LIABILITIES LINKED TO NON-CURRENT ASSETS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS		6.9	123.8	7,263.9
TOTAL EQUITY AND LIABILITIES			63,854.2	69,152.6

Figures in millions of euros

B) CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME FOR YEARS ENDING DECEMBER 31, 2021 AND 2020

B.1) CONSOLIDATED INCOME STATEMENT

ITEM	Notes	2021	2020
I. REVENUE FROM INSURANCE BUSINESS			
1. Premiums earned, net			
a) Written premiums, direct insurance	7.A.2	18,127.6	16,767.3
b) Premiums from accepted reinsurance	7.A.2	4,027.0	3,714.9
c) Premiums from ceded reinsurance	6.19	(4,307.8)	(3,648.4)
d) Variations in provisions for unearned premiums and unexpired risks			
Direct insurance	6.13	(450.3)	179.1
Accepted reinsurance	6.13	(181.7)	(130.6)
Ceded reinsurance	6.19	249.3	(180.8)
2. Share in profits from equity-accounted companies		9.3	6.9
3. Revenue from investments			
a) From operations	6.17	2,227.1	2,059.2
b) From equity	6.17	180.0	167.1
4. Gains on investments on behalf of life insurance policyholders bearing the investment risk	6.5	254.6	137.8
5. Other technical revenue		87.7	66.2
6. Other non-technical revenue		283.1	61.8
7. Positive foreign exchange differences	6.22	1,628.2	2,042.9
8. Reversal of the asset impairment provision	6.7	13.9	27.6
TOTAL REVENUE FROM INSURANCE BUSINESS		22,148.0	21,271.0
II. EXPENSES FROM INSURANCE BUSINESS			
1. Incurred claims for the year, net			
a) Claims paid and variation in provision for claims, net			
Direct insurance	5.15	(11,725.5)	(10,667.8)
Accepted reinsurance	5.15	(2,743.8)	(2,288.6)
Ceded reinsurance	6.19	2,229.4	1,835.4
b) Claims-related expenses	6.18	(760.5)	(775.3)
2. Variation in other technical provisions, net	5.15	190.2	341.8
3. Profit sharing and returned premiums		(55.2)	(50.1)
4. Net operating expenses			
a) Acquisition expenses	6.18	(4,611.0)	(4,610.2)
b) Administration expenses	6.18	(766.8)	(746.8)
c) Commissions and participation in reinsurance	6.19	722.4	669.9
5. Share in losses from equity-accounted companies		(2.0)	(1.8)
6. Investment expenses			
a) From operations	6.17	(910.0)	(799.4)
b) From equity and financial accounts	6.17	(53.1)	(51.0)
7. Losses on investments on behalf of life insurance policyholders bearing the investment risk	6.5	(70.3)	(210.1)
8. Other technical expenses	6.18	(352.8)	(205.0)
9. Other non-technical expenses	6.18	(152.9)	(145.7)
10. Negative foreign exchange differences	6.22	(1,574.2)	(2,018.5)
11. Allowance to the asset impairment provision	6.7	(29.0)	(210.9)
TOTAL EXPENSES FROM INSURANCE BUSINESS		(20,665.1)	(19,934.1)
RESULT FROM THE INSURANCE BUSINESS		1,482.9	1,336.9
III. OTHER ACTIVITIES			
1. Operating revenue		315.6	295.3
2. Operating expenses	6.18	(408.0)	(437.0)
3. Net financial income			
a) Financial income	6.17	84.9	59.5
b) Financial expenses	6.17	(108.5)	(94.6)
4. Results from non-controlling interests			
a) Share in profits from equity-accounted companies		8.2	7.0
b) Share in losses from equity-accounted companies		(6.3)	—
5. Reversal of asset impairment provision	6.7	11.1	5.9
6. Allowance to the asset impairment provision	6.7	(11.6)	(40.6)
7. Result from the disposal of non-current assets classified as held for sale, not included in discontinued operations		—	—
RESULT FROM OTHER ACTIVITIES		(114.6)	(204.5)
IV. RESULT ON RESTATEMENT OF FINANCIAL ACCOUNTS	3.3	(13.2)	(13.9)
V. RESULT BEFORE TAX FROM ONGOING OPERATIONS		1,355.1	1,118.5
VI. TAX ON PROFIT FROM ONGOING OPERATIONS	6.20	(319.5)	(297.8)
VII. RESULT AFTER TAX FROM ONGOING OPERATIONS		1,035.6	820.7
VIII. RESULT AFTER TAX FROM DISCONTINUED OPERATIONS		—	—
IX. RESULT FOR THE PERIOD		1,035.6	820.7
1. Attributable to non-controlling interests	6.25	270.4	294.2
2. Attributable to the controlling company	4.1	765.2	526.5

Figures in millions of euros

Earnings per share (Euros)			
Basic	4.1	0.25	0.17
Diluted	4.1	0.25	0.17

B.2) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

ITEM	NOTES	2021	2020
A) CONSOLIDATED RESULT FOR THE YEAR		1,035.6	820.7
B) OTHER COMPREHENSIVE INCOME – HEADINGS NOT RECLASSIFIED TO RESULTS		—	—
C) OTHER COMPREHENSIVE INCOME – HEADINGS THAT CAN BE RECLASSIFIED SUBSEQUENT TO RESULTS		(371.0)	-593.0
1. Financial assets available for sale	6.4		
a) Valuation gains (losses)		(2,141.7)	820.9
b) Amounts transferred to the income statement		(179.0)	(120.4)
c) Other reclassifications		(4.7)	-0.8
2. Currency conversion differences	3.3 & 6.22		
a) Valuation gains (losses)		163.1	-843.2
b) Amounts transferred to the income statement		1.4	-0.2
c) Other reclassifications		(0.2)	0.2
3. Shadow accounting			
a) Valuation gains (losses)	6.13	1,610.4	(402.8)
b) Amounts transferred to the income statement		3.6	45.5
c) Other reclassifications		—	—
4. Equity-accounted entities			
a) Valuation gains (losses)		(3.6)	(0.6)
b) Amounts transferred to the income statement		—	0.0
c) Other reclassifications		—	—
5. Other recognized revenue and expenses		15.1	(8.0)
6. Tax on profits		164.6	(83.6)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B+C)		664.6	227.7
1. Attributable to the controlling company		439.2	118.0
2. Attributable to non-controlling interests		225.4	109.7

Figures in millions of euros

C) CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS ON DECEMBER 31, 2021 AND 2020

ITEM	NOTES	EQUITY ATTRIBUTABLE TO CONTROLLING COMPANY										TOTAL EQUITY
		SHAREHOLDERS' EQUITY						NON-CONTROLLING INTERESTS				
		SHARE CAPITAL	SHARE PREMIUM	RESERVES	INTERIM DIVIDEND	TREASURY STOCK	RESULT FOR THE YEAR ATTRIBUTABLE TO CONTROLLING COMPANY	OTHER EQUITY INSTRUMENTS	VALUATION CHANGE ADJUSTMENTS	CURRENCY CONVERSION DIFFERENCES	NON-CONTROLLING INTERESTS	
OPENING BALANCE AS ON JANUARY 1, 2020		308.0	1,506.7	6,915.6	(184.8)	(63.8)	609.2	—	1,003.7	(1,240.2)	1,251.7	10,106.1
1. Changes in accounting policies		—	—	—	—	—	—	—	—	—	—	—
2. Correction of errors		—	—	—	—	—	—	—	—	—	—	—
ADJUSTED BALANCE AS ON JANUARY 1, 2020		308.0	1,506.7	6,915.6	(184.8)	(63.8)	609.2	—	1,003.7	(1,240.2)	1,251.7	10,106.1
I. TOTAL COMPREHENSIVE REVENUE (EXPENSES)		—	—	—	—	—	526.5	—	267.0	(675.5)	109.7	227.7
II. OPERATIONS WITH THE CONTROLLING COMPANY'S SHAREHOLDERS AND NON-CONTROLLING INTERESTS		—	—	(261.7)	(154.0)	0.4	—	—	—	—	(65.0)	(480.3)
1. Capital increases (decreases)		—	—	—	—	—	—	—	—	—	8.3	8.3
2. Distribution of dividends	4.2 & 6.25	—	—	(261.6)	(154.0)	—	—	—	—	—	(244.0)	(659.6)
3. Increases (decreases) from business combinations	6.24	—	—	—	—	—	—	—	—	—	116.1	116.1
4. Other operations with the controlling company's shareholders and non-controlling interests		—	—	—	—	—	—	—	—	—	54.6	54.6
5. Operations with treasury stock and own shares	6.10	—	—	(0.1)	—	0.4	—	—	—	—	—	0.3
III. OTHER VARIATIONS IN EQUITY		—	—	403.3	184.8	—	(609.2)	—	—	—	5.4	(15.7)
1. Transfers among equity items		—	—	424.4	184.8	—	(609.2)	—	—	—	—	—
2. Other variations		—	—	(21.1)	—	—	—	—	—	—	5.4	(15.7)
CLOSING BALANCE AS ON DECEMBER 31, 2020		308.0	1,506.7	7,057.2	(154.0)	(63.4)	526.5	—	1,270.7	(1,915.7)	1,301.8	9,837.8

Figures in millions of euros

ITEM	NOTES	EQUITY ATTRIBUTABLE TO CONTROLLING COMPANY										TOTAL EQUITY
		SHAREHOLDERS' EQUITY							NON-CONTROLLING INTERESTS			
		SHARE CAPITAL	SHARE PREMIUM	RESERVES	INTERIM DIVIDEND	TREASURY STOCK	RESULT FOR THE YEAR ATTRIBUTABLE TO CONTROLLING COMPANY	OTHER EQUITY INSTRUMENTS	VALUATION CHANGE ADJUSTMENTS	CURRENCY CONVERSION DIFFERENCES		
OPENING BALANCE AS ON JANUARY 1, 2021		308.0	1,506.7	7,057.2	(154.0)	(63.4)	526.5	—	1,270.7	(1,915.7)	1,301.8	9,837.8
1. Changes in accounting policies		—	—	—	—	—	—	—	—	—	—	—
2. Correction of errors		—	—	—	—	—	—	—	—	—	—	—
ADJUSTED BALANCE AS ON JANUARY 1, 2021		308.0	1,506.7	7,057.2	(154.0)	(63.4)	526.5	—	1,270.7	(1,915.7)	1,301.8	9,837.8
I. TOTAL COMPREHENSIVE REVENUE (EXPENSES)		—	—	—	—	—	765.2	—	(465.4)	139.4	225.4	664.6
II. OPERATIONS WITH THE CONTROLLING COMPANY'S SHAREHOLDERS AND NON-CONTROLLING INTERESTS		—	—	(315.5)	(184.8)	0.5	—	—	—	—	(329.2)	(829.0)
1. Capital increases (decreases)		—	—	—	—	—	—	—	—	—	90.9	90.9
2. Distribution of dividends	4.2 & 6.25	—	—	(230.8)	(184.8)	—	—	—	—	—	(187.0)	(602.6)
3. Increases (decreases) from business combinations	6.24	—	—	(0.8)	—	—	—	—	—	—	(216.6)	(217.4)
4. Other operations with the controlling company's shareholders and non-controlling interests	6.8	—	—	(83.8)	—	—	—	—	—	—	(16.5)	(100.3)
5. Operations with treasury stock and own shares	6.10	—	—	(0.1)	—	0.5	—	—	—	—	—	0.4
III. OTHER VARIATIONS IN EQUITY		—	—	360.7	154.0	—	(526.5)	—	—	—	5.0	(6.8)
1. Transfers among equity items		—	—	372.5	154.0	—	(526.5)	—	—	—	—	—
2. Other variations		—	—	(11.8)	—	—	—	—	—	—	5.0	(6.8)
CLOSING BALANCE AS ON DECEMBER 31, 2021		308.0	1,506.7	7,102.4	(184.8)	(62.9)	765.2	—	805.3	(1,776.3)	1,203.0	9,666.6

Figures in millions of euros

D) CONSOLIDATED CASH FLOW STATEMENT FOR YEARS ENDING DECEMBER 31, 2021 AND 2020

ITEM	NOTES	2021	2020
1. Insurance activity:		283.7	48.6
Cash received from insurance activity		21,161.5	21,865.6
Cash payments from insurance activity		(20,877.8)	(21,817.0)
2. Other operating activities:		(420.4)	(346.2)
Cash received from other operating activities		457.1	360.4
Cash payments from other operating activities		(877.5)	(706.6)
3. Receipt (payment) of income tax		(349.2)	(298.4)
NET CASH FLOWS FROM OPERATING ACTIVITIES		(485.9)	(596.0)
1. Proceeds from investment activities:		21,692.3	22,548.7
Property, plant and equipment		6.7	66.3
Real estate investments		119.0	22.3
Intangible fixed assets		247.7	0.4
Financial instruments		18,010.3	19,393.0
Equity instruments		1,850.3	1,941.2
Controlled companies and other business units	6.8	375.1	50.3
Interest collected		948.6	959.9
Dividends collected		87.4	68.8
Other proceeds related to investment activities		47.2	46.5
2. Payments from investment activities:		(20,377.5)	(21,369.5)
Property, plant and equipment	6.2	(36.1)	(42.9)
Real estate investments	6.2	(215.9)	(25.6)
Intangible fixed assets		(89.6)	(245.5)
Financial instruments		(17,193.7)	(18,747.9)
Equity instruments		(2,655.7)	(2,192.8)
Controlled companies and other business units	6.8 & 6.24	(125.0)	(83.4)
Other payments related to investment activities		(61.5)	(31.4)
NET CASH FLOWS FROM INVESTMENT ACTIVITIES		1,314.8	1,179.2
1. Proceeds from financing activities		868.7	703.2
Subordinated liabilities		—	—
Proceeds from issuing of equity instruments and capital increases		91.7	8.2
Proceeds from sale of treasury stock	6.10	0.3	0.3
Other proceeds related to financing activities		776.7	694.7
2. Payments from financing activities		(1,238.1)	(1,273.2)
Dividends paid to shareholders		(614.3)	(658.4)
Interest paid		(73.5)	(73.6)
Subordinated liabilities		(0.4)	—
Payments on return of shareholders' contributions		—	—
Purchase of treasury stock	6.10	—	—
Other payments related to financing activities	6.8	(549.9)	(541.2)
NET CASH FLOW FROM FINANCING ACTIVITIES		(369.4)	(570.0)
Conversion differences in cash flow and cash balances		9.2	(131.8)
NET INCREASE(DECREASE) IN CASH FLOW		468.7	(118.6)
OPENING CASH BALANCE		2,418.9	2,537.5
CLOSING CASH BALANCE		2,887.6	2,418.9

Figures in millions of euros

E) FINANCIAL INFORMATION BY SEGMENT - CONSOLIDATED INCOME STATEMENT FOR YEAR ENDING DECEMBER 31, 2021

I T E M	IBERIA	LATAM NORTH	LATAM SOUTH	BRAZIL	NORTH AMERICA
I. REVENUE FROM INSURANCE BUSINESS					
1 Premiums earned, net					
a) Written premiums, direct insurance	7,575.0	2,178.7	1,617.4	3,340.1	1,972.8
b) Premiums from accepted reinsurance	21.4	9.0	0.3	—	100.3
c) Premiums from ceded reinsurance	(930.5)	(988.5)	(743.0)	(707.5)	(595.1)
d) Variations in provisions for unearned premiums and unexpired risks, net					
Direct insurance	(42.8)	(245.1)	(54.7)	(330.3)	39.7
Accepted reinsurance	(1.0)	(0.1)	2.6	—	(5.8)
Ceded reinsurance	19.8	224.8	20.0	67.1	(6.9)
2 Share in profits from equity-accounted companies	27.4	—	—	—	—
3 Revenues from investments					
From operations	1,349.4	79.0	136.3	138.2	67.7
From equity	79.2	10.4	9.8	1.3	60.3
4 Unrealized gains on investments on behalf of life insurance policyholders bearing the investment risk	229.3	9.4	0.6	8.7	—
5 Other technical revenue	22.5	8.4	33.3	1.1	13.5
6 Other non-technical revenue	279.4	0.7	2.2	—	0.3
7 Positive foreign exchange differences	19.2	15.0	12.6	—	—
8 Reversal of the asset impairment provision	11.0	—	0.1	—	—
TOTAL REVENUE FROM INSURANCE BUSINESS	8,659.3	1,301.7	1,037.5	2,518.7	1,646.8
II. EXPENSES FROM INSURANCE BUSINESS					
1 Incurred claims for the financial year, net					
a) Claims paid and variation in provision for outstanding claims, net					
Direct insurance	(6,063.2)	(1,251.8)	(611.6)	(1,720.6)	(1,054.5)
Accepted reinsurance	(5.7)	(6.9)	(0.2)	—	(22.5)
Ceded reinsurance	619.0	379.8	140.9	614.4	206.8
b) Claims-related expenses	(391.9)	(17.1)	(31.3)	(46.9)	(158.5)
2 Variation in other technical provisions, net	354.0	30.9	(67.7)	(66.0)	(0.4)
3 Profit sharing and returned premiums	(38.0)	(15.4)	(0.6)	0.6	—
4 Net operating expenses					
a) Acquisition expenses	(1,207.5)	(317.3)	(355.7)	(904.6)	(444.3)
b) Administration expenses	(157.8)	(67.2)	(53.6)	(136.0)	(180.6)
c) Commissions and participation in reinsurance	154.6	69.9	85.6	91.0	152.8
5 Share in losses from equity-accounted companies	(2.0)	—	—	—	—
6 Investment expenses					
a) From operations	(625.3)	(23.8)	(21.1)	(56.2)	(4.9)
b) From equity and financial accounts	(43.8)	(0.7)	(1.5)	—	(5.0)
7 Unrealized losses on investments on account of life insurance policyholders bearing investment risk	(57.6)	(2.3)	—	(10.4)	—
8 Other technical expenses	(273.3)	(13.9)	(29.1)	(0.8)	—
9 Other non-technical expenses	(134.9)	(1.7)	(4.3)	—	(8.8)
10 Negative foreign exchange differences	(12.9)	(12.8)	(7.6)	(1.5)	—
11 Allowance to the asset impairment provision	(19.9)	—	(2.8)	—	(2.9)
TOTAL EXPENSES FROM INSURANCE BUSINESS	(7,906.2)	(1,250.3)	(960.6)	(2,237.0)	(1,522.8)
RESULT FROM THE INSURANCE BUSINESS	753.1	51.4	76.9	281.7	124.0
III. OTHER ACTIVITIES					
1 Operating revenue	293.6	8.1	10.7	10.5	1.3
2 Operating expenses	(250.8)	(7.9)	(8.2)	(7.4)	(3.6)
3 Net financial income					
a) Financial income	8.1	1.8	1.3	19.5	(1.7)
b) Financial expenses	(3.1)	(1.4)	(0.2)	(1.8)	—
4 Result from non-controlling interests					
a) Share in profits from equity-accounted companies	2.5	—	—	—	—
b) Share in losses from equity-accounted companies	—	—	—	—	—
5 Reversal of asset impairment provision	3.1	—	—	—	—
6 Allowance to the asset impairment provision	(4.0)	—	—	—	—
7 Result from the disposal of non-current assets classified as held for sale, not included in discontinued operations	—	—	—	—	—
RESULT FROM OTHER ACTIVITIES	49.4	0.6	3.6	20.8	(4.0)
IV. RESULT ON RESTATEMENT OF FINANCIAL ACCOUNTS	—	—	(12.0)	—	—
V. RESULT BEFORE TAX FROM ONGOING OPERATIONS	802.5	52.0	68.5	302.5	120.0
VI. TAX ON PROFIT FROM ONGOING OPERATIONS	(188.7)	(13.4)	(12.0)	(71.2)	(31.2)
VII. RESULT AFTER TAX FROM ONGOING OPERATIONS	613.8	38.6	56.5	231.3	88.8
VIII. RESULT AFTER TAX FROM DISCONTINUED OPERATIONS	—	—	—	—	—
IX. RESULT FOR THE PERIOD	613.8	38.6	56.5	231.3	88.8
1 Attributable to non-controlling interests	73.1	11.8	2.4	157.0	—
2 Attributable to the controlling company	540.7	26.8	54.1	74.3	88.8

Figures in millions of euros

E) FINANCIAL INFORMATION BY SEGMENT - CONSOLIDATED INCOME STATEMENT FOR YEAR ENDING DECEMBER 31, 2021

ITEM	EURASIA	ASISTENCIA	GLOBAL RISKS	REINSURANCE	CORPORATE AREAS AND CONSOLIDATION ADJUSTMENTS	TOTAL
I. REVENUE FROM INSURANCE BUSINESS						
1 Premiums earned, net						
a) Written premiums, direct insurance	1,346.8	83.4	—	—	13.4	18,127.6
b) Premiums from accepted reinsurance	14.0	403.0	1,283.0	4,991.6	(2,795.6)	4,027.0
c) Premiums from ceded reinsurance	(390.8)	(126.9)	(1,059.5)	(1,557.6)	2,791.6	(4,307.8)
d) Variations in provisions for unearned premiums and unexpired risks, net						
Direct insurance	112.3	75.6	—	—	(5.0)	(450.3)
Accepted reinsurance	1.2	(10.2)	(4.1)	(260.4)	96.1	(181.7)
Ceded reinsurance	0.2	(20.3)	(16.2)	55.8	(95.0)	249.3
2 Share in profits from equity-accounted companies	0.3	—	—	—	(18.4)	9.3
3 Revenues from investments						
From operations	248.8	8.8	19.0	184.4	(4.5)	2,227.1
From equity	21.5	—	—	0.1	(2.6)	180.0
4 Unrealized gains on investments on behalf of life insurance policyholders bearing the investment risk	6.6	—	—	—	—	254.6
5 Other technical revenue	8.4	—	—	0.7	(0.2)	87.7
6 Other non-technical revenue	0.6	—	—	—	(0.1)	283.1
7 Positive foreign exchange differences	66.1	1.5	1,351.4	140.6	21.8	1,628.2
8 Reversal of the asset impairment provision	—	—	0.4	2.4	—	13.9
TOTAL REVENUE FROM INSURANCE BUSINESS	1,436.0	414.9	1,574.0	3,557.6	1.5	22,148.0
II. EXPENSES FROM INSURANCE BUSINESS						
1 Incurred claims for the financial year, net						
a) Claims paid and variation in provision for outstanding claims, net						
Direct insurance	(969.5)	(44.8)	—	—	(9.5)	(11,725.5)
Accepted reinsurance	(17.6)	(150.5)	(704.1)	(3,328.1)	1,491.8	(2,743.8)
Ceded reinsurance	148.8	41.6	570.4	999.1	(1,491.4)	2,229.4
b) Claims-related expenses	(50.3)	(64.7)	—	(0.8)	1.0	(760.5)
2 Variation in other technical provisions, net	(89.2)	—	—	28.6	—	190.2
3 Profit sharing and returned premiums	(1.8)	—	—	—	—	(55.2)
4 Net operating expenses						
a) Acquisition expenses	(302.0)	(212.4)	(138.3)	(1,248.8)	519.9	(4,611.0)
b) Administration expenses	(135.2)	(19.4)	—	(22.6)	5.6	(766.8)
c) Commissions and participation in reinsurance	174.7	54.1	103.2	357.5	(521.0)	722.4
5 Share in losses from equity-accounted companies	—	—	—	—	—	(2.0)
6 Investment expenses						
a) From operations	(120.9)	(5.5)	(5.6)	(38.7)	(8.0)	(910.0)
b) From equity and financial accounts	(1.8)	—	—	(0.2)	(0.1)	(53.1)
7 Unrealized losses on investments on account of life insurance policyholders bearing investment risk	—	—	—	—	—	(70.3)
8 Other technical expenses	(9.3)	(16.9)	—	(9.4)	(0.1)	(352.8)
9 Other non-technical expenses	(3.2)	—	—	—	—	(152.9)
10 Negative foreign exchange differences	(36.8)	(1.1)	(1,354.2)	(145.2)	(2.1)	(1,574.2)
11 Allowance to the asset impairment provision	(2.0)	—	—	(0.4)	(1.0)	(29.0)
TOTAL EXPENSES FROM INSURANCE BUSINESS	(1,416.1)	(419.6)	(1,528.6)	(3,409.0)	(14.9)	(20,665.1)
RESULT FROM THE INSURANCE BUSINESS	19.9	(4.7)	45.4	148.6	(13.4)	1,482.9
III. OTHER ACTIVITIES						
1 Operating revenue	2.7	73.2	(0.2)	—	(84.3)	315.6
2 Operating expenses	(2.2)	(81.8)	—	—	(46.1)	(408.0)
3 Net financial income						
a) Financial income	0.2	7.8	—	—	47.9	84.9
b) Financial expenses	—	(3.9)	—	—	(98.1)	(108.5)
4 Result from non-controlling interests						
a) Share in profits from equity-accounted companies	—	—	—	—	5.7	8.2
b) Share in losses from equity-accounted companies	—	—	—	—	(6.3)	(6.3)
5 Reversal of asset impairment provision	—	—	—	—	8.0	11.1
6 Allowance to the asset impairment provision	—	—	—	—	(7.6)	(11.6)
7 Result from the disposal of non-current assets classified as held for sale, not included in discontinued operations	—	—	—	—	—	—
RESULT FROM OTHER ACTIVITIES	0.7	(4.7)	(0.2)	—	(180.8)	(114.6)
IV. RESULT ON RESTATEMENT OF FINANCIAL ACCOUNTS	—	(0.7)	—	—	(0.5)	(13.2)
V. RESULT BEFORE TAX FROM ONGOING OPERATIONS	20.6	(10.1)	45.2	148.6	(194.7)	1,355.1
VI. TAX ON PROFIT FROM ONGOING OPERATIONS	(6.5)	12.4	(11.3)	(30.8)	33.2	(319.5)
VII. RESULT AFTER TAX FROM ONGOING OPERATIONS	14.1	2.3	33.9	117.8	(161.5)	1,035.6
VIII. RESULT AFTER TAX FROM DISCONTINUED OPERATIONS	—	—	—	—	—	—
IX. RESULT FOR THE PERIOD	14.1	2.3	33.9	117.8	(161.5)	1,035.6
1 Attributable to non-controlling interests	13.2	1.7	—	—	11.2	270.4
2 Attributable to the controlling company	0.9	0.6	33.9	117.8	(172.7)	765.2

Figures in millions of euros

E) FINANCIAL INFORMATION BY SEGMENT - CONSOLIDATED INCOME STATEMENT FOR YEAR ENDING DECEMBER 31, 2020

ITEM	IBERIA	LATAM NORTH	LATAM SOUTH	BRAZIL	NORTH AMERICA
I. REVENUE FROM INSURANCE BUSINESS					
1 Premiums earned, net					
a) Written premiums, direct insurance	6,979.1	1,564.9	1,739.2	3,085.4	2,060.8
b) Premiums from accepted reinsurance	19.8	9.7	33.0	—	37.0
c) Premiums from ceded reinsurance	(889.5)	(449.8)	(935.1)	(602.9)	(552.3)
d) Variations in provisions for unearned premiums and unexpired risks, net					
Direct insurance	(6.2)	229.8	(240.7)	(207.7)	76.9
Accepted reinsurance	(1.8)	0.5	(0.7)	—	2.2
Ceded reinsurance	7.7	(235.8)	235.9	53.8	(11.4)
2 Share in profits from equity-accounted companies	6.8	—	—	—	—
3 Revenues from investments					
From operations	1,272.9	70.9	65.3	138.8	72.5
From equity	66.4	10.3	10.8	3.5	58.4
4 Unrealized gains on investments on behalf of life insurance policyholders bearing the investment risk	104.7	9.4	0.4	23.2	—
5 Other technical revenue	26.2	1.1	0.6	0.1	10.2
6 Other non-technical revenue	55.7	0.4	0.2	0.2	—
7 Positive foreign exchange differences	18.4	21.6	15.5	15.4	—
8 Reversal of the asset impairment provision	12.0	—	—	—	—
TOTAL REVENUE FROM INSURANCE BUSINESS	7,672.4	1,233.0	924.4	2,509.6	1,754.4
II. EXPENSES FROM INSURANCE BUSINESS					
1 Incurred claims for the financial year, net					
a) Claims paid and variation in provision for outstanding claims, net					
Direct insurance	(5,583.1)	(872.1)	(1,002.0)	(1,277.4)	(1,162.8)
Accepted reinsurance	(10.4)	(8.3)	(6.6)	—	(10.4)
Ceded reinsurance	657.5	222.3	505.0	321.0	293.0
b) Claims-related expenses	(387.6)	(18.1)	(13.4)	(46.3)	(167.6)
2 Variation in other technical provisions, net	613.6	(95.0)	(31.3)	(89.4)	(0.4)
3 Profit sharing and returned premiums	(33.0)	(14.2)	(8.6)	(0.8)	—
4 Net operating expenses					
a) Acquisition expenses	(1,193.8)	(273.1)	(263.0)	(919.9)	(495.4)
b) Administration expenses	(155.1)	(67.7)	(73.5)	(137.0)	(183.5)
c) Commissions and participation in reinsurance	161.0	68.4	70.8	73.3	141.8
5 Share in losses from equity-accounted companies	(22.7)	—	—	—	—
6 Investment expenses					
a) From operations	(502.7)	(22.7)	(14.1)	(51.2)	(22.1)
b) From equity and financial accounts	(39.2)	(0.9)	(0.7)	—	(8.7)
7 Unrealized losses on investments on account of life insurance policyholders bearing investment risk	(194.9)	(1.0)	—	(14.2)	—
8 Other technical expenses	(138.7)	(14.2)	(8.1)	(0.9)	—
9 Other non-technical expenses	(128.7)	(0.8)	(0.3)	(0.1)	(8.6)
10 Negative foreign exchange differences	(26.6)	(19.0)	(20.5)	—	—
11 Allowance to the asset impairment provision	(14.3)	—	—	—	(32.7)
TOTAL EXPENSES FROM INSURANCE BUSINESS	(6,998.6)	(1,116.5)	(866.2)	(2,142.9)	(1,657.3)
RESULT FROM THE INSURANCE BUSINESS	673.8	116.4	58.3	366.7	97.2
III. OTHER ACTIVITIES					
1 Operating revenue	234.5	8.9	10.0	8.8	0.9
2 Operating expenses	(205.3)	(8.2)	(10.9)	(11.4)	(3.3)
3 Net financial income					
a) Financial income	10.5	1.3	0.2	6.8	0.1
b) Financial expenses	(2.7)	(3.9)	0.1	(1.4)	(0.1)
4 Result from non-controlling interests					
a) Share in profits from equity-accounted companies	—	—	—	—	—
b) Share in losses from equity-accounted companies	—	—	—	—	—
5 Reversal of asset impairment provision	1.3	—	—	—	—
6 Allowance to the asset impairment provision	(2.0)	—	—	—	—
7 Result from the disposal of non-current assets classified as held for sale, not included in discontinued operations	—	—	—	—	—
RESULT FROM OTHER ACTIVITIES	36.4	(1.9)	(0.6)	2.8	(2.4)
IV. RESULT ON RESTATEMENT OF FINANCIAL ACCOUNTS	—	—	—	—	—
V. RESULT BEFORE TAX FROM ONGOING OPERATIONS	710.2	114.5	57.7	369.5	94.8
VI. TAX ON PROFIT FROM ONGOING OPERATIONS	(163.7)	(29.0)	(14.4)	(100.1)	(18.5)
VII. RESULT AFTER TAX FROM ONGOING OPERATIONS	546.5	85.5	43.2	269.4	76.3
VIII. RESULT AFTER TAX FROM DISCONTINUED OPERATIONS	—	—	—	—	—
IX. RESULT FOR THE PERIOD	546.5	85.5	43.2	269.4	76.3
1 Attributable to non-controlling interests	93.2	15.8	9.5	167.9	—
2 Attributable to the controlling company	453.3	69.7	33.8	101.5	76.3

Figures in millions of euros

E) FINANCIAL INFORMATION BY SEGMENT - CONSOLIDATED INCOME STATEMENT FOR YEAR ENDING DECEMBER 31, 2020

ITEM	EURASIA	MAPFRE ASISTENCIA	MAPFRE GLOBAL RISKS	MAPFRE RE	CORPORATE AREAS AND CONSOLIDATION ADJUSTMENTS	TOTAL
I. REVENUE FROM INSURANCE BUSINESS						
1 Premiums earned, net						
a) Written premiums, direct insurance	1,462.1	165.5	—	—	6.3	16,767.3
b) Premiums from accepted reinsurance	21.3	453.4	1,255.8	4,430.7	(2,520.2)	3,714.9
c) Premiums from ceded reinsurance	(406.2)	(170.0)	(1,048.7)	(1,364.4)	2,518.4	(3,648.4)
d) Variations in provisions for unearned premiums and unexpired risks, net						
Direct insurance	34.7	75.4	—	—	(4.4)	179.1
Accepted reinsurance	1.0	5.3	(29.9)	(112.1)	5.1	(130.6)
Ceded reinsurance	(15.0)	(26.7)	28.6	11.5	(3.9)	(180.8)
2 Share in profits from equity-accounted companies	0.6	—	—	—	(0.5)	6.9
3 Revenues from investments						
From operations	199.3	6.8	16.1	155.7	(7.2)	2,059.2
From equity	21.0	—	—	0.1	(1.7)	167.1
4 Unrealized gains on investments on behalf of life insurance policyholders bearing the investment risk	0.5	—	—	—	(0.1)	137.8
5 Other technical revenue	2.9	—	—	0.1	(0.2)	66.2
6 Other non-technical revenue	3.9	—	—	0.1	—	61.8
7 Positive foreign exchange differences	25.8	0.2	1,530.0	412.9	12.1	2,042.9
8 Reversal of the asset impairment provision	—	—	0.3	(0.3)	—	27.6
TOTAL REVENUE FROM INSURANCE BUSINESS	1,351.9	509.9	1,752.2	3,534.2	3.6	21,271.0
II. EXPENSES FROM INSURANCE BUSINESS						
1 Incurred claims for the financial year, net						
a) Claims paid and variation in provision for outstanding claims, net						
Direct insurance	(964.7)	(80.0)	—	—	(3.0)	(10,667.8)
Accepted reinsurance	(16.7)	(178.9)	(732.8)	(2,755.8)	1,425.1	(2,288.6)
Ceded reinsurance	175.6	62.7	587.1	606.8	(1,424.7)	1,835.4
b) Claims-related expenses	(48.4)	(73.9)	—	(0.8)	(0.4)	(775.3)
2 Variation in other technical provisions, net	(38.0)	—	—	2.6	—	341.8
3 Profit sharing and returned premiums	(2.2)	—	—	—	—	(50.1)
4 Net operating expenses						
a) Acquisition expenses	(310.7)	(262.3)	(136.0)	(1,212.1)	538.9	(4,610.2)
b) Administration expenses	(119.0)	(19.5)	—	(17.3)	5.6	(746.8)
c) Commissions and participation in reinsurance	194.6	71.2	90.1	324.6	(539.1)	669.9
5 Share in losses from equity-accounted companies	—	—	—	—	20.9	(1.8)
6 Investment expenses						
a) From operations	(121.0)	(2.5)	(8.7)	(58.6)	2.7	(799.4)
b) From equity and financial accounts	(0.2)	—	—	(0.4)	(0.1)	(51.0)
7 Unrealized losses on investments on account of life	—	—	—	—	—	(210.1)
8 Other technical expenses	(10.8)	(14.4)	(0.3)	(2.3)	0.1	(205.0)
9 Other non-technical expenses	(3.9)	—	—	(7.9)	7.3	(145.7)
10 Negative foreign exchange differences	(14.8)	(3.2)	(1,531.4)	(410.2)	(2.7)	(2,018.5)
11 Allowance to the asset impairment provision	(11.3)	—	—	(0.6)	(134.8)	(210.9)
TOTAL EXPENSES FROM INSURANCE BUSINESS	(1,291.5)	(500.6)	(1,732.0)	(3,531.9)	(104.3)	(19,934.1)
RESULT FROM THE INSURANCE BUSINESS	60.5	9.3	20.2	2.3	(100.7)	1,336.9
III. OTHER ACTIVITIES						
1 Operating revenue	2.0	90.7	—	—	(58.7)	295.3
2 Operating expenses	(2.8)	(121.1)	—	—	(77.7)	(437.0)
3 Net financial income						
a) Financial income	0.1	6.6	—	—	32.9	59.5
b) Financial expenses	—	(7.5)	—	—	(79.0)	(94.6)
4 Result from non-controlling interests						
a) Share in profits from equity-accounted companies	—	—	—	—	6.9	6.9
b) Share in losses from equity-accounted companies	—	—	—	—	—	—
5 Reversal of asset impairment provision	—	—	—	—	4.6	5.9
6 Allowance to the asset impairment provision	—	—	—	—	(38.6)	(40.6)
7 Result from the disposal of non-current assets classified as held for sale, not included in discontinued operations	—	—	—	—	—	—
RESULT FROM OTHER ACTIVITIES	(0.7)	(31.3)	—	—	(209.5)	(204.5)
IV. RESULT ON RESTATEMENT OF FINANCIAL ACCOUNTS	—	(0.5)	—	—	(4.7)	(13.9)
V. RESULT BEFORE TAX FROM ONGOING OPERATIONS	59.8	(22.6)	20.2	2.3	(314.8)	1,118.5
VI. TAX ON PROFIT FROM ONGOING OPERATIONS	(17.5)	3.9	(5.0)	(0.6)	53.5	(297.8)
VII. RESULT AFTER TAX FROM ONGOING OPERATIONS	42.3	(18.6)	15.1	1.7	(261.4)	820.7
VIII. RESULT AFTER TAX FROM DISCONTINUED OPERATIONS	—	—	—	—	—	—
IX. RESULT FOR THE PERIOD	42.3	(18.6)	15.1	1.7	(261.4)	820.7
1 Attributable to non-controlling interests	11.2	2.0	—	—	(1.3)	294.1
2 Attributable to the controlling company	31.1	(20.6)	15.1	1.7	(260.2)	526.5

Figures in millions of euros

F) SUPPLEMENTARY FINANCIAL INFORMATION BY PRODUCT AND GEOGRAPHICAL AREA

1. CONSOLIDATED ORDINARY REVENUES FROM EXTERNAL CLIENTS IN FINANCIAL YEARS ENDING DECEMBER 31, 2021 AND 2020

The breakdown of consolidated ordinary revenues, by product and country, in line with the segments broken down in Note 2.2, is as follows:

1.a) Information by product

Products	2021	2020
Life	4,257.5	3,818.8
Automobile	5,388.4	5,601.3
Homeowners and commercial risks	2,349.8	2,339.9
Health	1,374.0	1,289.6
Accidents	222.6	198.0
Other Non-Life	5,128.1	4,110.2
Reinsurance	6,274.6	5,686.5
Other Activities	911.4	823.9
Consolidation adjustments	(3,436.2)	(3,090.7)
TOTAL	22,470.2	20,777.5

Figures in millions of euros

1.b) Information by country

Geographic Area / Countries	2021	2020
IBERIA		
Spain	7,759.4	7,096.6
Portugal	130.4	136.8
LATAM NORTH		
Mexico	1,325.5	779.6
Panama	223.7	212.2
Other	646.5	591.7
LATAM SOUTH		
Argentina	191.2	146.3
Chile	338.9	311.6
Colombia	367.9	295.7
Peru	517.1	507.3
Other	213.3	197.8
BRAZIL	3,350.7	3,094.1
NORTH AMERICA		
United States of America	1,738.0	1,743.3
Puerto Rico	336.3	355.5
EURASIA		
Italy	217.8	392.0
Malta	406.7	346.0
Turkey	304.9	326.2
Other	434.2	421.3
MAPFRE ASISTENCIA	559.6	709.6
MAPFRE GLOBAL RISKS	1,283.0	1,255.8
MAPFRE RE	4,991.6	4,430.7
CORPORATE AREAS AND CONSOLIDATION ADJUSTMENTS	(2,866.5)	(2,572.6)
TOTAL	22,470.2	20,777.5

Figures in millions of euros

Direct insurance and accepted reinsurance premiums, as well as operating revenues from non-insurance activities are considered as ordinary revenues.

No client contributes, on an individual basis, more than 10 percent of the Group's ordinary revenues.

2. NON-CURRENT ASSETS AT DECEMBER 31, 2021 AND 2020

The breakdown of non-current assets in line with the segments broken down in Note 2.2, is as follows:

Geographic Area / Countries	2021	2020
IBERIA		
Spain	2,065.2	9,868.9
Portugal	42.9	25.1
LATAM NORTH		
Mexico	153.1	132.2
Panama	56.0	48.3
Other	63.6	56.1
LATAM SOUTH		
Argentina	34.8	25.9
Chile	24.9	20.5
Colombia	27.0	32.7
Peru	126.5	90.1
Other	24.1	23.1
BRAZIL	564.1	524.8
NORTH AMERICA		
United States of America	251.9	248.0
Puerto Rico	54.2	55.2
EURASIA		
Italy	81.9	71.3
Malta	231.9	217.6
Turkey	22.7	32.4
Other	253.3	45.4
MAPFRE ASISTENCIA	81.7	90.4
MAPFRE GLOBAL RISKS	—	—
MAPFRE RE	63.8	66.6
CORPORATE AREAS AND CONSOLIDATION ADJUSTMENTS	829.0	847.2
TOTAL	5,052.6	12,521.5

Figures in millions of euros

Non-current assets include intangible fixed assets other than goodwill and portfolio acquisition expenses, property, plant and equipment, real estate investments, inventories, tax receivables, corporate and other receivables, other assets, and non-current assets held for sale and from discontinued operations, with information in Note 6.9 herein regarding the latter. The amount in non-current assets in Spain in 2020 primarily corresponded to the reclassification to Non-current assets held for sale of the assets tied to the Bankia bancassurance business, which took place in 2021 (Note 6.9).

G) CONSOLIDATED ANNUAL REPORT

1. GENERAL INFORMATION REGARDING THE COMPANY AND ITS ACTIVITIES

MAPFRE S.A. (hereinafter the “controlling company”) is a listed public limited company and parent of a number of controlled companies engaged in insurance activity in its various lines of business, both Life and Non-Life, finance, securities investment, and services.

MAPFRE S.A. is a subsidiary of CARTERA MAPFRE, S.L. Single-Member Company (hereinafter, CARTERA MAPFRE), fully controlled by Fundación MAPFRE.

The scope of activity of the controlling company and its subsidiaries (hereinafter “MAPFRE”, “the Group” or “MAPFRE Group”) includes the Spanish territory, European Economic Area countries, and other countries.

The controlling company was incorporated in Spain and has its registered office in Majadahonda (Madrid), Carretera de Pozuelo 52.

In 2021, the MAPFRE Group business activities were carried out through the organizational structure comprising four Business Units (Insurance, Assistance, Global Risks and Reinsurance), and six Regional Areas (Iberia - Spain and Portugal - Brazil, LATAM North - Mexico and the Central America subregion and Dominican Republic - LATAM South - Argentina, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay and Venezuela - North America - United States and Puerto Rico - and EURASIA - Europe, Middle East, Africa and Asia-Pacific).

The Insurance Business Unit is organized according to the regional areas of MAPFRE, which comprise the geographical units that plan, support and supervise in the region.

The Reinsurance and Global Risks business comprise the legal entity MAPFRE RE.

The activity of the various Business Units is complemented by the Corporate Areas (Internal Audit, Strategy and M&A, Finance and Resources, Investment, Business and Clients, People and Organization, External Relations and Communications, General Counsel and Legal Affairs, Transformation of the Operation, Technology and Operations) which have global responsibilities for all the Group's companies worldwide regarding the development, implementation, and monitoring of global, regional and local corporate policies.

MAPFRE pushes for multi-channel distribution, adapting its commercial structure to the different legislations in which it operates.

The focus on the client, the global product offer, and the adaptation to the legal and commercial particularities of each of the markets in which it is present are some of the key factors of success of the company's business model.

The individual and consolidated annual accounts were prepared by the Board of Directors on February 9, 2022 using the single electronic reporting format set out in the Delegated Regulation (EU) 2019/815. They are expected to be approved by the Annual General Meeting. Spanish regulations provide for the possibility of modifying the consolidated annual accounts if they are not approved by the aforementioned sovereign body.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED ANNUAL ACCOUNTS

2.1. BASIS OF PRESENTATION

The Group's consolidated annual accounts were prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (EU-IFRS), with all companies having carried out the requisite standardization adjustments.

The consolidated annual accounts have been prepared on the cost model basis, except for financial assets available for sale, financial assets for trading and derivative instruments, which are recorded at their fair value.

There was no early application of the rules and interpretations which, having been approved by the European Commission, had not entered into force at the close of 2021. However, had there been any, their early adoption would not have affected the Group's financial situation and results, with the exception of what is indicated in Note 2.5 below.

The figures presented in the Consolidated Annual Accounts have been rounded for ease of reporting. Therefore, the totals of the rows or columns may not coincide with the arithmetic sums of the amounts included therein.

2.2. FINANCIAL INFORMATION BY SEGMENT

Section E) of the consolidated annual accounts contains the financial information broken down by operating segment, which is aligned with the Group organizational structure and with the information provided to Management and to the market.

The organizational structure identifies the following operating segments based on the activities of the Business Units:

- INSURANCE
 - IBERIA
 - BRAZIL
 - LATAM NORTH
 - LATAM SOUTH
 - NORTH AMERICA
 - EURASIA
- ASSISTANCE
- GLOBAL RISKS
- REINSURANCE

Revenues and expenses from the Insurance business also include complementary activities relating to asset and real estate management, and from medical services, assistance, funeral services, technology services, and others. The operating segment corresponding to the Insurance Unit presents its information according to the structure of the Group's regional areas and taking into account the quantitative thresholds established in prevailing regulations.

The operating segments corresponding to the Assistance, Global Risks and Reinsurance Business Units include insurance and reinsurance activity, regardless of the geographic location.

Transactions between segments are recorded at fair value and eliminated in the consolidation process.

The amounts shown under "Corporate Areas and consolidation adjustments" include expenses for services rendered by the Corporate Areas and the adjustments made on consolidation.

The Consolidated Management Report contains additional information on business performance and characteristics.

2.3. FINANCIAL INFORMATION BY PRODUCT AND GEOGRAPHIC AREA

Section F) of the consolidated annual accounts contains supplementary financial information broken down by product and geographical area.

The information by product is presented for the main activity lines, which are:

- Life
- Automobile

- Homeowners and commercial risks
- Health
- Accidents
- Other Non-Life
- Reinsurance
- Other Activities

The information shown for each geographic area is broken down by the main countries comprising the Group's regional areas, as indicated in Note 1 herein.

2.4. CHANGES IN ACCOUNTING POLICIES, CHANGES IN ESTIMATES AND ERRORS

In 2021, there have been no relevant changes in accounting policies, estimates or errors that could have impacted the Group financial position or results.

2.5. COMPARISON OF INFORMATION

There are no reasons preventing the consolidated annual accounts of this reporting period from being compared with those of the previous period.

The present consolidated annual accounts have been prepared in line with the international standards approved by the European Commission and which were in force at the close of the year.

At the date when these annual accounts were prepared, the following information is noteworthy:

EU-IFRS 17

EU-IFRS 17 "Insurance Contracts", which will substitute EU-IFRS 4 "Insurance Contracts", approved by the International Accounting Standards Board (IASB), was published on November 23, 2021 by the Official Journal of the European Union (OJEU).

The standard will be applicable to periods starting on or after January 1, 2023. In the consolidated annual accounts for said year, the 2022 balances will be restated, as the standard will have a retrospective approach. This implies that:

- All contract groups must be identified, recognized and measured as if EU-IFRS 17 had always been applicable.
- Any items recorded in the financial statements which would not exist if EU-IFRS 17 had always been applicable must be removed.

- Any net difference that could arise by applying the previous points will be recorded in equity.

It will therefore be necessary to establish the new value of insurance contracts under EU-IFRS 17, which will imply eliminating all related items under IFRS 4, included in assets and liabilities on the balance sheet, which under EU-IFRS 17 will be included in the future cash flows in the valuation of the contract itself, as is the case with pending invoices and activated commissions.

As such, some intangible assets like certain portfolio acquisition expenses (VOBAS), specifically those that do not correspond to Temporary Annual Renewable products, and which are measured under the Premium Allocation Approach (discussed further ahead), will also be eliminated, since, as with the previously mentioned case, they will be part of valuation of the contract itself.

Regarding the restatement of 2022 balances, the standard foresees that where retroactive application is impracticable for some contract groups, the following alternate approaches will be used:

- Modified retrospective approach: this method allows for some modifications with regard to the general method, depending on the amount of reasonable and supportable information available (i.e.: aggregate levels or cash flows, discount rates).
- Fair value approach: this allows for the determination of the Contractual Service Margin (hereinafter CSM) or the loss component at the date of the transaction for a contract group based on the difference between the fair value and the fulfillment cash flows for the group at that date.

In this respect, MAPFRE Group will use the retrospective approach for Non-Life insurance contracts, as well as for Life contracts with a duration of less than one year, and ceded reinsurance contracts. The fair value approach will be used for those Non-Life and Life contracts, as well as accepted and retroceded reinsurance contracts, for which the necessary information for applying the retrospective approach is not available.

EU-IFRS 17, fulfilling its purpose of homogenizing international insurance accounting practices, includes three valuation approaches for insurance contracts:

1. General Assessment Approach (Building Block Approach, hereinafter BBA), default approach. This approach comprises:

- **Fulfillment cash flows**, which include:
 - Present value of expected future cash inflows and outflows that will arise over the length of the contract;
 - An adjustment to reflect the time value of money and other financial risks, like liquidity and currency risk;
 - An explicit risk adjustment for non-financial risk; and
- The **Contractual Service Margin**, which will represent the unearned result from contracts. If this result is negative, the contract will be considered onerous and the balance sheet CSM will be zero, recording the loss in the income statement in the initial recording of the contract, as established by the standard.

The objective of this method is to assess fulfillment cash flows using a dynamic calculation, updating hypotheses with each calculation, and recognizing expected profit from the contract or CSM, through its allocation to the income statement as it provides service throughout the contract coverage period.

2. The Variable Fee Approach (hereinafter VFA) is a variation of the default approach (BBA) and is applicable to contracts with significant direct participation features.
3. The Premium Allocation Approach (hereinafter PAA) is a simplification of the BBA and can be optionally used for contracts with coverage of one year or less, or in those specific cases in which, although the contract duration is greater than one year, it is not expected that the assessment varies materially from the BBA. This approach has similarities with the current Unearned premium provision approach.

MAPFRE Group, based on technically defined directives, believes that, in general lines, it will assess insurance and reinsurance contracts as follows:

Insurance contracts	
Life and Non-Life lines with duration of less than one year *	PAA
Burial line	BBA
Life contracts with duration greater than one year	BBA
Contracts with a direct participation component (Unit Linked)	VFA
Reinsurance contracts	
Ceded	PAA
Accepted	BBA
Retroceded	BBA

*Non-Life contracts with duration greater than one year but with no material difference from the BBA expected will also be measured using the PAA.

EU-IFRS 17 includes in the balance sheet the liability for remaining coverage (hereinafter LFRC), corresponding to the value of commitments for the remaining coverage period. This LFRC could have a positive or negative balance depending on the characteristics of the contract group. LFRC cash flows will also include pending incoming premium payments and outgoing commission payments, therefore under this standard these items will not appear in the accounts receivable and due on the balance sheet.

The balance sheet will reflect in a single line the sum of the amount of the LFRC and the liability for incurred claims (hereinafter LFIC) which represents the value of claims for insured events that have taken place (previously the provision for outstanding claims), including past events that have not yet been reported, and other incurred insurance expenses.

The classification of this line that is a sum of the amount of the LFRC and the LFIC between assets and liabilities as presented on the balance sheet must be carried out across the whole insurance contract portfolio, based on the total amount of the balances of this portfolio (that is, the sum of the LFRC and the LFIC).

The LFIC is measured every reporting date based on the best claims estimate. The present value of fulfillment cash flows for claims and expected expenses of the LFIC will be recorded in the P&L, and the discount effect is recorded as a financial result for insurance in said P&L account.

In the recognition of the financial income and expenses from insurance contracts that are a consequence of the change in the discount rate (both from the effect of the time value of money and variations in such, as well as from the effect of financial risk and its variations), the standard allows the option of:

- Including all these financial incomes and expenses in the result for the period
- Disaggregating these financial incomes and expenses between P&L and equity

The option chosen must be applied to all contract groups in a portfolio. As a result of the analysis carried out by MAPFRE Group, the conclusion has been reached that the majority of the financial investments could continue to be measured at market value in equity, and therefore the option of disaggregating financial incomes and expenses from insurance between P&L and equity could be more appropriate in order to avoid asymmetries in valuation and recognition of financial investments and insurance contracts. As such, the approach to be followed would consist of disaggregating between P&L and equity for long-term products, that is, those measured under BBA. However, the Group is finalizing its analysis in order to determine the most appropriate option for each portfolio.

The implementation of this standard implies the development of a new technological architecture and the implementation of new processes and systems, which will imply a relevant change in the reporting and presentation of the financial statements, as well as new ratios from the changes in the financial statements that will be disclosed to the market.

In line with the implementation process for this standard, MAPFRE Group began an analysis in 2017 regarding the financial and operational impacts, and resource planning, and it developed an Implementation Plan. Since then, new IT architecture was designed and developed, preparing directives that cover all aspects included in the standard, with new data models and new corporate systems developed. Additionally, integrated tests are being performed, and users are being given training.

The implementation of the standard and the assessment of its impact on the Group's financial statements is still underway. Over the course of 2022, the Group will be immersed in the preparation for roll-out, for the implementation of the standard, finalizing local and operating system development, and performing integrated testing. Additionally, parallel exercises are being carried in preparation of the transition balance sheet. To this end, governing bodies have been established at a corporate level (Management Committee and Corporate Implementation Committee) as well as local level (Local Implementation Committees), the latter aimed at companies that have to send information regarding insurance contract valuation under IFRS and that consolidate their financial statements with MAPFRE, S.A.

EU-IFRS 9

EU-IFRS 9 "Financial Instruments" which will substitute EU-IAS 39 "Financial Instruments: Recognition and Measurement" will also be applicable in periods starting on or after January 1, 2023, as the Group made use of a temporary EU-IFRS 9 application deferral for companies with primarily insurance operations. Although the standard does not require comparative figures to be reported, MAPFRE Group plans to restate 2022 figures in order to improve comparability of the consolidated annual accounts.

The analysis of this standard was carried out parallel to that of EU-IFRS 17, establishing the same processes and procedures described above.

EU-IFRS 9 primarily affects the classification and measurement of financial assets, for which categories are reduced and classification criteria changed based on the analysis of:

- contractual cash flows from investments, specifically if these are solely payments of principal and interest (SPPI test); and
- the business model for the management of the financial asset.

Based on the result of this analysis, each financial instrument will be recorded in the following portfolios:

- At amortized cost.
- At fair value with changes in the income statement.
- At fair value with changes in the consolidated statement of other comprehensive income (net equity).

The Group has worked on the definition of the business model established by EU-IFRS 9 and has established the documentation the companies must complete with each financial asset acquisition operation to classify the investments.

Additionally, and given that it was already required by EU-IFRS 4, with the aim of analyzing potential impacts from the application of EU-IFRS 9 "Financial Instruments" and improving comparability of the information between companies applying said standard, the SPPI test is already being performed for fixed income assets classified in the headings "Held to maturity portfolio" and "Available for sale portfolio", the latter portfolio being where the Group's investments are concentrated. Detailed information as required by the standard is provided in Note 6.4. "Financial Investments".

Another new aspect is based on the calculation of the impairment, moving to an expected loss model instead of the incurred loss established by EU-IAS 39. In this regard, the EU-IFRS 9 and 17 implementation working group has prepared and approved a directive regarding the calculation and recording of this new impairment approach.

The implementation is not expected to have a significant impact, due to the characteristics of the Group's investment portfolio, as significant changes are not expected in the classification of financial assets nor in their valuation, as 98.5% of current assets pass the SPPI test, and it will not be necessary to carry out important reclassifications of the portfolios. However, it is expected that there could be a non-material increase in impairment losses as a result of the new methodology in this standard, which will be recorded in reserves at the date of transition.

With regard to shares, EU-IFRS 9 foresees the possibility of them being measured at fair value with changes in equity and without recycling in results, or at fair value with changes in results, based on the chosen business model. At this moment, the Group is evaluating the impact this will have and the classification it will choose.

The Group shall adopt, upon their entry into force, all other applicable standards, amendments and interpretations. The initial application of such is not expected to have a significant impact on the Group's financial situation or result.

2.6. CHANGES IN THE SCOPE OF CONSOLIDATION

The companies that were included in the scope of consolidation are listed in Annex 1, along with all the other changes to said scope.

Annex 2 includes the main companies of the Group, with their equity and results information.

Detailed information regarding the key results for the period arising from the loss of control in controlled companies as a result of their exit from the consolidation scope are provided in Note 6.9 (Annex 1 includes a breakdown of the abovementioned losses of control).

The overall effect on the Group's consolidated equity, financial position and results in 2021 and 2020 derived from other changes in the scope of consolidation with respect to the preceding year is described in the corresponding notes of the consolidated annual report.

2.7. ACCOUNTING JUDGMENTS AND ESTIMATES

In the preparation of the consolidated annual accounts under EU-IFRS, the controlling company's Board of Directors has made judgments and estimates based on assumptions about the future and uncertainties that basically refer to:

- The technical provisions (Note 6.13).
- Impairment losses on certain assets (Notes 6.1, 6.2 and 6.4).
- The calculation of provisions for risks and expenses (Note 6.14).
- The actuarial calculation of post-employment remuneration-related commitments and liabilities (Note 6.21).
- The useful life of intangible assets and of property, plant & equipment items (Notes 5.3 and 6.2).
- The fair value of certain non-listed assets (Note 6.4).
- The fair value of assets and liabilities from lease contracts (Note 6.3).

The estimates and assumptions used are reviewed regularly and are based on past experience and other factors that may have been deemed more reasonable in each instance. If these reviews lead to changes in estimates in a given period, their effect shall be applied during that period and, where relevant, in subsequent periods.

3. CONSOLIDATION

3.1. CONTROLLED COMPANIES, ASSOCIATED UNDERTAKINGS AND JOINT ARRANGEMENTS

The controlled companies, associated undertakings and joint arrangements included in the consolidation are listed, indicating the integration method, in the table of shareholding of controlled companies attached as Annex 1 to the consolidated annual report.

Companies are configured as controlled companies when the controlling company holds power over the investee entity, has exposure or rights to variable returns, and has the capacity to influence those returns through the power exercised in the entities. Controlled companies are consolidated from the date when the Group acquires control, and are excluded from the consolidation on the date when it ceases to have such control.

When control of a subsidiary is lost, the book value at the date of loss of control of the assets and liabilities from the subsidiary are eliminated from the accounts, and the fair value of the compensation received is recognized, recording the difference as a loss or gain in the result for the period.

In controlled companies where 50 percent or less of the economic rights are held, the classification as "controlled company" is based on the provisions set out in the shareholder agreements, which can contemplate the following scenarios:

- The administration of the companies is carried out by a Board of Directors, which is responsible for their operating and financial strategies as well as their administration and management, and for overseeing their financial and operating policies, among others. In these cases the Board of Directors is made up of an even number of members and the chairman is always appointed at the recommendation of MAPFRE. The chairman has the casting vote, therefore exercising control over the company.
- MAPFRE is granted the power to appoint and revoke the CEO, Finance Manager, Actuarial Manager, and any other key personnel for the management and control of the company.
- The political rights established do not coincide with the economic rights, which means that MAPFRE has the majority of the voting rights in the Annual General Shareholders' Meeting. Additionally, in these cases the Board of Directors is made up of an even number of members and in the event of a tie one of the directors appointed at the recommendation of MAPFRE has the casting vote.

Non-controlling interests in controlled companies acquired since January 1, 2004 are recorded at the fair value of the percentage of purchased net assets identifiable at the acquisition date. Those acquisitions made prior to the abovementioned date were recorded at the percentage of purchased net assets at the date of the first consolidation.

Non-controlling interests are shown in consolidated equity separately from the equity attributable to the controlling company shareholders. Non-controlling interests of controlled companies in the consolidated results for the period (and in the total comprehensive consolidated result for the period) are also shown separately in the consolidated income statement (consolidated statement of comprehensive income).

Associated undertakings are companies in which the controlling company exercises a significant influence but which are neither controlled companies nor joint arrangements.

Significant influence is understood as the power to intervene in decisions on financial and operating policies of the investee company, but without controlling or jointly controlling these policies, presuming that there is significant influence when, either directly or indirectly through its controlled companies, at least 20 percent of the voting rights of the investee company is owned.

Interests in associated undertakings are consolidated by the equity method, including, in the value of interests, the net goodwill identified at the date of acquisition.

When the Group's participation in the losses of an associated undertaking is equal to or higher than the book value of its stake, including any unsecured receivable, the Group does not record additional losses, unless obligations have been incurred or payments have been made on behalf of the associated undertaking.

To determine if an investee company is controlled or associated, the purpose and design of the investee company have been taken into account to ascertain the relevant activities, the way that decisions are taken on these activities, who has the current capacity to direct these activities and who receives their financial returns. The potential voting rights held and exercisable such as purchase options on shares, debt instruments convertible into shares or other instruments giving the controlling company the possibility to increase their voting rights have also been considered.

A joint arrangement is considered to exist when two or more entities undertake an economic activity subject to shared control regulated by means of contractual agreement.

A joint arrangement is classified as a joint venture when the parties have rights to the net assets, in which case their acquisitions are recorded in the consolidated annual accounts using the equity-accounted method.

A joint arrangement is classified as a joint operation when the parties have rights to the net assets and obligations for the liabilities, in which case their interests are recorded in the consolidated annual accounts using the proportionate consolidation method.

The financial statements of the controlled companies, associated undertakings and joint arrangements used for the consolidation correspond to the years ending December 31, 2021 and 2020.

3.2. MUTUAL FUNDS

Mutual funds managed by Group companies in which the participation is greater than 20 percent are consolidated using the global integration method.

3.3. CONVERSION OF ANNUAL ACCOUNTS OF FOREIGN COMPANIES INCLUDED IN THE CONSOLIDATION

The functional and presentation currency of the MAPFRE Group is the euro. Accordingly, the balances and operations of Group companies with a different functional currency are translated into euros using the closing exchange rate for balance sheet balances and the average exchange rate weighted for the volume of operations for transactions.

The exchange differences resulting from applying the aforementioned procedure, as well as those arising from the conversion of loans and other foreign currency hedging instruments for investments in foreign activities, are presented as a separate component in the "Consolidated Statement of Other Comprehensive Income" and are shown under equity in the "Currency conversion differences" account, deducting the part of the difference that corresponds to non-controlling interests.

Goodwill and fair value adjustments of assets and liabilities arising from the acquisition of Group companies whose presentation currency is not the euro are treated as assets and liabilities of overseas activities. As such, they are stated in the functional currency of the overseas undertaking and translated at the closing exchange rate.

Hyperinflationary economies

The financial statements of the companies registered in countries with a high inflation rate or hyperinflationary economies are adjusted or restated for the effects of changes in prices before their conversion into euros. Adjustments for inflation are performed in line with IAS 29 "Financial reporting in hyperinflationary economies".

The Group accounting policy for recording operations in hyperinflationary economies consists of recording in Currency conversion differences both the revaluation of non-monetary items and the currency conversion differences generated from the conversion to euros of the restated financial statements of subsidiaries in these countries.

The amounts recognized in Currency conversion differences in the last two years from these effects are the following:

Item	Balance 12.31.19	Variation 2020	Balance 12.31.20	Variation 2021	Balance 12.31.21
Restatement for inflation	564.8	17.7	582.5	20.7	603.2
Currency conversion differences	(1,102.8)	(24.8)	(1,127.6)	(6.4)	(1,134.0)
Net	(538.0)	(7.1)	(545.1)	14.3	(530.8)

Figures in millions of euros

The following chart gives details about other data related to the conversion of the annual accounts from companies operating in hyperinflationary economies:

Country	Inflation (%)		Exchange rate (units of currency per euro)		Results from restatement		Equity	
	2021	2020	2021	2020	2021	2020	2021	2020
Argentina	51	36	117	103	(12.7)	(9.2)	73.2	54.9
Venezuela	351	1,512	11	2,427,941	(0.5)	(4.7)	5.8	6.9
Total					(13.2)	(13.9)	79.0	61.8

Figures in millions of euros

Regarding the exchange rate shown for Venezuela, given that there is not reliable official information, both at the close of 2021 and 2020, for the consolidation of the financial statements, an exchange rate based on the estimated inflation in the country has been considered.

Starting October 1, 2021, due to the devaluation of the Sovereign Bolivar, this currency was substituted by the Digital Bolivar (which value is obtained by dividing the Sovereign Bolivar by one million).

The results of the restatement are included in the Consolidated Income Statement and represent the loss of purchasing power of the net monetary assets from inflation.

Adjustments to the opening balance

The adjustments to opening balance columns in the different tables of the consolidated annual report include the variations that occurred as a result of applying a different conversion exchange rate to the figures for overseas subsidiaries.

The variations in the technical provisions shown in the consolidated income statement differ from those obtained from the difference between the previous balances on the consolidated balance sheets for this year and the previous year as a result of applying a different conversion exchange rate to the figures for overseas subsidiaries.

4. EARNINGS PER SHARE AND DIVIDENDS

4.1. EARNINGS PER SHARE

The calculation of the basic earnings per share—which matches the diluted gains per share, since there is no potential ordinary share—is shown below:

Item	2021	2020
Net profit attributable to controlling company's shareholders (million euros)	765.2	526.5
Weighted average number of ordinary shares outstanding (million)	3,049.4	3,049.2
Basic earnings per share (euros)	25.1	17.3

4.2. DIVIDENDS

The breakdown of the dividends paid by the controlling company in the last two years is shown below:

Item	Total dividend (million euros)		Dividend per share (euro cents)	
	2021	2020	2021	2020
Interim dividend	184.8	154.0	6.06	5.05
Final dividend	261.8	230.8	8.58	7.57
TOTAL	446.6	384.8	14.64	12.62

The dividends per share indicated in the table above correspond to the amount for all outstanding shares, at the date of payment of the dividend (to December 31, 2021 in the case of the final dividend of this year).

The total dividend for 2021 was proposed by the Board of Directors and is pending approval by the Ordinary Annual General Meeting.

The planned dividend payout complies with the requirements and limitations that are set out in the legal regulations and the corporate bylaws, and is based on an exhaustive and careful analysis of the Group situation, without compromising its future solvency or the protection of policyholders' and clients' interests, and is carried out in the context of the supervisory recommendations in this respect.

In 2021 the controlling company distributed an interim dividend equivalent to a total amount of 184,798,775.79 euros, which is recorded in equity under the heading "Interim dividend". The liquidity statement prepared by the Board of Directors for the distribution is shown below.

Item	Date of Resolution 10/28/2021
Cash available on date of the resolution	7.7
Increases in cash forecast within one year	420.3
(+) From expected current collection transactions	350.3
(+) From financial transactions	70.0
Decreases in cash forecast within one year	(226.4)
(-) From expected current payment transactions	(110.9)
(-) From expected financial transactions	(115.5)
Cash available within one year	201.6

Figures in millions of euros

5. ACCOUNTING POLICIES

The accounting policies applied to the following entries are indicated below:

5.1. INTANGIBLE ASSETS

GOODWILL

Goodwill on merger

This represents the excess of cost paid on a business combination over the fair value of the identifiable assets and liabilities at the date of the merger.

Consolidation differences

- Goodwill on consolidation

This represents the excess net acquisition costs paid over the fair value of the interest in the equity of the controlled company at the date of acquisition, except for acquisitions realized before January 1, 2004, which correspond to goodwill net of amortization recorded in line with Spanish legislation in force at the time. In the case of acquisitions of stakes in the controlled company from non-controlling interests subsequent to the initial one, the controlling company recognizes this excess as a lower amount of reserves.

- Negative consolidation difference

Where the value of the identifiable assets acquired less the value of accepted liabilities is higher than the acquisition cost, this difference is recorded as revenue in the consolidated income statement.

Goodwill impairment

After its initial recognition and allocation to a cash-generating unit, its possible loss in value is assessed at least once a year. When the recoverable amount of said cash-generating unit is below the net book value, the corresponding loss in value is recognized immediately in the consolidated income statement.

OTHER INTANGIBLE ASSETS

Other intangible assets from an independent acquisition

Intangible assets acquired from third parties in a market operation are valued at cost. If their useful life is finite they are amortized based on that life and, if their useful life is indefinite, the value impairment tests are undertaken at least once a year.

Internally-generated intangible assets

Research expenses are directly recognized on the consolidated income statement for the year in which they are incurred. Development expenses are recorded as an asset when their probability, feasibility and future recoverability can be reasonably ensured. They are valued by the disbursements made.

The capitalized development expenses are amortized during the period in which revenues or yields are expected to be obtained without prejudice to the valuation that would be made if impairment occurs.

Amortization of limited useful life intangible assets

- Portfolio acquisition costs

These costs are amortized over the life of the portfolios, in a maximum period of 30 years, and depending on their cancellation.

- Other intangible assets

These are amortized based on their useful life following a linear method. The amortization has been recorded as "Provision for amortization" in the expense account by nature. IT platforms are mostly amortized between four and eight years.

5.2. BUSINESS COMBINATIONS

The controlling company identifies a business combination when the assets acquired and the liabilities assumed in a transaction constitute a business. The combinations are recorded by applying the acquisition method.

On the acquisition date, which is when control of the acquired business or company is obtained, the goodwill, the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquired business are recognized separately.

Goodwill represents the excess of cost, including deferred payments, whether certain or contingent, over the net amount on the date of acquisition of the identifiable assets acquired and the liabilities assumed. In line with the provisions under EU-IFRS 3, the Group has chosen not to increase goodwill in proportion to non-controlling interests.

Initially, the identifiable assets and liabilities assumed are recorded at fair value on the acquisition date. Any acquisition-related costs incurred by the acquirer are recognized as an expense in the period in which they are incurred, except in the case of any costs incurred in issuing debt or shares.

Subsequently, the acquiring company measures the assets acquired, liabilities assumed and equity instruments issued in the business combination in line with the valuation rules applied to those items, according to their nature.

In business combinations carried out in stages, on the date on which control of the acquisition is obtained, the controlling company once again measures its interests in the acquiree's equity previously held at their acquisition-date fair value, and recognizes any resulting gain or loss in the consolidated income statement. Likewise, any valuation change adjustments pending allocation to the result for the period are transferred to the consolidated income statement.

When the valuation process necessary to apply the acquisition method cannot be concluded on the closing date of the fiscal year, annual accounts are prepared with provisional data. These values are adjusted within the necessary period to complete the initial accounting, which period shall never exceed one year from the date of acquisition.

When the business combinations have been recognized in the accounts, any modifications to contingent payments are recorded, for combinations undertaken on or after January 1, 2010, in the consolidated income statement; combinations undertaken earlier are recorded as a change in the business combination cost.

5.3. PROPERTY, PLANT AND EQUIPMENT AND REAL ESTATE INVESTMENTS

Property, plant and equipment and real estate investment are valued at their net acquisition cost minus their accumulated amortization and, if applicable, accumulated impairment losses.

Investments classified as real estate investments are those non-current real estate assets intended to obtain rental income, gains or both.

Costs incurred after their acquisition are recognized as an asset only when the future financial profits related to them are likely to revert to the Group and the cost of the item may be accurately determined. All other expenses associated with maintenance and repair are charged to the consolidated income statement during the year in which they are incurred.

The depreciation of these elements is calculated linearly based on the cost of acquisition of the asset, less its residual value and the value of the land according the following periods of useful life:

ITEM GROUP	YEARS	ANNUAL RATIO
Buildings and other structures	50-25	2%-4%
Vehicles	6.25	16%
Furniture	10	0.1
Fittings	20-10	5%-10%
Data processing equipment	4	25%

The residual value and the useful life of assets are reviewed and adjusted if necessary at the close of each year.

These assets are written off in the accounts when they are transferred or when future economic profit derived from their continuous use is not expected to be obtained. The gains or losses resulting from writing the aforementioned elements off are included on the consolidated income statement.

5.4. LEASING

The Company considers that a contract constitutes, or contains, a lease when it entails the right to control the use of a specified asset for a certain period of time in exchange for compensation.

The leases in which inherent all risks and benefits of the leased property are transferred to the lessee are classified as financial leases.

Leases in which the lessor maintains a significant part of the risks and benefits derived from ownership of an underlying asset are classified as operating leases.

Lease term

The lease term is determined according to the non-cancellable period, bearing in mind as well the periods covered with the option of extending or cancelling the lease when there is reasonable certainty that the lessee will exercise this option.

Should there be a change during the non-cancellable period of a lease, the term of said lease will be revised.

Recognition and measurement

As a lessee, the Group recognizes at the date the lease enters into force a right-of-use asset and a lease liability, in line with the payments established in the contract and its estimated term. The initial measurement of the asset is made at cost, and that of the liability is made at the present value of future payments discounted at the incremental interest rate of the debt for said lease.

Subsequently, the right-of-use asset will be measured at cost minus amortization and the accumulated losses for the impairment in value, and adjusted where necessary by new measurement of the liability. In the case of contract review, the liability will be newly measured, discounting the modified lease payments.

The result for the period will recognize amortizations expenses and interest on the liability, and where relevant the variable lease payments not included in the initial measurement.

As a lessor, the Group recognizes the assets it holds as financial leases for the amount equal to the net lease investment measured using the implicit interest for the lease, and presenting them as a caption pending collection. Subsequently, financial income is recognized during the lease term, recording a constant periodic return on net investment. For operation leases, income from payments for the lease are recognized linearly or through another systematic method if it is more representative.

Exemptions

The Group, as a lessee, applies the exemptions contemplated to not include short-term contracts (by underlying asset class) as leases, and for those in which the underlying asset has limited value (contract by contract), recognizing lease payments as expenses linearly for the lease term, or through another systematic method if it is more representative.

5.5. FINANCIAL INVESTMENTS

Recognition

Financial assets traded on secondary securities markets are generally recognized on the settlement date.

Classification

Financial investments are classified in the following portfolios:

- Held-to-maturity portfolio

This includes the securities for which there is the intention and proven financial capacity to hold them until their maturity.

- Available-for-sale portfolio

This includes debt securities not classified in other portfolios and the capital instruments of companies that are not controlled, associated or joint arrangements and that are not included in the "Trading portfolio".

- Trading portfolio

This includes financial assets originating or acquired with the objective of selling them in the short term, that are part of a portfolio of financial instruments identified and managed together for which there is proof of recent actions to obtain gains in the short term.

Derivative instruments not assigned to a hedging operation and hybrid financial assets completely valued at their fair value are also part of this portfolio.

Financial swaps of cash flow exchanges are recognized at the accrued amount for the principal operations, recording in accounting the total amount from cash flows in the headings "Other financial liabilities" and "Corporate and other receivables", as relevant.

In hybrid financial assets that simultaneously include a main contract and a financial derivative, these two components are separated and treated independently for the purpose of classifying and valuing them. When this separation is not possible, they are valued at their fair value.

Valuation

In their initial recognition on the balance sheet, all financial investments are recognized at the fair value of the compensation received plus, in the case of financial investments not classified in the "trading portfolio", the transaction costs that are directly attributable to their acquisition. Fair value is the price that would be received for the sale of a financial asset through a transaction ordered between market participants on the date of valuation.

Subsequently, financial investments are measured at their fair value without deducting any transaction cost that may be incurred due to their sale or any form of disposition, with the following exceptions:

- a. Financial investments included in the "held-to-maturity portfolio", which are measured at their amortized cost using the effective interest rate method.
- b. Financial assets that are capital instruments whose fair value cannot be reliably estimated, as well as derivatives that are underlying for these instruments and that are settled by providing them, and that are measured at cost.

The fair value measurement of financial investments included in the available-for-sale portfolio and the trading portfolio are classified according to the levels of the variables used in their valuation:

- Level 1. Quoted price: Unadjusted price quoted in active markets.
- Level 2. Observable data: Prices quoted in active markets for instruments similar to the one being valued or other valuation techniques in which all the significant variables are based on observable market data. The valuation is made via a model that discounts future financial flows, including the reimbursement value, using a rate curve with two main components:
 - Zero coupon swap curve of the currency of the issuance, which is considered to be the best approximation to the risk-free interest rate.
 - Spread of the additional risk, which will be the spread added to or subtracted from the zero coupon swap curve that reflects the risks inherent to the issuance being valued, such as credit, liquidity or optionality risk.
- Level 3. Other valuations: Variables specific to each case. For these purposes, it is possible to distinguish between:
 - Equity assets, where in general the realizable value is estimated according to the individual characteristics of the asset.

- Fixed-income assets with complex future flow structures (interest rates linked to financial variables, with caps and/or floors) and one or more early redemptions, and in which the issuer has no similar issuances on the market or any unquoted issuances from an issuer with no similar issuances. In these cases, the assets are usually valued by requesting a valuation from a benchmark third party.

Impairment

The book value of financial investments is corrected under the consolidated income statement when there is objective evidence that an event which entails a negative impact on its future cash flows has occurred or in any other circumstance that would indicate the inability to recover the investment cost of the financial instrument. The amount of losses due to impairment is equal to the difference between its book value and the current value of its future estimated cash flows.

For fixed-income securities in which there is a defaulted interest and/or principal, the potential loss is estimated according to the situation of the issuer. For all other fixed-income securities, an analysis is undertaken based on their credit quality and the degree of solvency of the issues, proceeding to record the impairment if the risk of non-payment is considered to be likely.

For equity instruments, an individual analysis of the investments is undertaken to determine whether or not impairment has occurred. Furthermore, impairment is considered to have occurred when there are prolonged (18 months) or significant (40 percent) decreases in market value in terms of its cost.

The amount of estimated impairment losses is recognized on the consolidated income statement, also including any reduction of the fair value of the investments previously recognized in "Valuation change adjustments". The reversal is recognized in the consolidated income statement, except for in the case of equity instruments. In this case, the valuation adjustment recorded in prior years is not recognized in the income statement, but rather any increase in value is taken directly to equity.

5.6. INVESTMENTS ON BEHALF OF LIFE INSURANCE POLICYHOLDERS BEARING THE INVESTMENT RISK

These are made in fixed-income securities, equities and mutual funds which are measured at the acquisition cost when they are underwritten or purchased. The acquisition cost is adjusted as greater or lower value of the investment, as applicable, according to its fair value at the close of the period, determined as follows:

- Equities: at their market value (Level 1).
- Fixed-income securities: at the market value if this is representative (Level 1); if this is not the case, by restating the future flows, including the redemption value (Level 2).
- Mutual funds holdings: at their net asset value (Level 1).

Revaluations and depreciations of these assets are recorded as revenues or expenses in the consolidated income statement corresponding to the segment of the insurance unit.

5.7. IMPAIRMENT OF OTHER ASSETS

At the close of each financial year the Group assesses whether there are any signs that the asset items may have suffered a loss in value. If there are such signs, the recoverable value of the asset is estimated.

For assets that are not fit for use and intangible assets with an indefinite useful life, the recoverable value is estimated whether or not there are signs of impairment.

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

If there is an increase of the recoverable value of an asset other than the goodwill, the previously recognized impairment loss is reversed, increasing the book value of the asset to its recoverable value. This increase never exceeds the book value net of amortization that would have been recorded if an impairment loss had not been recognized in previous years. The reversal is recognized in the consolidated income statement, unless the asset has already been revalued against "Valuation change adjustments", in which case the reversal is treated as a revaluation increase. After this reversal, the amortization cost is adjusted in the following periods.

5.8. INVENTORIES

Inventories, which include mainly parcels of land, are recognized at the lower amount between their net acquisition cost and their net realizable value.

5.9. RECEIVABLES

These assets are generally valued using the amortized cost, calculated according to the effective interest rate method, deducting, if applicable, the provisions for losses due to noted impairment in value.

For receivables with a maturity exceeding one year and where the parties have not expressly agreed on the applicable interest, the receivables are discounted by taking the current market interest rate for public debt securities with the same or similar maturity as the receivables as the implicit financial interest, without prejudice to taking into account the relevant risk premium.

When there is objective evidence that an impairment loss was incurred, the corresponding provision is constituted for the amount estimated not to be recoverable. This amount is equivalent to the difference between the book value of the asset and the current value of the future cash flows, discounted at the original effective interest rate of the financial asset, and the loss is recognized on the year's consolidated income statement.

The impairment loss corresponding to premiums pending collection is calculated separately for each line or risk, is presented in the consolidated income statement as a lower amount of written premiums, and consists of the part of the insurance premium accrued in the period which, based on past experience, is unlikely to be collected, taking into account the impact of reinsurance.

The impairment is recognized in the consolidated income statement as an overall amount according to the age of the premiums pending collection, or on an individual basis where dictated by the circumstances and status of receivables.

Receivables for claim recoveries are only capitalized when their realization is considered as certain.

Contingent assets are not subject to recognition in the financial statements. However, when income realization is practically certain, the corresponding asset is not considered contingent and therefore is recognized.

5.10. CASH

Cash consists of cash (cash in hand and bank deposits) and cash equivalents, which correspond to highly liquid short-term investments (maximum three months) that can be easily converted into fixed amounts of cash and are subject to insignificant risk of change in value.

5.11. ACCRUAL ADJUSTMENTS

Under this heading of the asset, what are basically included are commissions and other acquisition expenses corresponding to the accrued premiums that can be allocated to the period between the closing date and the end of coverage of the contracts. The expenses are allocated to the results actually incurred in the period in accordance with the limit stipulated in the technical conditions.

At the same time, under this liability heading, commissions and other acquisition expenses for the ceded reinsurance that have to be allocated to the year or following years in accordance with the coverage period of the ceded policies are included.

5.12. NON-CURRENT ASSETS HELD FOR SALE AND ASSOCIATED LIABILITIES

These are generally valued, if applicable, at the lower amount between their book value and fair value, deducting sale costs. Sales costs are understood as marginal costs directly attributable to the disposal, excluding, if applicable, financial costs and tax on profit expenses.

Non-current assets classified as held-for-sale are not amortized and losses due to the impairment of their book value are recognized on the consolidated income statement. Likewise, if a recovery of the value occurs this is recognized on the consolidated income statement up to an amount equal to the impairment loss previously recognized.

5.13. TREASURY STOCK

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

All transactions performed with treasury stock are recognized in equity as a change in the value of shareholders' equity.

5.14. FINANCIAL LIABILITIES AND SUBORDINATED LIABILITIES

Financial liabilities classified as held-for-trading

In their initial recognition, these are recorded at the gross amount received, allocating transaction costs directly to results. Subsequently, they are recorded at fair value, allocating changes to the income statement.

Other financial liabilities

In their initial recognition on the balance sheet, they are recorded at fair value, which is the net amount received, deducting transaction costs which are directly attributable to the issuance of the financial liability, like commissions, formalization costs, taxes, fees, etc... Subsequently, these liabilities are measured at their amortized cost, applying the effective interest rate for financial liabilities.

5.15. INSURANCE OPERATIONS

A) PREMIUMS

Direct insurance

Premiums from the Non-Life business and Life annual renewable contracts are recognized as revenues throughout the validity of the contracts, in accordance with the period of time elapsed, and accrued by means of the allowance to the provision for unearned premiums.

Premiums from the long-term Life business, whether single premiums or regular premiums, are recognized when the right to collection by the contract issuer arises.

Ceded reinsurance

These are recorded in accordance with underwritten reinsurance contracts and under the same criteria as those used for direct insurance.

Accepted and retroceded reinsurance

These are posted based on the accounts received from the ceding companies and additionally, in retroceded reinsurance operations, underwritten retrocession contracts are considered.

Co-insurance

These are recorded in line with the accounts received from the opening company and the participation in contracts underwritten.

B) TECHNICAL PROVISIONS

The main assumptions and methods used to establish the provisions are described below.

a. Direct insurance of companies belonging to the European Economic Area

Provision for unearned premiums

This is calculated on a policy-by-policy basis and reflects the insurance premium accrued during the period subject to allocation to future periods, less the security surcharge.

Provision for unexpired risks

This is calculated on an individual business line basis and supplements the provision for unearned premiums for the amount in which this provision does not sufficiently reflect the valuation of risks and expenses to be covered, corresponding to the coverage period not elapsed at the closing date.

For the Automobile line, this provision has been calculated taking into account all the guarantees covered with the products marketed by the different companies.

Provisions for Life insurance

- In Life insurance policies with a coverage period equal to or less than one year, the provision for unearned premiums is calculated on a policy-by-policy basis and reflects the insurance premium accrued in the period subject to allocation to future periods.

When this provision is not sufficient, the provision for unexpired risks is calculated to cover the valuation of risks and expenses to be covered, corresponding to the coverage period not elapsed at the closing date for the financial year.

- In Life insurance policies with a coverage period exceeding one year, the mathematical provision has been calculated on a policy-by-policy basis as the difference between the current actuarial value of the future obligations of the controlled companies operating in this line, and those of the policyholder or insured person. The calculation basis is the inventory premium accrued in the period, represented by the pure premium plus the surcharge for administration expenses, both determined using the best estimates for mortality, illness, investment yields and administration expenses when the contracts are issued, as specified in the technical conditions of the relevant products and types, and remaining unchanged throughout the life of the contract unless their inadequacy becomes evident, in which case the calculation of the mathematical provision would be changed.

Written policies that contain a profit sharing clause in force at the close of each period share, pro rata to their mathematical provisions or technical results and as specifically set out in each contract, in the net yields obtained from the investments allocated to covering these provisions. The amount resulting from this profit sharing is recorded as a greater amount than the technical provisions.

- This consolidated balance sheet heading also includes the provision for profit sharing and for premium returns, which includes the amount of profits accrued in favor of policyholders, insured persons or beneficiaries and the premiums that must be reimbursed to policyholders or insured persons.

Provision for outstanding claims

This represents the estimated appraisals of the pending liabilities arising from the claims occurring prior to the close of the period, less any advance payments already made. It includes the appraisals of claims pending settlement or payment and pending reporting, as well as the internal and external expenses involved in the settlement of claims. In the Life insurance business, it also includes maturities and redemptions pending payment. The calculations take into account any additional provisions for deviations in the appraisals of long-tail claims.

Other technical provisions

The most significant provision included under this heading is the "Burial Insurance Provision", which is calculated on a policy-by-policy basis as the difference between the current actuarial value of future obligations of the controlled companies operating in this line and those of the policyholder or insured person.

For certain portfolios, the Burial insurance provision is calculated using methods based on group capitalization, with a financial-actuarial restatement being made of projected flows of premiums and expected claims up to the expiration of the collective insurance.

Technical provisions for Life insurance where policyholders bear the investment risk

The provisions for Life insurance where the contract stipulates that the investment risk will be fully borne by the policyholder have been calculated on a policy-by-policy basis and are measured according to the assets specifically allocated to determine the value of the rights.

b. Direct insurance of companies outside the European Economic Area

Technical provisions are calculated in line with the local criteria in force in each country, except in the cases when their application could distort the true and fair image that must be shown in the financial statements, in which case they are adapted to the controlling company's criteria.

Life insurance provisions have been calculated in line with the operating assumptions, mortality tables and technical interest rate commonly used in the industry in the respective countries.

c. Ceded reinsurance

Technical provisions for cessions to reinsurers are shown in the balance sheet assets and are calculated according to the written reinsurance agreements and under the same criteria as those used for direct insurance.

d. Accepted reinsurance

Provision for unearned premiums

Reinsurance operations are recorded based on the accounts received from the ceding companies and the provision for unearned premiums is estimated by provisioning the recorded unearned premium according to the average period of policy coverage.

The acquisition expenses communicated by the ceding companies are accrued and included in the consolidated balance sheet under the heading "Accrual adjustment" of the asset, with these expenses corresponding to those actually incurred in the period. When the cedants do not communicate the acquisition expense amounts, they are accrued risk by risk for the facultative proportional reinsurance and globally for the rest of the proportional business.

Provision for unexpired risks

This is calculated on an individual business line basis and supplements the provision for unearned premiums for the amount in which this provision does not sufficiently reflect the valuation of risks and expenses to be covered corresponding to the coverage period not elapsed at the closing date.

Provision for outstanding claims

Provisions for outstanding claims are provided for the amounts communicated by the cedant or, in the lack thereof, for the withheld deposits, and include, where necessary based on available historic information, additional provisions for claims that were incurred but not reported (IBNR) as well as for deviations of the existing ones based on own experience. The final expected cost is estimated and provisioned based on experience and through the use of actuarial methods.

e. Retroceded reinsurance

Retroceded reinsurance operations and their corresponding technical provisions are recorded using the same criteria as those used for accepted reinsurance and according to the underwritten retrocession contracts.

f. Liability adequacy test

The recorded technical provisions are usually subject to a reasonability test for the purpose of determining their adequacy on the basis of projections of all future cash flows of current contracts, taking into account the temporary value of the money and using assumptions (economic, biometric, etc.), in line with the experience of each company. If the result of this test indicates the inadequacy of the provisions, they are adjusted and charged to the results for the period.

g. Shadow accounting

In order to mitigate the accounting asymmetries arising from applying different valuation methods for assets and liabilities, and to reflect the effect of profit sharing of the insured persons, EU-IFRS allow “shadow accounting”, which means that losses or gains in the allocated assets are recognized when measuring technical provisions, up to the limit of the amounts assumed by the policyholder.

C) OTHER ASSETS AND LIABILITIES DERIVED FROM INSURANCE AND REINSURANCE CONTRACTS

a. Deposit components in insurance contracts

Some Life insurance contracts contain both an insurance component and a deposit component. The two components are not measured separately because all the rights and obligations arising from the deposit component are recognized.

b. Embedded derivatives in insurance contracts

Some Life insurance contracts contain embedded derivatives, essentially consisting of guaranteed surrender and maturity values. Embedded derivatives are not measured separately from the main insurance contract because they fulfill the conditions to be classified as insurance contracts, and their embedded value is therefore measured jointly with the main contract, pursuant to EU-IFRS 4.

c. Insurance contracts acquired in business combinations or portfolio transfers

Insurance contracts acquired in business combinations or portfolio transfers are recognized on the balance sheet as follows:

C.1) The liabilities arising from the insurance contracts are recorded pursuant to EU-IFRS 4.

C.2) An intangible asset is recorded, representing the difference between:

- The fair value of the rights acquired and all the other assumed contractual obligations, and
- The amount described in Section C.1) above.

This intangible asset is amortized in accordance with the policies in force at the time of the purchase and the future generation of profits from them.

D) CLAIMS

The estimated cost of claims, both from the Life and Non-Life business, is recognized on the date of their occurrence and includes all necessary expenses to be incurred up to the settlement of the claim.

The best estimate of the cost of IBNR claims prior to the end of each financial period, based on past experience, are reported through the IBNR provision.

Payments of claims are made against the previously recognized provision.

Claims corresponding to accepted reinsurance are recorded in line with the accounts received from the ceding companies, estimating the final expected cost. In the case of ceded and retroceded reinsurance, they are recorded according to the underwritten reinsurance contracts and under the same criteria used for the direct insurance and accepted reinsurance, respectively.

E) MOST SIGNIFICANT ASSUMPTIONS AND OTHER SOURCES FOR ESTIMATING UNCERTAINTIES

For assets, liabilities, revenues and expenses related to insurance contracts, as a general rule, the assumptions used are those that were made when issuing these contracts, as specified in the technical conditions.

In general, the estimates and assumptions used are reviewed regularly and are based on past experience and other factors that might have been deemed more reasonable. If these reviews lead to changes in estimates in a given period, their effect shall be applied during that period and, where relevant, in subsequent periods.

The main assumption is based on the behavior and development of the claims, using their frequency and costs in recent years. Likewise, estimates and assumptions about interest rates and foreign currency exchange, delays in paying claims and any other external factor that could affect the estimates are taken into account.

For liabilities, assumptions are based on the best possible estimate when issuing the contracts, and if an insufficiency became evident, the provisions required to cover it would be constituted.

F) IMPAIRMENT

When there is objective evidence that a loss was incurred due to impairment of the assets derived from insurance and reinsurance contracts, the general valuation criteria indicated in Note 5.9. Receivables is applied.

5.16. PROVISIONS FOR RISKS AND EXPENSES

These are recognized when there is a current obligation (whether legal or implicit) as a result of a past event and a reliable estimate of the obligation amount can be made.

If it is highly likely that part or all of a provision will be reimbursed, the reimbursement is recognized as a separate asset.

5.17. DEBT

Valuations are generally carried out at the amortized cost using the effective interest rate method.

For debts with a maturity exceeding one year and when the parties have not expressly agreed on the applicable interest, they are discounted by taking the interest in force in the market for public debt securities with the same or similar term as the maturity of the debts as the implicit financial interest, without prejudice to taking into account the relevant risk premium.

5.18. GENERAL CRITERION FOR REVENUES AND EXPENSES

Recognition of revenue from non-insurance activities is made when the promised goods or services are transferred to a customer, in line with the contract between them, considering that a good or service has been transferred when the client obtains control of it (be it over a period of time or in a specific moment). The amount recognized corresponds to the amount of the consideration the company is entitled to for the transfer of the goods or services.

5.19 REMUNERATION FOR EMPLOYEES

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

a. Short-term remuneration

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

b. Post-employment benefits

These 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 plans in which the company in question 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 amount of benefits to be received by employees is determined by the contributions made plus the yield obtained by the investments in which the fund was materialized.

Defined benefit plans

These are plans in which the benefits to be received by employees at the moment of their retirement, are normally set according to factors like remuneration.

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

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

Actuarial gains and losses are recorded in equity accounts.

c. Compensation for termination

This is recognized as a liability and expense when there is evidence of an 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.

d. Other medium and long-term remuneration and share-based payments

Other long-term remunerations besides those described in the preceding paragraphs and referring specifically to the reward for years of service or time with the company, are recorded in line with the aforementioned principles. The only exceptions are the cost of past services, which is recognized immediately and recorded as an offsetting entry under the heading "Provisions for risks and expenses", and actuarial gains and losses which are recorded on the consolidated income statement.

Incentive plans

In 2019 a medium-term incentive plan was approved for certain members of the MAPFRE executive team. The plan is extraordinary, non-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 fulfilling certain corporate and individual objectives, as well as remaining in the Group's employment. The incentives will be paid partly in cash (50 percent) and partly in MAPFRE S.A. shares (50 percent), and payment is subject to malus or clawback clauses.

At the close of each year, the fulfillment of objectives are evaluated and the amount accrued is recorded in the consolidated income statement under a liability heading for the part of the remuneration paid in cash and under an equity heading for the part corresponding to equity instruments. The valuation of the part of the incentive paid in MAPFRE S.A. shares takes into account the fair value of the equity instruments assigned at the transfer date, based on the terms and conditions of the plan.

Each year, until the vesting 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.

In 2021, MAPFRE launched a Stock-option plan for employees in Spain, with the aim of increasing their tie to the company's future profits and strategy. The plan offers the option of voluntarily dedicating an annual amount of remuneration toward acquiring MAPFRE S.A. shares, which will be delivered on a monthly basis over the course of 2022. 4,704 employees have signed up for the plan, 43 percent of the company's total employees in Spain. At the close of 2021, it is not necessary to record anything in accounting for this plan.

5.20. REVENUES AND EXPENSES FROM INVESTMENTS

These are classified in line with the designation of the investments they come from; as operating expenses if they are assigned to cover technical provisions, or as equity if they are related to the materialization of shareholders' equity.

Changes in fair value are recorded according to the portfolio in which financial investments are classified:

a. Trading portfolio

Recorded directly in the consolidated income statement distinguishing between the part attributable to yields, which are recognized as interest or, if applicable, as dividends, and the part that is recorded as realized and unrealized results.

b. Held-to-maturity portfolio

Recorded when the financial instrument is disposed of and in case of impairment.

c. Available-for-sale portfolio

Recognized directly in the company's equity until it is written off or impairment occurs, at which time they are recorded in the consolidated income statement.

In all cases, the interest of financial instruments is recorded on the consolidated income statement by applying the effective interest rate method.

5.21. RECLASSIFICATION OF EXPENSES BY DESTINATION AND ALLOCATION TO ACTIVITY SEGMENTS

The criteria to follow for reclassifying expenses by destination are mainly based on the position held by each of the employees, distributing their direct and indirect cost according to this position.

For expenses directly or indirectly related to personnel, individual studies are undertaken, allocating them to the destination according to the use of these expenses.

The established destinations are as follows:

- Claims-related expenses
- Expenses allocated to investments
- Other technical expenses
- Other non-technical expenses
- Acquisition expenses
- Administration expenses
- Operating expenses from other activities

Expenses have been allocated to the different segments, according to the Business Unit or Regional Area in which the activity originated:

5.22. TRANSACTIONS AND BALANCES IN FOREIGN CURRENCY

With the exception of reinsurance activities, transactions in foreign currencies are translated into each Group company's functional currency at the exchange rate in force on the transaction date.

Reinsurance operations in foreign currency are recorded at the exchange rate established at the beginning of each quarter of the year. Subsequently, at the end of each quarter, they are all treated as one operation, being converted at the exchange rate in force at the time and recording the resulting difference on the consolidated income statement.

At year end, the existing balances in foreign currencies are translated at the exchange rate of the functional currency prevailing on that date, and all exchange differences are recorded in the consolidated income statement, the only exception being those which are directly allocated to "Currency conversion differences", i.e. those arising from the monetary items that form part of the net investment in a foreign operation and from the non-monetary ones measured at fair value, where changes in value are directly recognized in equity.

5.23. TAX ON PROFITS

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

In order to determine this, the balance sheet method is followed, whereby the corresponding assets and deferred tax liabilities necessary to correct the effect of temporary differences are recorded. These are differences that may exist between the book value of an asset or liability and its valuation for tax purposes.

Temporary differences may be "Temporary tax differences", which result in higher tax payments in the future and which generally entail the recognition of a deferred tax liability; or "Deductible temporary differences", which result in lower tax payments in the future and, to the extent in which it is returnable, the registration of a deferred tax asset.

Meanwhile, tax on profits related to items where modifications in their value are directly recognized in equity is not allocated to the consolidated income statement but to equity, and the changes in value are recorded net of the tax effect.

a. Recognition of deferred tax liabilities

The Group recognizes deferred tax liabilities in all cases except those in which:

- They arise from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that does not affect the accounting result or the taxable income on the date of the transaction.
- They correspond to differences relating to investments in controlled, associated or joint arrangement companies over which the Group controls the moment of reversal and it is not probable that a reversal occurs in the foreseeable future.

b. Recognition of deferred tax assets

The Group recognizes deferred tax assets as long as:

- It is probable that there are sufficient future taxable profits to offset them. However, those assets that arise from the initial recognition of assets or liabilities in a transaction that is not a business combination and that does not affect the accounting result or the taxable income on the date of the transaction are not recognized.
- They correspond to temporary differences relating to investments in controlled, associated or joint arrangement companies to the extent that the temporary differences revert in the foreseeable future and positive future taxable benefits are expected to be generated to offset the differences.

c. Compensation

The Group only offsets assets and liabilities from tax on profits if there is a legal right to do so according to the tax authorities and it intends to liquidate debts coming from its net value or realize assets and liquidate debts simultaneously.

d. Deferred tax asset and liability valuation

The deferred tax assets and liabilities are valued by the tax rates applicable in the period in which assets are expected to be realized or liabilities paid.

The Group reviews the book value of the deferred tax assets and liabilities at the close of the period, and evaluates if conditions are fulfilled for recognizing deferred tax assets that had not previously been recognized.

6. BREAKDOWN OF FINANCIAL STATEMENTS

6.1. INTANGIBLE ASSETS

The following tables show the movements under this heading in the last two years:

2021

Item	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions or provisions	Disposals, cancellations or reductions	Closing balance
<u>COST</u>						
GOODWILL	1,848.5	58.1	(0.6)	24.2	(263.6)	1,666.6
OTHER INTANGIBLE FIXED ASSETS						
Portfolio acquisition expenses	1,080.5	6.5	4.3	—	(38.9)	1,052.4
Software	1,234.9	21.2	(4.2)	150.8	(16.1)	1,386.6
Other	381.7	7.2	40.9	119.1	(73.3)	475.6
TOTAL COST	4,545.6	93.0	40.4	294.1	(391.9)	4,581.2
<u>CUMULATIVE AMORTIZATION</u>						
OTHER INTANGIBLE FIXED ASSETS						
Portfolio acquisition expenses	(493.5)	(1.5)	—	(47.7)	31.7	(511.0)
Software	(780.0)	(9.5)	2.2	(110.5)	1.5	(896.3)
Other	(36.0)	(8.1)	(17.6)	(11.5)	17.8	(55.4)
TOTAL CUMULATIVE AMORTIZATION	(1,309.5)	(19.1)	(15.4)	(169.7)	51.0	(1,462.7)
<u>IMPAIRMENT</u>						
GOODWILL	(438.7)	(9.3)	—	—	253.8	(194.2)
OTHER INTANGIBLE ASSETS						
Portfolio acquisition expenses	(17.3)	—	—	—	6.8	(10.5)
Software	—	(0.1)	—	(2.5)	—	(2.6)
Other	—	—	—	—	—	—
TOTAL IMPAIRMENT	(456.0)	(9.4)	—	(2.5)	260.6	(207.3)
TOTAL GOODWILL	1,409.8	48.8	(0.6)	24.2	(9.8)	1,472.4
TOTAL OTHER INTANGIBLE ASSETS	1,370.3	15.7	25.6	97.7	(70.5)	1,438.8
TOTAL INTANGIBLE ASSETS	2,780.1	64.5	25.0	121.9	(80.3)	2,911.2

Figures in millions of euros

The additions in Other intangible assets in 2021 are primarily from:

- The assignment of the final acquisition price of the stake in MAPFRE SANTANDER PORTUGAL carried out in 2020 (Note 6.24).
- Advances for intangible fixed assets for the amount of 40 million euros.
- The signing of an exclusive distribution and sale agreement in Mexico which included a payment of 24.2 million euros.

The amounts shown in the Disposals, cancellations or reductions column in 2021 are mainly from written-off Goodwill and Portfolio acquisition expenses and/or impaired in previous years.

2020

Item	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions or provisions	Disposals, cancellations or reductions	Closing balance
<u>COST</u>						
GOODWILL	2,102.5	(109.3)	(68.1)	—	(76.6)	1,848.5
OTHER INTANGIBLE FIXED ASSETS						
Portfolio acquisition expenses	1,406.9	(239.5)	(87.0)	—	—	1,080.5
Software	1,253.1	(111.3)	1.7	164.6	(73.1)	1,234.9
Other	243.8	(9.3)	(51.2)	271.3	(72.9)	381.7
TOTAL COST	5,006.4	(469.3)	(204.7)	435.9	(222.7)	4,545.6
<u>CUMULATIVE AMORTIZATION</u>						
OTHER INTANGIBLE FIXED ASSETS						
Portfolio acquisition expenses	(559.3)	83.5	48.2	(66.0)	—	(493.5)
Software	(765.5)	70.2	0.1	(121.8)	37.1	(780.0)
Other	(41.7)	5.0	—	(2.8)	3.5	(36.0)
TOTAL CUMULATIVE AMORTIZATION	(1,366.4)	158.7	48.3	(190.5)	40.6	(1,309.4)
<u>IMPAIRMENT</u>						
GOODWILL	(329.3)	18.1	—	(127.5)	—	(438.7)
OTHER INTANGIBLE ASSETS						
Portfolio acquisition expenses	(10.4)	0.4	—	(7.3)	—	(17.3)
Software	(0.1)	—	—	(32.4)	32.5	—
Other	—	—	—	—	—	—
TOTAL IMPAIRMENT	(339.9)	18.5	—	(167.2)	32.5	(456.1)
TOTAL GOODWILL	1,773.2	(91.2)	(68.1)	(127.5)	(76.6)	1,409.8
TOTAL OTHER INTANGIBLE ASSETS	1,526.9	(201.0)	(88.3)	205.7	(73.0)	1,370.3
TOTAL INTANGIBLE ASSETS	3,300.1	(292.2)	(156.4)	78.2	(149.6)	2,780.1

Figures in millions of euros

The amounts shown as changes in scope in 2020 were mainly the result of the reclassification to Non-current assets held for sale of the intangible assets tied to the bancassurance business with Bankia (Note 6.9) and to the acquisition of the participation in the companies MAPFRE SALUD ARS and MAPFRE SANTANDER PORTUGAL (Note 6.24).

The additions in 2020 in Other intangible assets were primarily a result of the final assignation of the acquisition price of the participation in Santander Mapfre Seguros y Reaseguros S.A. (hereinafter SANTANDER MAPFRE) carried out in 2019 (Note 6.24), also included in the above table as Goodwill disposals.

The additions in 2020 in Software impairments mainly corresponded to the writedown in the United States in relation to technology updates in the transactional information systems software.

Intangible assets with an indefinite useful life

The useful life of the following intangible assets is considered indefinite since these assets are expected to contribute to future revenues for the Group indefinitely:

Item	Book value	
	12/31/2021	12/31/2020
Goodwill on consolidation	1,442.9	1,403.8
Goodwill on merger	29.5	6.0

Figures in millions of euros

The following tables provide detailed information on the cash-generating units to which the different goodwill items and portfolio acquisition expenses are allocated, as well as their book value and, if applicable, the impairment amount and amortization over the last periods.

• Goodwill

Cash-generating unit	Business and Geographic Area	Gross amount at source		Balance	2020		Balance	2021		Balance
		Millions in original currency	Currency	12.31.2019	Entries/ (write-offs)	Net impairment for the period	12.31.2020	Entries/ (write-offs)	Net impairment for the period	12.31.2021
<u>Goodwill on consolidation</u>										
MAPFRE VIDA	Life insurance (Spain)	258.4	EUR	212.6	—	—	212.6	—	—	212.6
GLOBAL RISKS	Insurance for Companies	40.8	EUR	40.2	—	—	40.2	—	—	40.2
GRUPO CORPORATIVO, L.M.L.	Non-Life Insurance (Mexico)	407.9	MXN	19.2	(2.5)	—	16.7	0.8	—	17.5
MAPFRE WARRANTY	Extended Warranty	11.4	EUR	11.1	—	—	11.1	—	—	11.1
BB MAPFRE PARTICIPAÇÕES	Insurance (Brazil)	350.3	BRL	77.6	(22.4)	—	55.2	0.1	—	55.3
MAPFRE SIGORTA	Insurance (Turkey)	156.8	TRY	23.5	(3.9)	(19.6)	—	—	—	—
BANKINTER VIDA	Life insurance (Spain)	160.5	EUR	160.5	—	—	160.5	—	—	160.5
CCM VIDA Y PENSIONES	Life and Pensions insurance (Spain)	81.3	EUR	81.3	—	—	81.3	—	—	81.3
MAPFRE USA	Non-Life Insurance (USA)	882.4	USD	650.7	(53.3)	—	597.4	44.3	—	641.7
MAPFRE AMERICA CENTRAL	Insurance (Central America)	9.0	PAB	8.0	(0.7)	—	7.3	0.6	—	7.9
CENTURY AUTOMOTIVE	Insurance and reinsurance (USA)	24.9	USD	22.2	(1.8)	—	20.4	1.4	—	21.8
BANKINTER SEGUROS GENERALES	Non-Life Insurance (Spain)	12.5	EUR	12.5	—	—	12.5	—	—	12.5
BANKIA VIDA SOCIEDAD DE SEGUROS Y REASEGUROS S.A.	Life insurance (Spain)	18.7	EUR	18.7	(18.7)	—	—	—	—	—
FUNESPAÑA	Funeral services (Spain)	17.9	EUR	17.9	—	—	17.9	—	—	17.9
VERTI VERSICHERUNG AG	Non-Life insurance (Germany)	125.5	EUR	125.5	—	—	125.5	—	—	125.5
VERTI ASSICURAZIONI S.P.A.	Non-Life Insurance (Italy)	101.3	EUR	46.7	—	(46.7)	—	—	—	—
PT ASURANSI BINA DANA ARTA TBK (ABDA)	Insurance (Indonesia)	1,384,263.8	IDR	65.2	(4.0)	(61.2)	—	—	—	—
CAJA GRANADA VIDA	Life insurance (Spain)	32.1	EUR	32.1	(32.1)	—	—	—	—	—
CAJAMURCIA VIDA	Life insurance (Spain)	23.7	EUR	23.7	(23.7)	—	—	—	—	—
SANTANDER MAPFRE	Non-Life Insurance (Spain)	76.6	EUR	76.6	(76.6)	—	—	—	—	—
MAPFRE SANTANDER PORTUGAL	Non-Life Insurance (Portugal)	9.7	EUR	—	9.7	—	9.7	(9.7)	—	—
Other		—		37.4	(1.9)	—	35.5	1.6	—	37.1
TOTAL GOODWILL ON CONSOLIDATION				1,763.2	(231.9)	(127.5)	1,403.8	39.1	—	1,442.9
<u>Goodwill on merger</u>										
BANKINTER VIDA (branch in Portugal)	Life and Pensions insurance (Portugal)	5.3	EUR	5.3	—	—	5.3	—	—	5.3
GRUPO FUNESPAÑA	Funeral Services (Spain)			—	—	—	—	24.2	—	24.2
TOTAL GOODWILL ON MERGER				10.0	(4.0)	—	6.0	23.5	—	29.5
TOTAL GOODWILL				1,773.2	(235.9)	(127.5)	1,409.8	62.6	—	1,472.4
<u>Goodwill in associated and multi-group undertakings</u>										
SALVADOR CAETANO AUTO (SGPS), S.A.	Services (Portugal)	11.3	EUR	11.3	—	—	11.3	—	—	11.3
PUY DU FOU ESPAÑA, S.A.	Activities and theme parks (Spain)	4.6	EUR	4.6	—	—	4.6	—	—	4.6
SOLUNION SEGUROS DE CREDITO, S.A.	Insurance (Spain)	12.9	EUR	12.9	—	—	12.9	—	—	12.9
Other		—		4.7	(3.2)	—	1.5	—	—	1.5
TOTAL GOODWILL IN ASSOCIATED AND MULTI-GROUP UNDERTAKINGS (EQUITY-ACCOUNTED) (*)				33.5	(3.2)	—	30.3	—	—	30.3

Figures in millions of euros

(*) Goodwill related to acquisitions of associated and multigroup entities is included as the higher of the investment values recorded in accounting via the equity method

• Portfolio acquisition expenses

Cash-generating unit	Business and Geographic Area	Gross amount at source		Initial	2020		Initial	2021		Initial
		Millions in original currency	Currency	12/31/2019	Entries/ (write-offs)	Amortization and net impairment for the period	12/31/2020	Entries/ (write-offs)	Amortization and net impairment for the period	12/31/2021
BANKINTER VIDA	Life and Pensions insurance (Spain and Portugal)	200.9	EUR	117.8	—	(9.8)	108.0	—	(9.7)	98.3
BANKIA VIDA SOCIEDAD DE SEGUROS Y REASEGUROS S.A.	Life insurance (Spain)	89.6	EUR	50.3	(44.8)	(5.5)	—	—	—	—
CCM VIDA Y PENSIONES	Life and Pensions insurance (Spain)	82.6	EUR	35.5	—	(3.9)	31.6	—	(3.3)	28.3
BB MAPFRE PARTICIPAÇÕES	Life Insurance (Brazil)	3,461.4	BRL	504.6	(144.1)	(24.9)	335.6	0.3	(24.4)	311.5
MAPFRE SIGORTA	Insurance (Turkey)	95.4	TRY	2.6	(0.4)	(2.2)	—	—	—	—
MAPFRE FINISTERRE	Non-Life Insurance (Spain)	87.9	EUR	35.3	—	(2.4)	32.9	—	(2.3)	30.6
VERTI VERSICHERUNG AG	Non-Life insurance (Germany)	23.5	EUR	11.3	—	(2.6)	8.7	—	(2.0)	6.7
PT ASURANSI BINA DANA ARTA TBK(ABDA)	Insurance (Indonesia)	481,941.5	IDR	10.1	(0.6)	(9.5)	—	—	—	—
CAJA GRANADA VIDA	Life insurance (Spain)	30.5	EUR	26.7	(23.9)	(2.9)	—	—	—	—
CAJAMURCIA VIDA	Life insurance (Spain)	41.0	EUR	36.7	(33.0)	(3.6)	—	—	—	—
MAPFRE SALUD ARS	Life Insurance (Dominican Republic)	3,740.1	DOP	—	52.9	(3.8)	49.1	4.3	(3.7)	49.7
Other		—	—	6.3	(0.4)	(2.1)	3.8	4.3	(2.3)	5.8
TOTAL PORTFOLIO ACQUISITION EXPENSES				837.2	(194.3)	(73.2)	569.7	8.9	(47.7)	530.9

Figures in millions of euros

The book value, net of any impairment, of each of the goodwill and portfolio acquisition expense items described above, and of the net assets associated with each cash-generating unit, is equal to or lower than the amount recoverable from the cash-generating unit to which they are allocated. The following table shows the recoverable value of the cash-generating units to which the main intangible assets are allocated at the close of the last two periods:

Cash-generating unit	Contrast value		Recoverable value	
	2021	2020	2021	2020
MAPFRE VIDA	2,079.0	2,030.8	4,058.7	4,595.3
BB MAPFRE PARTICIPACOES	167.8	160.8	902.2	1,168.7
BANKINTER VIDA (Spain)	225.4	230.4	474.6	445.7
CCM VIDA Y PENSIONES	136.3	135.5	149.0	159.6
MAPFRE USA	1,798.4	1,705.8	2,480.6	2,070.5
VERTI VERSICHERUNG AG	317.3	307.0	523.2	309.2
MAPFRE SIGORTA	—	88.1	—	88.1
VERTI ASSICURAZIONI S.P.A.	—	133.5	—	133.5
PT ASURANSI BINA DANA ARTA TBK (ABDA)	—	45.8	—	45.8

Figures in millions of euros

The calculation of the recoverable value of the cash-generating units takes into account the degree of economic development of the country in which the units operate as well as the degree of development of the insurance industry, measured by its weight in the country Gross Domestic Product, and other variables such as market share, projected performance of the commercial network, MAPFRE's past experience in the markets where the cash-generating units are present, etc.

The discount rate (ke) and perpetual growth rate (g), as defined below, are also taken into account:

1. Discount rate (ke) = Risk-free rate of the country + β * Risk premium of the equity market)
2. Perpetual growth rate (g): calculated according the long-term inflation projection issued by the International Monetary Fund (IMF)

The country risk rate usually corresponds to the actual yield of the 10-year Government bonds in local currency issued in the country in which the cash-generating unit operates, increased by the risk premium of the equity market estimated for the insurance industry. The market risk premium for the insurance industry is calculated by modulating the generic premium for the equity market by the Beta ratio for listed insurance companies compared with the region in which the cash-generating unit operates.

MAPFRE AND SUBSIDIARIES

Exceptionally, in 2020, as a result of the uncertainty generated by COVID-19, risk premiums, and subsequently discount rates, increased by an amount that oscillates between 0.4 and 3.1 percent depending on the business and country.

The risk-free rate applied ranged between -0.2 percent and 10.3 percent in 2021, and between -0.6 percent and 12.5 percent in 2020.

As a supplement for estimating the discount (ke) and perpetual growth (g) rates applied to the different cash-generating units analyzed, the external projections of international organizations and other benchmark entities in the field of company ratings are used.

The discount rates obtained as such applied to the discounted cash flows were used to calculate the recoverable value of the main cash-generating units are as follows:

Cash-generating unit	2021	2020
MAPFRE USA	6.3%	5.9%
MAPFRE VIDA, BANKINTER VIDA (Spain) and CCM VIDA Y PENSIONES	8.0%	7.7%
BB MAPFRE PARTICIPAÇÕES	14.6%	10.6%
VERTI VERSICHERUNG AG	4.9%	5.0%
MAPFRE SIGORTA	—%	17.7%
VERTI ASSICURAZIONI S.P.A.	—%	7.0%
PT ASURANSI BINA DANA ARTA TBK (ABDA)	—%	10.8%

The rates used to calculate the recoverable value of the cash-generating units are after taxes, as they are applied to cash flows that are also net of tax effects.

The estimated perpetual growth rates (g) applicable to the different cash-generating units are based on the long-term inflation projections included in the World Economic Outlook Database published by the International Monetary Fund. Said long-term inflation projections and the perpetual growth rates set on them, for the markets in which the main cash-generating units operate, are as follows:

Country	Long-term inflation forecast		Perpetual growth rate (g)	
	2021	2020	2021	2020
Spain	1.7%	1.6%	1.7%	1.6%
United States	2.3%	2.2%	2.3%	2.2%
Brazil	3.1%	3.3%	3.6%	3.8%
Germany	2.0%	1.7%	2.0%	1.7%
Turkey	—%	11.0%	—%	11.5%
Italy	—%	1.2%	—%	1.2%
Indonesia	—%	3.0%	—%	3.5%

Meanwhile, at least once a year each Group company analyzes the assumptions used to estimate future cash flows and updates them pursuant to actual results and past experience. In general, the cash flow projections for the first five years consider growth rates based on past experience, while in subsequent years the residual value is calculated, establishing perpetual revenues based on the cash flows of the last period of the estimates, with a perpetual growth rate calculated as described above.

In 2020, as a result of the uncertainty generated by COVID-19, the time horizon considered in Indonesia and Italy was the standard five years, with only Brazil considering a greater time horizon, in line with the duration of Banco Do Brasil agreements.

In 2021, a time horizon of 5 years was considered for all cash-generating units.

The most relevant hypotheses used to determine cash flows from the main cash-generating units are as follows:

Cash-generating unit	Average growth (1)		Average net result growth		Average capital requirement ratio (2)	
	2021	2020	2021	2020	2021	2020
MAPFRE USA	3.62%	1.94%	7.39%	5.48%	14.50%	15.98%
MAPFRE VIDA	(2.79)%	(1.01)%	(1.84)%	(0.96)%	3.89%	3.36%
BANKINTER VIDA	2.16%	2.46%	3.47%	1.96%	0.56%	0.46%
CCM VIDA Y PENSIONES	(3.00)%	(2.29)%	4.07%	0.58%	2.82%	2.18%
BB MAPFRE PARTICIPAÇÕES	13.33%	13.41%	13.80%	16.14%	13.18%	10.29%
VERTI VERSICHERUNG AG	4.62%	4.95%	10.41%	5.38%	26.75%	24.05%
MAPFRE SIGORTA	—%	15.17%	—%	11.31%	—%	30.26%
VERTI ASSICURAZIONI S.P.A.	—%	(4.11)%	—%	(25.89)%	—%	57.33%
PT ASURANSI BINA DANA ARTA TBK (ABDA)	—%	9.60%	—%	3.40%	—%	51.02%

(1) Premium growth for Non-Life business and managed assets for business with a large Life Savings component

(2) Premium ratio for Non-Life business and managed assets for business with a large Life Savings component

The ratios described above correspond to the average of the years comprising the time horizon of the projections (generally 5 years).

In the event of reasonable variations in any of the key assumptions, the book value is unlikely to be significantly higher than the recoverable value of the cash-generating units.

Specifically, the studies conducted for the main cash-generating units analyzed reveal the following sensitivity ranges in the event of unfavorable variations in the key assumptions:

- An increase of 1 percentage point in the discount rate applied to each cash-generating unit would imply reductions in the recoverable values of between 9.6 and 28.3 percent in 2021, and between 7.1 and 20.7 percent in 2020, which would only impact cash-generating units with a tighter margin, without the effect on any of those units being significant for the Group equity or financial situation. This same conclusion is reached if longer-term issues (30 years for currencies and countries that have these issues available) are used as the risk free rate instead of the 10-year Government Bond.
- A decrease of 0.25 percentage points in the perpetual growth rate applied to each cash-generating unit would imply reductions in the recoverable values of between 1.7 and 10.4 percent in 2021, and between 1.2 and 3.9 percent in 2020, which would not imply a relevant fall below the book value attributed to any of the units, and as such an impairment has not been provisioned.

If the analysis of the possible impairment of goodwill reveals a recoverable value below the book value, an individual study is conducted of all the key assumptions that have led to this situation, also taking into consideration the sensitivity ranges for calculating their impact.

The impairment loss recorded in 2020 from goodwill and portfolio acquisition expenses for MAPFRE SIGORTA, VERTI ASSICURAZIONI and ABDA, for a total amount of 127.5 and 7.3 million euros, respectively, originated in the uncertainty and negative development of macroeconomic data as a result of COVID-19, which led to:

- An increase in the discount rates applied to projected cash flows for the above-mentioned businesses.
- Moderation in medium and long-term growth expectations for the above businesses, with the subsequent effect on the updated result projections.
- A reduction in the time horizon considered for estimating cash flow to five years, used in the residual life calculation for VERTI ASSICURAZIONI S.P.A. and ABDA businesses.

6.2. PROPERTY, PLANT AND EQUIPMENT AND REAL ESTATE INVESTMENTS

Property, plant and equipment

The following tables show the movements under this heading in the last two years:

2021

Item	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions or provisions	Disposals, cancellations or reductions	Closing balance	Market value
<u>COST</u>							
REAL ESTATE FOR OWN USE							
Land and natural resources	29.0	2.9	(2.2)	1.5	(2.5)	28.7	90.6
Buildings and other structures	1,007.8	(0.2)	39.8	19.3	(25.2)	1,041.5	1,073.3
Lease right of use	331.5	4.5	21.1	49.6	(8.7)	398.0	252.4
OTHER PROPERTY, PLANT AND EQUIPMENT							
Vehicles	28.6	1.4	6.4	4.6	(7.9)	33.1	9.7
Furniture and fittings	487.7	1.2	6.6	29.9	(20.6)	504.8	148.3
Other property, plant and equipment	230.8	0.6	(12.0)	17.7	(34.6)	202.5	59.5
Advances and fixed assets in progress	3.4	0.2	(0.4)	10.3	(12.3)	1.2	0.4
Lease right of use	10.0	0.2	(1.8)	3.8	(1.0)	11.2	5.4
TOTAL COST	2,128.9	10.8	57.5	136.7	(112.8)	2,221.0	1,639.6
<u>CUMULATIVE DEPRECIATION</u>							
REAL ESTATE FOR OWN USE							
	(322.1)	(8.8)	(7.5)	(50.3)	(1.6)	(390.3)	—
OTHER FIXED ASSETS							
	(519.6)	(1.4)	12.8	(63.5)	44.1	(527.6)	—
TOTAL CUMULATIVE DEPRECIATION	(841.7)	(10.2)	5.3	(113.8)	42.5	(917.9)	—
<u>IMPAIRMENT</u>							
REAL ESTATE FOR OWN USE							
Land and natural resources	—	—	—	—	—	—	—
Buildings and other structures	(5.9)	—	—	(0.9)	0.7	(6.1)	—
OTHER FIXED ASSETS							
Other property, plant and equipment	(2.0)	—	—	—	—	(2.0)	—
TOTAL IMPAIRMENT	(7.9)	—	—	(0.9)	0.7	(8.1)	—
TOTAL REAL ESTATE FOR OWN USE	1,040.4	(1.6)	51.2	19.2	(37.3)	1,071.8	1,416.3
TOTAL OTHER FIXED ASSETS	238.9	2.2	11.6	2.8	(32.3)	223.2	223.3
TOTAL PROPERTY, PLANT & EQUIPMENT	1,279.3	0.6	62.8	22.0	(69.6)	1,295.0	1,639.6

Figures in millions of euros

2020

Item	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions or provisions	Disposals, cancellations or reductions	Closing balance	Market value
<u>COST</u>							
REAL ESTATE FOR OWN USE							
Land and natural resources	34.2	(6.4)	0.9	1.2	(1.0)	29.0	89.2
Buildings and other structures	1,038.6	(34.6)	6.5	16.0	(18.7)	1,007.8	1,077.5
Lease right of use	328.2	(26.1)	0.6	37.2	(8.4)	331.5	247.8
OTHER PROPERTY, PLANT AND EQUIPMENT							
Vehicles	31.8	(4.3)	0.3	2.7	(2.0)	28.6	9.0
Furniture and fittings	496.5	(20.7)	4.0	26.5	(18.6)	487.7	145.7
Other property, plant and equipment	255.9	(32.7)	(0.1)	23.1	(15.5)	230.8	75.9
Advances and fixed assets in progress	6.6	(0.2)	—	9.2	(12.2)	3.4	8.0
Lease right of use	3.3	3.3	—	3.9	(0.5)	10.0	5.4
TOTAL COST	2,195.2	(121.6)	12.2	119.9	(76.7)	2,128.9	1,658.6
<u>CUMULATIVE DEPRECIATION</u>							
REAL ESTATE FOR OWN USE	(279.4)	7.5	(1.3)	(49.8)	0.9	(322.1)	—
OTHER FIXED ASSETS	(526.6)	39.9	(3.0)	(58.4)	28.5	(519.6)	—
TOTAL CUMULATIVE DEPRECIATION	(806.0)	47.4	(4.3)	(108.2)	29.4	(841.7)	—
<u>IMPAIRMENT</u>							
REAL ESTATE FOR OWN USE							
Land and natural resources	—	—	—	(0.5)	0.5	—	—
Buildings and other structures	(10.0)	—	—	(0.5)	4.7	(5.9)	—
OTHER FIXED ASSETS							
Other fixed assets	(2.0)	—	—	—	—	(2.0)	—
TOTAL IMPAIRMENT	(12.0)	—	—	(1.0)	5.1	(7.9)	—
TOTAL REAL ESTATE FOR OWN USE	1,111.6	(59.6)	6.8	3.7	(22.1)	1,040.4	1,414.5
TOTAL OTHER FIXED ASSETS	265.5	(14.6)	1.2	7.0	(20.2)	238.9	244.1
TOTAL PROPERTY, PLANT & EQUIPMENT	1,377.1	(74.2)	7.9	10.7	(42.3)	1,279.3	1,658.6

Figures in millions of euros

Real estate investment

The following tables show the movements under this heading in the last two years:

2021

Item	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions or provisions	Disposals, cancellations or reductions	Closing balance	Market value
<u>COST</u>							
INVESTMENT IN REAL ESTATE							
Land and natural resources	404.7	0.5	(0.2)	93.9	(24.6)	474.3	422.8
Buildings and other structures	1,277.6	0.6	(27.2)	160.4	(156.7)	1,254.7	1,262.3
TOTAL COST	1,682.3	1.1	(27.4)	254.3	(181.3)	1,729.0	1,685.1
<u>CUMULATIVE DEPRECIATION</u>							
INVESTMENT IN REAL ESTATE	(298.2)	(0.6)	8.6	(21.7)	24.8	(287.1)	—
TOTAL CUMULATIVE DEPRECIATION	(298.2)	(0.6)	8.6	(21.7)	24.8	(287.1)	—
<u>IMPAIRMENT</u>							
INVESTMENT IN REAL ESTATE							
Land and natural resources	(138.7)	—	—	(4.5)	14.0	(129.2)	—
Buildings and other structures	(45.9)	(0.3)	0.2	(11.5)	4.8	(52.7)	—
TOTAL IMPAIRMENT	(184.6)	(0.3)	0.2	(16.0)	18.8	(181.9)	—
TOTAL REAL ESTATE INVESTMENT	1,199.5	0.2	(18.6)	216.6	(137.7)	1,260.0	1,685.1

Figures in millions of euros

The key additions recorded in 2021 correspond to real estate acquired by the Stable Income European Real Estate Fund (SIREF) as part of its regular activity.

The disposals for the year mainly includes the elimination of a building on Calle Mateo Inurria in Madrid which was handed over as a non-monetary contribution to a Group company, the shares of which were subsequently handed over to the constitution of the company MAP SL EUROPEAN INVESTMENT SARL, of which MAPFRE holds 50 percent. As a result of this transaction, MAPFRE Group recorded a gain of 33.6 million euros.

Impairment losses for the year are recorded in the "Allowance to the asset impairment provision" and the reversal under "Reversal of the asset impairment provision" in the consolidated income statement.

2020

Item	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions or provisions	Disposals, cancellations or reductions	Closing balance	Market value
<u>COST</u>							
INVESTMENT IN REAL ESTATE							
Land and natural resources	518.2	(2.4)	(1.2)	80.6	(190.5)	404.7	270.7
Buildings and other structures	1,343.0	(15.1)	(52.2)	78.2	(76.3)	1,277.6	1,428.0
TOTAL COST	1,861.2	(17.5)	(53.4)	158.9	(266.8)	1,682.3	1,698.7
<u>CUMULATIVE DEPRECIATION</u>							
INVESTMENT IN REAL ESTATE	(295.1)	1.7	12.1	(21.9)	5.0	(298.2)	—
TOTAL CUMULATIVE DEPRECIATION	(295.1)	1.7	12.1	(21.9)	5.0	(298.2)	—
<u>IMPAIRMENT</u>							
INVESTMENT IN REAL ESTATE							
Land and natural resources	(197.0)	—	0.1	(20.8)	79.0	(138.7)	—
Buildings and other structures	(45.7)	0.3	2.0	(2.8)	0.4	(45.9)	—
TOTAL IMPAIRMENT	(242.7)	0.3	2.1	(23.6)	79.4	(184.6)	—
TOTAL REAL ESTATE INVESTMENT	1,323.4	(15.5)	(39.2)	113.4	(182.5)	1,199.5	1,698.7

Figures in millions of euros

The amounts recorded as changes in scope in 2020 primarily came from the sale of 100 percent of the shares of MAQUAVIT INMUEBLES.

The disposals for the year for Land mainly included the reclassification to Non-current assets held for sale of MAPFRE INMUEBLES land with a sale agreement signed December 31, 2020 (Note 6.9).

The disposals for the year for Buildings and other structures mainly included the sale of an office building in Boston (USA) which generated a pre-tax gain of 19.6 million US dollars (17.1 million euros).

The amounts recorded as additions for land impairments came from the provision made in 2020 as a result of the review of the value of the most relevant land intended for residential development in Spain, from the fall in economic activity caused by COVID-19.

The market value of real estate investment and of real estate for own use basically represents the value determined by an independent appraiser that uses appraisal techniques based on the variables observed in the market (Level 2).

The appraisal methods commonly used are the cost method, the comparison method, the future rental income method and the abbreviated residual method, depending on the characteristics of the asset being appraised.

Moreover, most real estate corresponds to assets assigned to technical provisions and valuations are performed on a regular basis, as established for valuation reviews by the supervisory bodies of insurance activities.

MAPFRE AND SUBSIDIARIES

Revenues and expenses derived from real estate investments in 2021 and 2020 are shown in the table below:

Item	Type of investment							
	Operating investment		Equity		Other Activities		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
<u>Revenue from real estate investment</u>								
From rentals	42.1	43.2	1.0	0.9	6.1	14.2	49.2	58.3
Other	0.4	0.4	—	0.1	0.9	1.8	1.3	2.3
Gains on disposals	13.1	17.7	0.3	16.3	33.8	—	47.2	34.0
Total revenue from real estate investment	55.6	61.3	1.3	17.3	40.8	16.0	97.7	94.6
<u>Expenses from real estate investment</u>								
Direct operating expenses	18.4	19.1	—	—	—	0.5	18.4	19.6
Other expenses	9.7	5.3	—	—	6.6	7.1	16.3	12.4
Losses on disposals	1.2	18.0	—	—	0.4	—	1.6	18.0
Total expenses from real estate investment	29.3	42.4	—	—	7.0	7.6	36.3	50.1

Figures in millions of euros

6.3. LEASING

The Group is the lessee of right-of-use property and other intangible assets. These lease terms have an average duration of between 5 and 18 years, without renewal clauses stipulated in the agreements. There is no restriction on the lessee whatsoever regarding the prerogative to sign these leases.

The financial statements at the close of 2021 and 2020 include the following amounts:

Item	Real estate for own use		Other fixed assets		Total	
	2021	2020	2021	2020	2021	2020
ASSET						
Right-of-use (net book value)	252.4	247.8	5.4	4.8	257.8	252.5
LIABILITY						
Other financial liabilities (payment obligations)	280.6	269.2	5.7	5.0	286.3	274.2
INCOME STATEMENT						
Depreciation	(39.2)	(42.1)	(2.9)	(3.3)	(42.1)	(45.4)
Interest expenses	(14.4)	(14.3)	(0.8)	(0.6)	(15.2)	(15.0)

Figures in millions of euros

MAPFRE AND SUBSIDIARIES

Expenses from interests are recorded in the consolidated income statement in the headings “operating investment expenses” for the insurance business and “financial expenses” for other activities. The expenses for depreciation recorded are reclassified by purpose in line with the criteria indicated in note 5.21.

Expenses for short-term leases or leases with underlying assets with little value, not included in the above chart, stand at 25.6 million euros at the close of the 2021 financial year (26.7 million euros in 2020).

Item	Real estate for own use		Other fixed assets		Total	
	2021	2020	2021	2020	2021	2020
Less than one year	49.9	48.0	2.1	1.4	52.0	49.4
More than one year but less than five	149.3	138.4	5.0	1.0	154.3	139.4
More than five years	157.2	158.3	—	0.1	157.2	158.4
TOTAL	356.4	344.8	7.1	2.5	363.5	347.2

Figures in millions of euros

The rate applied for calculating debt follows a methodology based on interest rate curves by country and currency, applied individually.

The average weighted rate for real estate and other fixed assets reached 4.9 and 12.9 percent, respectively (4.7 and 8.1 percent in 2020).

The Group maintains the application deferral of EU-IFRS 16 for those short term lease contracts and/or those containing underlying assets with little value.

The Group is lessor of operating leases covering real estate. These lease terms have an average duration of 7.0 years, without renewal clauses stipulated in the agreements. There is no restriction on the lessee whatsoever regarding the prerogative to sign these leases.

The following chart shows the amounts corresponding to operating lease contract as a lessor at the close of the last two years:

Type of assets	Net book value	
	2021	2020
Real estate investments	862.4	839.1

Figures in millions of euros

Total payments for the period reached 56.1 million euros at the close of 2021 (67.0 million euros in 2020).

The future minimum payments for non-cancellable leases at the close of 2021 and 2020, not considering the financial discount, are as follows:

Payments from operating leases for the last two years is as follows:

Item	2021	2020
Less than one year	48.4	54.2
More than one year but less than five	130.4	149.6
More than five years	78.2	78.3
TOTAL	257.0	282.1

Figures in millions of euros

6.4. FINANCIAL INVESTMENTS

At December 31, 2021 and 2020 the composition of financial investments was as follows:

Item	Book value	
	2021	2020
HELD-TO-MATURITY PORTFOLIO		
Fixed income	1,505.2	1,556.9
Other investments	22.6	27.4
TOTAL HELD TO MATURITY PORTFOLIO	1,527.8	1,584.4
AVAILABLE-FOR-SALE PORTFOLIO		
Shares	1,988.5	1,890.3
Fixed income	26,131.4	27,759.1
Mutual Funds	694.1	431.8
Other	147.5	19.6
TOTAL AVAILABLE FOR SALE PORTFOLIO	28,961.5	30,100.7
TRADING PORTFOLIO		
Derivatives (not for hedging):		
Financial swaps	420.6	501.4
Options	—	1.1
Other investments:		
Shares	1,063.3	804.7
Fixed income	2,859.7	2,215.7
Mutual Funds	1,183.3	982.8
Hybrids	216.8	315.5
Deposits	—	—
Other	10.4	5.0
TOTAL TRADING PORTFOLIO	5,754.1	4,826.0

Figures in millions of euros

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

- When the asset is acquired, it is assigned to a specific portfolio (held-to-maturity, available for sale, or trading) depending on the characteristics of the liabilities to which it is going to be assigned and on the local and international legislation on accounting and insurance.
- The accounting nature of the portfolios dictates the type of valuation performed. However, at least once a month all assets are valued against the market using the valuation methods mentioned in Note 5.5 "Financial investments" (Level 1, Level 2 and Level 3).
- The valuations are performed directly by the Group's companies, although in some countries an independent financial institution carries them out in line with the local regulations.

The valuation policy is decided by the Investment Committees and/or Risk Committees, and is reviewed at least once a quarter.

Furthermore, the MAPFRE S.A. Executive Committee analyzes the value of all investments, gains and losses on a regular basis.

With regard to the sensitivity of fair value measurements, 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 there are no longer any observable market data.

SPPI Test

At the close of 2021 and 2020, the Group carried out an analysis of fixed-income securities classified in the held to maturity and available for sale portfolios, with the aim of determining which securities receive cash flows solely from payments of principal and interest, i.e. if they pass the SPPI test.

The results of said analysis is shown below, with a breakdown of book and fair values at December 31, 2021 and 2020, and the variation of the fair value during said periods.

Result	Book Value		Fair value			
			Amount		Variation	
	2021	2020	2021	2020	2021	2020
Pass SPPI test	27,235.0	28,505.0	27,275.2	28,643.0	1,965.5	1,634.6
Do not pass SPPI test	401.6	811.0	401.6	825.9	-5.2	29.7
TOTAL	27,636.6	29,316.0	27,676.8	29,468.9	1,960.3	1,664.3

Figures in millions of euros

Additionally, the following chart provides a breakdown of the credit rating of the financial assets that pass the SPPI test:

Rating	Amount passing SPPI test			
	Book value		Fair value	
	2021	2020	2021	2020
AAA	1,387.1	2,309.8	1,388.8	2,398.7
AA	2,742.4	2,978.9	2,742.4	2,974.6
A	13,379.6	14,529.7	13,379.7	14,527.1
BBB	6,967.7	6,597.8	6,981.8	6,614.4
BB OR LESS	2,219.8	1,561.5	2,245.2	1,600.7
NO CREDIT RATING	538.4	527.4	537.3	527.5
TOTAL	27,235.0	28,505.0	27,275.2	28,643.0

Figures in millions of euros

Held-to-maturity portfolio

The investments allocated to the held-to-maturity portfolio at December 31, 2021 and 2020 are shown below:

Item	Book value		Fair value						Revenue from interest				Impairment	
			Level 1. Quotation price		Level 2. Observable data		Level 3. Other measurements				Recorded loss		Reversal gains	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Fixed income	1,505.2	1,556.9	1,317.1	1,516.4	185.9	152.3	42.3	41.1	161.3	152.2	—	—	—	—
Other investments	22.6	27.4	15.1	20.2	0.1	0.1	7.4	7.1	2.5	2.0	—	—	—	—
TOTAL	1,527.8	1,584.4	1,332.2	1,536.6	186.0	152.4	49.7	48.2	163.8	154.2	—	—	—	—

Figures in millions of euros

In relation to Level 3 financial assets in the held-to-maturity portfolio, no significant transactions were carried out in 2021 and 2020.

Available-for-sale portfolio

The investments allocated to the available-for-sale portfolio, at December 31, 2021 and 2020 are shown below:

Item	Book value (fair value)						Impairment					
	Level 1. Quotation price		Level 2. Observable data		Level 3. Other measurements		Total		Recorded loss		Reversal gains	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Shares	1,882.9	1,819.1	104.0	71.0	1.6	0.2	1,988.5	1,890.3	(0.3)	(5.6)	—	—
Fixed income	17,733.1	21,530.6	8,382.4	6,224.0	15.9	4.5	26,131.4	27,759.1	(5.7)	(4.3)	—	—
Mutual Funds	321.1	212.7	67.7	36.9	305.3	182.2	694.1	431.8	—	(4.5)	4.5	—
Other	12.7	19.6	134.8	—	—	—	147.5	19.6	—	—	—	—
TOTAL	19,949.8	23,581.9	8,688.9	6,332.0	322.8	186.9	28,961.5	30,100.7	(6.0)	(14.4)	4.5	—

Figures in millions of euros

The valuation adjustments of portfolio investments, including the bancassurance business with Bankia reclassified to Non-current assets held for sale last year, amounted to 3.9 and 6.2 billion euros at December 31, 2021 and 2020 respectively, which have been recorded net of the tax effect on equity.

Transfers to the consolidated income statement of valuation adjustments of portfolio investments in previous years, undertaken during 2021 and 2020, amount to 179.0 and 120.4 million euros, respectively.

In 2021 and 2020, there were asset transfers from Levels 1 to Level 2 for the amount of 2.8 million and 1.4 billion euros, respectively.

There were no variations in valuation techniques at Levels 2 and 3.

A reconciliation of the opening and closing balances at the close of period for Level 3 financial assets in the available-for-sale portfolio is shown below:

Available-for-sale portfolio	Equity instruments and mutual funds		Debt securities		Other financial assets		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Opening balance	182.3	309.3	4.5	9.0	—	—	186.8	318.3
Acquisitions	470.2	157.7	15.8	1.6	—	—	486.0	159.3
Disposals	(479.2)	(25.0)	(0.1)	(1.7)	—	—	(479.3)	(26.6)
Transfer from Level 1 or 2	—	—	—	—	—	—	—	—
Transfer to Level 1 or 2	—	—	—	—	—	—	—	—
Amortization	—	—	—	—	—	—	—	—
Gains and losses	6.3	1.5	(2.5)	(4.3)	—	—	3.8	(2.7)
Other	127.3	(261.2)	(1.8)	(0.1)	—	—	125.5	(261.4)
Closing balance	306.9	182.3	15.9	4.5	—	—	322.8	186.9

Figures in millions of euros

At the close of 2021 and 2020, the impairment analyses performed for each security in the equity portfolios concluded that there was no significant impairment, or any signs of such, in any of the investments measured at their stock market quoted price as none of the objective situations determining this eventuality had occurred.

With respect to investments in unlisted assets, in 2021 and 2020, losses of 4.3 million euros were for the SAREB convertible bonds recognized in each year. No provisions were made during the periods 2021 and 2020 for significant impairment to investments in unquoted assets analyzed individually.

MAPFRE AND SUBSIDIARIES

At the close of 2021 and 2020, the Group had fixed-income assets as guarantees for financial swap operations with a market value of 269.2 and 585.3 million euros, respectively. These financial assets are classified in the available. The amount in 2020 includes financial assets from Bankia Vida that were included in the heading "Non-current assets classified as held for-sale". At the close of these years, the guaranteed assets amounted to 507.4 and 555.1 million euros, respectively. In both cases the guarantee matures on a daily basis, at which time a new guarantee is established or the existing guarantee is maintained or canceled. The existence of these guarantees mitigated the counterparty risk (CVA/DVA) on a large portion of the Group's derivatives.

Trading portfolio

The investments allocated to the trading portfolio at December 31, 2021 and 2020 are shown below:

Item	Book value (fair value)							
	Level 1. Quotation price		Level 2. Observable data		Level 3. Other measurements		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Derivatives (not for hedging)								
Financial swaps	—	—	420.6	501.4	—	—	420.6	501.4
Options	—	—	—	1.0	—	—	—	1.1
TOTAL DERIVATIVES (NOT FOR HEDGING)	—	—	420.6	502.5	—	—	420.6	502.5
Other investments								
Shares	992.2	800.4	69.9	—	1.2	4.3	1,063.3	804.7
Fixed income	2,407.1	1,779.9	452.6	435.7	—	—	2,859.7	2,215.7
Mutual Funds	1,144.5	884.6	12.4	90.0	26.4	8.2	1,183.3	982.8
Hybrids	—	45.3	216.8	270.2	—	—	216.8	315.5
Deposits	—	—	—	—	—	—	—	—
Other	0.3	3.6	1.5	1.3	8.6	—	10.4	5.0
TOTAL OTHER INVESTMENTS	4,544.1	3,513.9	753.2	797.2	36.2	12.5	5,333.5	4,323.6
TOTAL TRADING PORTFOLIO	4,544.1	3,513.9	1,173.8	1,299.7	36.2	12.5	5,754.1	4,826.0

Figures in millions of euros

During 2021 and 2020 no significant transactions were carried out involving Level 3 financial assets held for trading, and no transfers were made from/to this level.

Gains and losses recognized in the 2021 and 2020 results are as follows:

Item	Gains (Losses) allocated to results			
	Unrealized		Realized	
	2021	2020	2021	2020
Derivatives (not for hedging)				
Financial swaps	—	14.2	—	—
Options	—	—	—	(0.5)
TOTAL DERIVATIVES (NOT FOR HEDGING)	—	14.2	—	(0.5)
Other investments				
Shares	69.3	23.3	22.0	(4.9)
Fixed income	(39.5)	10.5	(10.7)	12.6
Mutual Funds	55.1	36.1	10.3	(6.3)
Hybrids	(0.2)	(2.1)	—	—
Deposits	—	—	—	—
Other	(16.1)	(5.8)	(4.4)	(1.0)
TOTAL OTHER INVESTMENTS	68.6	62.0	17.2	0.4
TOTAL TRADING PORTFOLIO	68.6	76.2	17.2	(0.1)

Figures in millions of euros

The main derivative instruments correspond to financial swaps of certain or predefined flows in which a Group company assumes the obligation to pay certain fixed or predefined amounts, usually stated in euros. The sum of 420.6 million euros was recorded in the trading portfolio for this item in 2021 (501.4 million euros in 2020).

Note 7 “Risk Management” provides a breakdown of the maturity of fixed-income securities.

6.5. INVESTMENTS ON BEHALF OF LIFE INSURANCE POLICYHOLDERS BEARING THE INVESTMENT RISK

The following table shows the breakdown for the “Investments on behalf of Life insurance policyholders bearing investment risk” heading at December 31, 2021 and 2020:

Item	Book value (fair value)						Earnings					
	Level 1. Quotation price		Level 2. Observable data		Level 3. Other measurements		Total		Unrealized		Realized	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Shares	721.6	590.0	18.9	14.3	—	—	740.5	604.3	93.6	(107.8)	0.1	0.3
Fixed income	202.5	198.7	747.1	933.2	—	—	949.6	1,131.9	25.1	3.6	(1.9)	11.3
Mutual funds holdings	1,266.6	765.7	0.6	0.6	—	—	1,267.2	766.3	61.6	19.5	5.8	0.9
TOTAL	2,190.7	1,554.4	766.6	948.0	—	—	2,957.3	2,502.4	180.3	(84.7)	4.0	12.4

Figures in millions of euros

In the balance of “Mutual funds”, the amount of Group company majority shareholdings in mutual funds linked to Life insurance where the policyholder bears the investment risk is included, for a total of 449.9 and 321.6 million euros to December 31, 2021 and 2020, respectively. The breakdown of the assets this appears in is the following:

Item	2021	2020
Fixed income	198.6	101.1
Mutual funds	198.3	185.3
Other	53.0	35.2
TOTAL	449.9	321.6

Figures in millions of euros

6.6. RECEIVABLES

The breakdown of the "Receivables" heading at December 31, 2021 and 2020, as well as impairment losses and gains on reversals recorded in the last two years are as follows:

Item	Gross amount		Impairment		Net balance on balance sheet		Impairment			
	2021	2020	2021	2020	2021	2020	Recorded losses		Reversal gains	
							2021	2020	2021	2020
Receivables on direct insurance and co-insurance operations	3,928.7	3,524.4	(36.7)	(47.1)	3,892.0	3,477.3	(8.5)	(14.5)	7.1	6.7
Receivables on reinsurance operations	823.5	1,047.8	(31.8)	(35.5)	791.7	1,012.2	(1.7)	(16.1)	2.7	15.6
Tax receivables	365.1	331.5	—	—	365.1	331.5	—	—	—	—
Corporate and other receivables	564.9	557.1	(19.0)	(19.0)	545.9	538.1	(3.9)	(2.8)	3.3	1.4
TOTAL	5,682.2	5,460.7	(87.5)	(101.6)	5,594.7	5,359.2	(14.1)	(33.4)	13.1	23.6

Figures in millions of euros

The heading "Receivables on direct insurance and co-insurance operations" includes premiums pending collection from policyholders and mediators, while the heading "Receivables on reinsurance operations" includes outstanding balances from ceded, retroceded and accepted reinsurance operations.

The breakdown for the "Corporate and other receivables" heading at the close of the last two years is as follows:

Corporate and other receivables	Amount	
	2021	2020
Debtors of sales or provision of services	149.2	94.1
Receivables for claim recovery (including collaboration agreements with other insurance companies)	54.5	39.4
Advance payment of policies (Life insurance)	19.4	20.5
Legal deposits	258.3	269.8
Receivables with Public Administrations	12.0	11.6
Balance receivables from personnel	27.3	28.2
Other debtors	25.2	74.6
TOTAL	545.9	538.1

Figures in millions of euros

Impairment is calculated and, where necessary, recognized, as described in the accounting policy 5.9 "Receivables" in this annual report.

The balances included in the "Receivables" heading do not accrue interest and generally their liquidation is executed the following year.

6.7 ASSET IMPAIRMENT

The following tables show asset impairment for the last two periods:

2021

Impairment in:	Opening balance	Adjustments to the opening balance	Changes to the scope	Recorded in results		Write-off of asset	Closing balance
				Increase	Decrease		
Intangible assets	456.0	9.4	—	2.5	—	(260.6)	207.3
I. Goodwill	438.7	9.3	—	—	—	(253.8)	194.2
II. Other intangible assets	17.3	0.1	—	2.5	—	(6.8)	13.1
Property, plant and equipment	7.9	(0.1)	—	0.9	(0.5)	—	8.2
I. Real estate for own use	5.9	(0.1)	—	0.9	(0.5)	—	6.2
II. Other property, plant and equipment	2.0	—	—	—	—	—	2.0
Investments	301.4	0.4	(0.8)	22.0	(10.4)	(16.4)	296.2
I. Real estate investments	184.6	0.3	(0.2)	16.0	(5.9)	(12.9)	181.9
II. Financial investments	—	—	—	—	—	—	—
-Held-to-maturity portfolio	—	—	—	—	—	—	—
- Available-for-sale portfolio	105.9	0.1	—	6.0	(4.5)	(3.3)	104.2
-Trading portfolio	—	—	—	—	—	—	—
III. Investments recorded by applying the equity method	10.1	—	—	—	—	—	10.1
IV. Deposits established for accepted reinsurance	—	—	—	—	—	—	—
V. Other investments	0.8	—	(0.6)	—	—	(0.2)	—
Inventories	91.7	—	—	1.1	(1.0)	—	91.8
Receivables	101.6	(14.8)	—	14.1	(13.1)	(0.3)	87.5
I. Receivables on direct insurance and co-insurance operations	47.1	(11.8)	—	8.5	(7.1)	—	36.7
II. Receivables on reinsurance operations	35.5	(2.4)	—	1.7	(2.7)	(0.3)	31.8
III. Tax receivables	—	—	—	—	—	—	—
IV. Social security and other receivables	19.0	(0.6)	—	3.9	(3.3)	—	19.0
Other assets	0.1	—	—	—	—	—	0.1
TOTAL IMPAIRMENT	958.7	(5.1)	(0.8)	40.6	(25.0)	(277.3)	691.1

Figures in millions of euros

2020

Impairment in:	Opening balance	Adjustments to the opening balance	Changes to the scope	Recorded in results		Write-off of asset	Closing balance
				Increase	Decrease		
Intangible assets	339.9	(18.5)	—	167.2	—	(32.5)	456.0
I. Goodwill	329.3	(18.1)	—	127.5	—	—	438.7
II. Other intangible assets	10.6	(0.4)	—	39.7	—	(32.5)	17.3
Property, plant and equipment	12.0	—	—	1.0	(2.7)	(2.4)	7.9
I. Real estat for own use	10.0	—	—	1.0	(2.7)	(2.4)	5.8
II. Other property, plant and equipment	2.0	—	—	—	—	—	2.0
Investments	354.6	(0.3)	(2.1)	38.1	(6.2)	(82.7)	301.4
I. Real estate investments	242.7	(0.3)	(2.1)	23.6	(6.2)	(73.2)	184.6
II. Financial investments	—	—	—	—	—	—	—
-Held-to-maturity portfolio	—	—	—	—	—	—	—
- Available-for-sale portfolio	93.2	—	—	14.4	—	(1.7)	105.9
-Trading portfolio	—	—	—	—	—	—	—
III. Investments recorded by applying the equity method	10.1	—	—	—	—	—	10.1
IV. Deposits established for accepted reinsurance	—	—	—	—	—	—	—
V. Other investments	8.6	—	—	0.1	—	(7.9)	0.8
Inventories	80.8	—	—	11.9	(0.9)	—	91.7
Receivables	112.2	(18.5)	—	33.4	(23.6)	(1.8)	101.6
I. Receivables on direct insurance and co-insurance operations	57.2	(16.5)	—	14.5	(6.7)	(1.4)	47.1
II. Receivables on reinsurance operations	37.4	(2.0)	—	16.1	(15.6)	(0.5)	35.5
III. Tax receivables	—	—	—	—	—	—	—
IV. Corporate and other receivables	17.6	—	—	2.8	(1.4)	—	19.0
Other assets	—	0.1	—	—	—	—	0.1
TOTAL IMPAIRMENT	899.5	(37.3)	(2.1)	251.5	(33.5)	(119.5)	958.7

Figures in millions of euros

6.8. CASH FLOW

Expenditure

Over the course of 2021 and 2020, several disbursements were made related to investments in Group companies and the acquisition of businesses. The most significant acquisitions were as follows:

Acquiring company	Company	Details of acquisition		Amount disbursed
		Percentage	Activity	
2021				
MAPFRE INTERNACIONAL	MAPFRE PERÚ VIDA	32.46%	Insurance	109.2
MAPFRE ENERGÍAS RENOVABLES I, FCR	ENERGÍAS RENOVABLES IBERMAP SL	80.00%	Energy production	100,6
2020				
MAPFRE SEGUROS GERAIS	MAPFRE SANTANDER PORTUGAL	50.01%	Insurance	14.4
MAPFRE DOMINICANA	MAPFRE SALUD ARS	51.00%	Insurance	36.2

Figures in millions of euros

On September 17, MAPFRE Group acquired an additional 32.46 percent of the share capital of MAPFRE PERÚ VIDA for the amount of 109.2 million euros, raising its holding in this company to 99.87 percent. This acquisition implied a negative adjustment in MAPFRE Group's consolidated reserves, for the amount of 83.3 million euros, as a result of the excess paid over the value of MAPFRE PERÚ VIDA's consolidated shareholders' equity.

On the other hand, during the 2021 financial year, the Group has established, together with Iberdrola, the joint venture vehicle ENERGÍAS RENOVABLES IBERMAP SL. Said investment has been channeled through the MAPFRE ENERGÍAS RENOVABLES I FCR fund and has involved the disbursement of 100.6 million euros to date.

The aforementioned investments were financed using shareholders' equity and bank loans.

Payments received

In 2021 and 2020, there was a cash inflow from payments received from sale operations. the most notable of which were:

- On December 29, MAPFRE and Caixabank formalized the resolution of their bancassurance agreements, which implies MAPFRE having received 570.8 million euros corresponding to the valuation of 51 percent of the BANKIA VIDA entity, and an extraordinary result of 167.1 million euros.

- In May 2021, 100 percent of participation in INDUSTRIAL RE was sold for the amount of 30.8 million euros and 3.5 million euros of profits.

On October 27, 2020, the sale of 100 percent of the shares of MAQUAVIT INMUEBLES, for the consideration of 50.3 million euros, was formalized and payment was received in full at said date. This sale generated a gain of 14.1 million euros.

Commitments

Non-controlling interests of the MAPFRE RE subsidiary have a put option on the shares of this company. If exercised, MAPFRE S.A. or a Group company would have to acquire the shares from the selling non-controlling shareholder. The purchase price for the MAPFRE RE shares will be calculated using the previously agreed formula. At December 31, 2021 and 2020, considering the variables included in the aforementioned formula, the commitment assumed by the Group if this option were exercised would amount to a total of approximately 112.0 and 110.3 million euros, respectively.

No significant non-monetary transactions related to investment and financing activities have been excluded from the cash flow statement.

6.9. NON-CURRENT ASSETS HELD FOR SALE, ASSOCIATED LIABILITIES AND DISCONTINUED OPERATIONS

At December 31, 2021 and 2020 the main non-current assets held for sale, discontinued operations and associated liabilities were as follows:

Item	Non-current assets classified as held-for-sale		Discontinued operations		Total	
	2021	2020	2021	2020	2021	2020
<u>Assets</u>						
Intangible assets	2.3	281.4	—	—	2.3	281.4
Property, plant and equipment	15.2	65.2	—	—	15.2	65.2
Investments	237.8	7,656.0	—	—	237.8	7,656.0
Credits	24.1	24.2	—	—	24.1	24.2
Cash	40.3	83.7	—	—	40.3	83.7
Other assets	57.6	49.0	—	—	57.6	49.0
Total assets	377.3	8,159.5	—	—	377.3	8,159.5
<u>Related liabilities</u>						
Technical provisions	87.4	6,599.6	—	—	87.4	6,599.6
Provision for risks and expenses	2.5	—	—	—	2.5	—
Deferred tax liabilities	—	48.4	—	—	—	48.4
Other debts	33.9	615.9	—	—	33.9	615.9
Total liabilities	123.8	7,263.9	—	—	123.8	7,263.9

Figures in millions of euros

Non-current assets classified as held-for-sale and associated liabilities

The following is a description of the key transactions that generated assets and liabilities included in the above chart.

- Bancassurance business with Bankia

In September, 2020, the Bankia and Caixabank Boards of Directors approved the merger project for the two entities, which was executed via Caixabank's merger by absorption of Bankia in March 2021.

As a result, on December 31, 2020 the BANKIA VIDA assets classified as held for sale and the associated liabilities reached 7.8 and 7.2 billion euros, respectively.

On March 26, 2021, the merger carried out via Bankia S.A.'s absorption by Caixabank S.A. was executed.

Prior to this, Caixabank had informed MAPFRE of its decision to not terminate its exclusive distribution agreements with other insurance entities, which were incompatible with maintaining, after the merger, the agreements signed between MAPFRE and Bankia.

In light of this situation, MAPFRE formally announced that it exercised its right to terminate the agreements, leading to the business valuations carried out by an independent expert in order to determine, following the contractually established procedures, the amounts to be received for the price of its 51 percent stake in BANKIA VIDA and for compensation for the termination of its Non-Life distribution agreement.

On December 29, MAPFRE and Caixabank formalized, based on the valuations made by the independent expert, the resolution of said agreements in the following terms:

- Caixabank's acquisition from MAPFRE of its 51 percent holding of BANKIA VIDA for 323.7 million euros, which corresponds to 110 percent of the market value of the Life business determined by an independent expert.

- Resolution of the agency contract for the distribution of Non-Life insurance, with Caixabank paying MAPFRE 247.1 million euros, corresponding to 110 percent of the market value of the Non-Life business determined by the independent expert.
- Initiation of an arbitration process regarding MAPFRE'S right to receive from Caixabank, as set out in the terms of the contract, an additional 10 percent equivalent to 52.0 million euros.

This agreement has involved MAPFRE, in 2021, receiving 570.8 million euros, and an extraordinary result of 167.1 million euros, which could increase by 52 million euros (before taxes and non-controlling interests) if the arbitration process sides in favor of MAPFRE's interests.

Additionally, MAPFRE has expressed, both to the independent expert as well as to Caixabank, its disagreement with the value assigned to the Life business, as it was not measured in line with market methodology and criteria, in the terms of the mandate and the agreements, with the corresponding reserve of actions and rights. As a result, MAPFRE will soon be taking legal action to defend its legitimate interests.

• Sale of MAPFRE INMUEBLES land

In December 2020, MAPFRE INMUEBLES signed an agreement for the sale of land intended for residential development. At December 31, 2021 and 2020, the net accounting value of the land classified as held for sale reached 94.3 and 106.5 million euros, respectively.

- Direct insurance and Assistance entities

At December 31, 2021, Direct Insurance and Assistance entities, primarily in Asia, with disposal processes advanced to different degrees, have been reclassified to non-current assets classified as held for sale and related liabilities for the amount of 242.0 and 123.8 million euros, respectively.

- Sale of INDUSTRIAL RE

In 2020, the Group received a binding offer for the entity INDUSTRIAL RE, a company that has not had relevant activity for several years.

At December 31, 2020 INDUSTRIAL RE assets classified as held for sale and related liabilities reached 35.1 and 7.7 million euros, respectively.

In May, this transaction obtained the corresponding administrative authorizations and its execution generated a gross gain of 3.5 million euros for MAPFRE Group.

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- Sale of Rastreator and Preminen

In 2020, Admiral Group Plc announced the sale of Penguin Portals Group and the comparison site Preminen to RVU. Penguin Portal Group holds control of the online price comparison site Rastreator.

MAPFRE Group held 25 percent of Rastreator and 50 percent of Preminen, which were included in this transaction.

At December 31, 2020, the assets from Rastreator and Preminen classified as held for sale reached 8.0 and 7.7 million euros, respectively.

The transactions for both of these shareholdings were formalized and fully paid up in May, generating a gross gain of 14.0 million euros for MAPFRE Group.

- Funeral service business in Spain

In 2019, MAPFRE España and Santa Lucia S.A. signed a strategic alliance for the joint development of their respective funeral service businesses in Spain. The result of this alliance would have been a leading group in the Spanish funeral business market, with direct and indirect access to 100 percent of the territory.

The non-current assets held for sale and the related liabilities from the businesses contributed to this alliance reached 202.8 and 69.0 million euros, respectively, at the close of 2020.

Once the National Commission on Markets and Competition issued its resolution regarding the alliance for the joint development of the funeral service business between Albia and FUNESPAÑA, the governing bodies of MAPFRE decided to maintain the current shareholding in FUNESPAÑA within the Group scope and discontinue the merger project with Albia. As a result, at September 30, assets and liabilities from FUNESPAÑA were reclassified from the heading "Assets held for sale" and the associated liabilities to their respective accounts.

6.10. EQUITY

Share capital

The share capital is recorded by the face value of disbursed shares or whose disbursement was demanded.

The controlling company's share capital at December 31, 2021 and 2020 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 identical voting and dividend rights.

The Annual General Meeting of March 9, 2018 authorized the directors of the controlling company to increase the 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 69.7 and 67.6 percent of the share capital at December 31, 2020 and 2019, respectively.

All shares representing the share capital of the controlling company are admitted to official trading on the Madrid and Barcelona stock markets.

Treasury Stock

In 2021, 221,914 shares were given to directors of subsidiaries as part of variable remuneration schemes (203,905 in 2020), for the amount of 0.4 million euros (0.3 million in 2020). The difference between the price at which the shares were given to directors and their acquisition price, which reached (0.1) million euros in 2021 and 2020, was recorded in the "Reserves" heading. At December 31, 2021 and 2020, the controlling company owned 30,064,020 and 30,285,934 shares of treasury stock respectively, representing 0.98 percent of the capital, for the amount of 62.9 and 63.4 million euros, respectively.

At December 31, 2021 and 2020, no other Group company held shares in the controlling company.

Valuation change adjustments

This includes the equity reserves arising as a consequence of revenues and expenses recognized in each year which, pursuant to IFRS, must be recorded in the Group's equity accounts.

The following table shows the nature of the "Valuation change adjustments" recorded under that Equity heading at the close of the last two financial years:

Item	Amount	
	2021	2020
Fixed income		
Capital gains	2,481.1	5,396.6
Capital losses	(197.3)	(1,523.9)
Equity and Mutual Funds		
Capital gains	377.1	276.5
Capital losses	(19.6)	(63.3)
Shadow accounting	(1,839.3)	(2,787.0)
Other adjustments	3.3	(28.1)
TOTAL	805.3	1,270.7

Figures in millions of euros

Restrictions on the availability of reserves

The heading "Reserves" includes the controlling company's legal reserve, amounting to 61.6 million euros at December 31, 2021 and 2020, which may not be distributed to shareholders, except in the event of the controlling company's liquidation, and may only be used to offset potential losses. The same restriction applies to the legal reserves established by the subsidiaries and reflected in their balance sheets.

There are no other restrictions on the availability of reserves for any significant amount, except for those described in the section regarding "Tax incentives" in Note 6.20.

Capital management

Capital management is focused on ensuring stability and maintaining adequate remuneration, which are achieved through robust solvency margins, financial flexibility, the generation of cash flows, and the creation of value for shareholders.

Managed capital refers to the shareholders' equity permitted by the regulations currently in force and other management models used. The Group Solvency ratio offers great stability, backed by a high level of diversification and strict asset and liability management and investment policies.

In line with the Group's risk appetite, which corresponds to the level of risk that the Group is prepared to assume to attain its business objectives without any significant deviations (even in adverse circumstances), each business unit operates according to a series of risk tolerance levels based on the capital assigned.

MAPFRE AND SUBSIDIARIES

MAPFRE has an internal capitalization and dividend policy that is designed to provide the business units with the capital necessary to cover the risks that have been assumed, all in a rational and objective way.

The volume of dividends for distribution is established in line with the estimated results and shareholders' equity. If actual performance deviates from the estimates made, the assigned capital is revised.

Remuneration for shareholders is linked to the Group's profits, solvency, liquidity and investment plans, as well as shareholders' expectations.

As a general rule, the Board of Directors recommends a distribution of dividends to the Annual General Meeting based on between 45 percent and 65 percent of the result for the period attributable to the controlling company in its consolidated annual accounts.

The risk estimates and assignment of capital to each business unit are described in Note 7 of the annual report, "RISK MANAGEMENT".

The items that form part of the Group's available equity conform to the requirements of current regulations.

6.11. SUBORDINATED LIABILITIES

At December 31, 2021 and 2020, the balance of this account included the amortized cost of the subordinated debt issued by the controlling company, corresponding to the issuances in September 2018 and March 2017. The most relevant terms and conditions of these are described below:

Terms and Conditions	Issuance	
	September 2018	March 2017
Nominal amount	500.0	600.0
Issue date	9/7/2018	3/31/2017
Maturity	9/7/2048	3/31/2047
First call option	9/7/2028	3/31/2027
Interest rate		
- Until 1st call option	4.125%	4.375%
- After 1st call option	Euribor 3M + 4,30%	Euribor 3M + 4,543%
Listing	AIAF market	AIAF market
Rating	BBB-	BBB
Accrued unpaid interest at December 31, 2021 and 2020	6.5	19.8
Price at close of period		
- 2021	114.5%	113.8%
- 2020	116.3%	116.6%

Figures in millions of euros

Both issuances, issued under Spanish jurisdiction, contemplate:

- Redemption in special cases: due to reform or modification of tax regulations, non-classification as issuer's own funds, and change in treatment granted by the credit rating agencies.
- Interest deferral, where the issuer is obligated to defer interest payment should any Solvency Capital Requirement or Minimum Capital Requirement breach exist, or should the Relevant Regulator prohibit the issuer from making interest payments, or should the issuer be unable to meet regularly its due and payable liabilities.

6.12. FINANCIAL LIABILITIES

The following table shows the fair value breakdown of the financial liabilities:

Item	Book value		Fair value	
	2021	2020	2021	2020
Issue of debentures and other negotiable securities	862.8	1,005.6	925.1	1,088.1
Due to credit institutions	1,106.5	866.4	1,106.5	866.4
Other financial liabilities	2,368.6	1,596.7	2,360.4	1,594.4
TOTAL	4,337.9	3,468.7	4,392.0	3,548.9

Figures in millions of euros

At December 31, 2021 and 2020 the fair value of the issue of debentures and other negotiable securities corresponded to the quoted price at the close of the period (Level 1), including the accrued interest.

Issuance of debentures and other negotiable securities

At December 31, 2021 and 2020 the balance of this account included the amortized cost of the simple debentures issued by MAPFRE S.A. The most relevant terms and conditions governing issuing activity are described below.

- Issue type: simple debentures represented by book entries
- Nominal amount: 1 billion euros
- Issuance date: May 19, 2016
- Issuance period: 10 years
- Maturity: May 19, 2026

MAPFRE AND SUBSIDIARIES

- f. Redemption: single payment on maturity and at par, with no expense for the holder
- g. Listing: Fixed-income AIAF market
- h. Coupon: annual fixed 1.625 percent, payable on the anniversaries of the issue date up to and including the end maturity date
- i. Issue rating: A-

On December 15, 2021, a partial early debt cancellation was carried out for 1,427 securities corresponding to the issuance "MAPFRE S.A. SENIOR UNSECURED NOTES ISSUANCE 1-2016", for an aggregate principal amount of 142.7 million euros. The tender price was 155.9 million euros, generating a loss of 12.4 million euros.

The accrued interest outstanding at December 31, 2021 and 2020 amounted to 8.6 and 10.1 million euros, respectively. At December 31, 2021 and 2020 the securities were listed at 106.9 and 109.8 percent of their face value, respectively.

Debt payable to lending institutions

The breakdown of the amounts due to credit institutions at December 31, 2021 and 2020 is shown below:

Class of debt	Book value		Average interest rate %		Guarantees granted	
	2021	2020	2021	2020	2021	2020
Finance lease	2.5	0.1	1.62	5.96	—	—
Credits	786.5	611.9	0.53	0.49	—	—
Loans	317.5	254.4	0.84	0.87	—	—
TOTAL	1,106.5	866.4	—	—	—	—

Figures in millions of euros

- Credits

At December 31, 2021 and 2020 the main lines of credit were as follows:

Bank	Maturity	Limit		Drawn down	
		2021	2020	2021	2020
BANCO SANTANDER	2/26/2025	1,000.0	1,000.0	621.0	600.0
CITIBANK EUROPE	1/15/2022	250.0	—	78.0	—
BANCO SANTANDER	1/15/2022	78.0	—	78.0	—
TOTAL		1,328.0	1,000.0	777.0	600.0

The line of credit maturing on February 26, 2025 is a syndicated loan granted by a group of ten banking companies and which accrues interest at a rate pegged to market variables and in 2018, was novated, modifying the conditions and extending its maturity. Among the conditions modified, it is worth pointing out that it became sustainable financing, also linking its interest to the Group sustainability parameters.

The credits granted by Banco Santander and Citibank Europe, PLC, maturing on January 15, 2022, are bilateral lines of credit and they accrue interest at a variable rate linked to the annual Euribor plus a 0.45 percent differential.

- Loans

The breakdown of the main loans in force at December 31, 2021 and 2020 is as follows:

Bank	Period	Amount	
		2021	2020
MAPFRE VIDA	4/1/2026	91.7	110.0
MAPFRE ESPAÑA	2/21/2024	38.3	51.0
MAPFRE DOMINICANA	3/11/2027	26.3	28.9
TOTAL		156.3	189.9

Figures in millions of euros

MAPFRE AND SUBSIDIARIES

The MAPFRE VIDA and MAPFRE ESPAÑA loans accrue an interest rate linked to the Euribor, amortizing via flat, annual payments, the first being made two years from the date of the formalization of the loan in 2019.

The MAPFRE DOMINICANA loan accrues an interest rate linked to market variables and to Group sustainability parameters, amortizing via flat half-year payments.

Other financial liabilities

The heading "Other financial liabilities" includes the outstanding amount for financial obligations not included in any other items. The following table shows the breakdown at December 31, 2021 and 2020:

Other financial liabilities	Amount	
	2021	2020
Financial liabilities held for trading	9.5	5.5
Other financial liabilities measured at fair value with changes in P&L	599.8	529.4
Non-controlling interests in mutual funds (Note 3.2)	1,374.6	708.9
Financial liabilities from leases (Note 6.3)	286.3	273.1
Other financial liabilities	98.4	79.9
TOTAL	2,368.6	1,596.7

Figures in millions of euros

Additionally, there is a line of credit granted by CARTERA MAPFRE with a limit of 400.0 million euros, accruing interest at a variable rate linked to the quarterly Euribor, which matures September 10, 2022, and is renewable for successive annual periods. In 2021 and 2020, no drawdowns have been made on this loan.

At December 31, 2021 and 2020 the fair value of these liabilities did not differ significantly from their book value.

Regarding the fair value level, the fair value measurements of these liabilities are classified at Level 2, with the exception of the balance of "Non-controlling interests in mutual funds", valued at liquid value (mostly Level 1).

In 2021 and 2020 no financial liabilities were transferred between Levels 1, 2 and 3. Items are transferred between levels when they no longer meet the criteria for classification under a given level but meet those of one of the other levels. No adjustments were made for own credit risk in connection with the financial liabilities deriving from financial swap transactions, given that they are cash flow exchange operations whose current net value leads to a balance in favor of the counterparty. In any event, the application of adjustments for own credit risk in these transactions would not have a material effect on the income statement or on the company's equity.

6.13. TECHNICAL PROVISIONS

1. Breakdown of the composition of technical provisions

The following table shows the balance composition of each of the technical provisions listed on the balance sheet of the last two years.

Item	Direct insurance		Accepted reinsurance		Ceded and retroceded reinsurance	
	2021	2020	2021	2020	2021	2020
<u>Provisions for Non-Life unearned premiums and unexpired risks</u>						
1.1 Provision for unearned premiums	6,574.0	6,253.8	1,031.6	915.7	1,887.0	1,582.0
1.2 Provision for unexpired risks	31.9	25.9	1.1	—	—	—
<u>Life insurance provisions</u>						
2.1 Provisions for unearned premiums and unexpired risks						
2.1.1. Provision for unearned premiums	1,343.0	1,194.8	436.5	328.2	21.1	16.0
2.1.2. Provision for unexpired risks	18.7	19.8	—	—	—	—
2.2 Mathematical reserves	17,255.9	17,976.9	35.4	69.2	33.3	39.6
<u>Provisions for outstanding claims</u>						
3.1 Pending settlement or payment	7,928.4	7,514.3	3,160.2	2,458.8	3,808.0	3,404.6
3.2 Claims incurred but not reported (IBNR)	739.1	1,000.6	73.7	97.3	310.6	311.1
3.3 For claim settlement internal expenses	68.4	136.1	16.3	3.4	24.2	22.6
<u>Other technical provisions</u>						
4.1 Burial	1,182.0	1,117.8	—	—	—	2.2
4.2 Other	72.1	77.6	—	—	0.4	0.5
TOTAL	35,213.5	35,317.6	4,754.8	3,872.5	6,084.6	5,378.6

Figures in millions of euros

2. Movement of each of the technical provisions
2.1. Provisions for unearned premiums, unexpired risks, claims, profit-sharing and other technical provisions
a. DIRECT INSURANCE AND ACCEPTED REINSURANCE

2021

Item	Opening balance	Adjustments to the opening balance	Changes to the scope	Provisions	Reversals	Closing balance
<u>Provisions for Non-Life unearned premiums and unexpired risks</u>						
1.1 Provision for unearned premiums	7,169.5	94.7	(30.7)	8,530.1	(8,158.0)	7,605.6
1.2 Provision for unexpired risks	25.9	20.8	(32.6)	30.5	(11.6)	33.0
<u>Life insurance provisions</u>						
2.1 Provisions for unearned premiums and unexpired risks						
2.1.1. Provision for unearned premiums	1,523.0	11.7	7.1	1,716.9	(1,479.2)	1,779.5
2.1.2. Provision for unexpired risks	19.8	(4.4)	—	6.2	(2.9)	18.7
2.2 Mathematical provisions	18,046.1	(66.1)	812.1	414.1	(1,915.0)	17,291.3
2.3 Provision for profit sharing	—	—	—	—	—	—
<u>Provisions for outstanding claims</u>						
3.1 Life Direct Insurance	931.4	(19.7)	37.9	1,577.2	(1,561.5)	965.3
3.2 Non-Life Direct Insurance	7,719.7	(107.0)	(24.3)	7,489.4	(7,307.2)	7,770.6
3.3 Accepted reinsurance	2,559.4	(17.0)	(3.4)	5,309.2	(4,598.0)	3,250.2
<u>Other technical provisions</u>	1,195.5	(0.5)	(2.9)	1,243.9	(1,181.9)	1,254.1
TOTAL	39,190.3	(87.4)	763.2	26,317.5	(26,215.3)	39,968.3

Figures in millions of euros

2020

Item	Opening balance	Adjustments to the opening balance	Changes to the scope	Provisions	Reversals	Closing balance
<u>Provisions for Non-Life unearned premiums and unexpired risks</u>						
1.1 Provision for unearned premiums	8,205.2	(713.8)	(5.7)	8,965.8	(9,282.0)	7,169.5
1.2 Provision for unexpired risks	38.1	(0.7)	(0.1)	13.8	(25.2)	25.9
<u>Life insurance provisions</u>						
2.1 Provisions for unearned premiums and unexpired risks						
2.1.1. Provision for unearned premiums	1,659.1	(374.3)	(40.4)	2,067.8	(1,789.2)	1,523.0
2.1.2. Provision for unexpired risks	24.9	(5.3)	(0.2)	4.2	(3.7)	19.8
2.2 Mathematical provisions	24,900.1	(204.2)	(6,208.5)	2,195.2	(2,636.6)	18,046.1
<u>Provisions for outstanding claims</u>						
3.1 Life Direct Insurance	1,292.6	(188.5)	(263.5)	1,067.5	(976.7)	931.4
3.2 Non-Life Direct Insurance	8,782.1	(829.0)	24.9	6,649.3	(6,907.7)	7,719.7
3.3 Accepted reinsurance	2,549.3	(73.0)	—	4,613.8	(4,530.7)	2,559.4
<u>Other technical provisions</u>	1,069.9	(5.5)	(2.8)	1,176.4	(1,042.5)	1,195.5
TOTAL	48,521.4	(2,394.4)	(6,496.3)	26,753.8	(27,194.4)	39,190.2

Figures in millions of euros

MAPFRE AND SUBSIDIARIES

The amounts reflected as changes in scope in 2020 primarily came from the reclassification of Liabilities associated with non-current assets held for sale of the technical provisions of the bancassurance business with Bankia (Note 6.9)

The amounts of the provisions and reversals of technical provisions shown in the tables above are recorded in headings "Changes in provisions for unearned premiums and unexpired risks" "Claims paid and variation in provision for claims, net", and "Variation in other technical provision" on the consolidated income statement.

b. CEDED AND RETROCEDED REINSURANCE

2021

Item	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions	Reversals	Closing balance
Provision for unearned premiums	1,582.0	84.3	(28.6)	2,598.4	(2,349.1)	1,887.0
Provisions for Life insurance	55.6	1.8	—	46.3	(49.3)	54.4
Provision for outstanding claims	3,738.4	(79.9)	(21.9)	6,506.7	(6,000.5)	4,142.8
Other technical provisions	2.6	(0.2)	—	0.1	(2.1)	0.4
TOTAL	5,378.6	6.0	(50.5)	9,151.5	(8,401.0)	6,084.6

Figures in millions of euros

2020

Item	Opening balance	Adjustments to the opening balance	Change to the scope	Additions	Reversals	Closing balance
Provision for unearned premiums	2,010.4	(243.7)	(0.2)	2,805.0	(2,989.5)	1,582.0
Provisions for Life insurance	57.0	(4.5)	(0.7)	56.1	(52.3)	55.6
Provision for outstanding claims	4,313.9	(479.6)	(3.1)	5,658.7	(5,751.5)	3,738.4
Other technical provisions	4.8	(2.9)	—	0.7	—	2.6
TOTAL	6,386.0	(730.7)	(4.0)	8,520.5	(8,793.3)	5,378.6

Figures in millions of euros

2.2. Mathematical provisions

Item	Direct insurance and accepted reinsurance		Ceded and retroceded reinsurance	
	2021	2020	2021	2020
Mathematical provisions at beginning of year	18,046.1	24,900.1	39.6	50.5
Adjustments to the opening balance	(66.1)	(204.2)	(2.1)	(10.5)
Business combinations	812.1	—	—	—
Premiums	2,459.0	1,335.5	—	2.6
Technical interests and related investment yields	382.2	452.5	0.7	3.8
Claim payments/collections	(1,915.0)	(2,636.6)	(4.8)	(6.5)
Provision adequacy test	—	—	—	—
Shadow accounting adjustments	(1,610.4)	402.8	—	—
Other	(816.7)	4.4	(0.1)	0.2
Deconsolidation (balance of provision on deconsolidation date)	—	(6,208.5)	—	(0.5)
Mathematical provisions at end of year	17,291.3	18,046.1	33.3	39.6

Figures in millions of euros

The exit from scope in 2020 was entirely a result of the previously mentioned reclassification of the mathematical provisions from the bancassurance business with Bankia.

2.3. Burial provision

Item	Direct insurance and accepted reinsurance	
	2021	2020
Provisions at beginning of year	1,117.9	1,002.2
Adjustments to the opening balance	—	—
Consolidation (balance of provision on consolidation date)	—	—
Premiums	88.7	94.9
Technical interest	10.5	25.0
Claim payments	(40.0)	(14.5)
Provision adequacy test	—	—
Other	4.9	10.3
Deconsolidation (balance of provision on deconsolidation date)	—	—
Provisions at end of year	1,182.0	1,117.9

Figures in millions of euros

3. Other information

3.1. Technical provisions for Life insurance where policyholders bear the investment risk

Item	Direct insurance and accepted reinsurance	
	2021	2020
Provision at beginning of year	2,502.4	2,510.2
Adjustments to the opening balance	4.8	(177.5)
Consolidation (balance of provision on consolidation date)	—	—
Premiums	895.3	603.3
Payment of claims	(651.6)	(250.1)
Asset valuation changes	215.4	(106.5)
Other	(9.0)	(9.5)
Deconsolidation (balance of provision on deconsolidation date)	—	(67.5)
Provision at end of year	2,957.3	2,502.4

Figures in millions of euros

3.2. Provision for unexpired risks

The provision for unexpired risks has been made by the Group's insurance companies in line with the criteria explained in Note 5.15.

3.3. Information related to Life insurance

No additional provisions for Life insurance deriving from the liability adequacy test were necessary. The characteristics of the main Life insurance types sold by the Group's companies in 2021 and 2020 are listed below.

MAPFRE AND SUBSIDIARIES

- Spain

Format	Coverage	Biometric tables		Technical	Profit sharing	
		First order	Second order		Amount	Distribution
MAPFRE VIDA						
Single premium group insurance contracts, with and without profit sharing:						
- Mod. 342. Group annuity	Longevity	PERM/F-2000P	% PER2012 COL ORDER 2	0.84%	—	MAPFRE network
- Mod. 308. Group Flexivida with interest and premium reimbursement	Longevity / Death	PASEM 2010	PASEM2020_Rel_2	2.40%	1.6	MAPFRE network
Single or regular premium, individual insurance contracts, where the policyholder bears the investment risk:						
- Mod. 459. Multifondos Open	Longevity / Death	PASEM 2010 MEN	% PASEM2020_NoRel_2	—%	—	MAPFRE network
- Mod. 521. Horizonte Inversión Program	Longevity / Death	PASEM 2020_NoRel_1H	% PASEM2020_NoRel_2	—%	—	MAPFRE network
BANKINTER SEGUROS DE VIDA						
Single premium individual contracts without profit sharing - B629	Annuity insurance with counterinsurance	PASEM 2010	% PERP20	1.27%	—	Bank channel
Single premium individual contracts without profit sharing - Riesgo B3000/Riesgo B664	Life Protection insurance	PASEM2010	% PASEM20	0,00% - 2,00%	—	Bank channel
Single premium individual contracts without profit sharing - B284	Life Protection insurance	GK95	% PASEM20	2.00%	—	Bank channel
Regular or single premium individual contracts with profit sharing Ahorro 3649	Guaranteed Savings insurance	PASEF 2010	% PASEM20	0.01%	—	Bank channel
Regular or single premium individual contracts with profit sharing Ahorro 3678	Guaranteed Savings insurance	PASEF 2010	% PASEM20	0.03%	0.1	Bank channel
Individual Unit-Linked contracts where the policyholder bears the investment risk - B281	Guaranteed Savings insurance	PASEM2020 I1	% PASEM20	—%	—	Bank channel
Single premium individual Unit-Linked contracts without profit sharing and with Risk range - 35T3	Guaranteed Savings insurance	PASEM 2010	% PASEM20	—%	—	Bank channel
Regular premium individual contracts without profit sharing. Ahorro 3715	Life Protection insurance	GKM80	% PASEM20	2.00%	—	Bank channel

[*]The second order tables in which use is indicted in % is because they are based on own experience.

The first order Biometric Tables used for “Pricing” starting in 2021 correspond to the tables published by the Resolution from the General Directorate for Insurance and Pension Funds on December 17, 2020, regarding the mortality and longevity tables to be used by insurance and reinsurance companies.

Life-Protection insurance uses the PASEM 2020 tables (Rel and Non R), and for Longevity insurance, depending on the type of business, own experience tables or PER 2020 (Ind. and Col.) are used.

MAPFRE AND SUBSIDIARIES

The first order Biometric Tables used for the calculation of "Provisions" are tables based on the company's own experience, in those businesses in which there is sufficient data. Where there is not sufficient data, the published tables are used. In any case, if the tables originally used in "Pricing" are more conservative, these same tables are used for the provision.

The Group is making use of the transitional period for adaptation of provisions to the new tables, which are considered sufficient based on the analysis of the Group's own experience. The additional provision to be made as a result of this adaptation is 14.2 million euros, which is immaterial on the Group equity and results. This provision is adapted in four years against results, as shown in the following chart:

Annual close	2021	2022	2023	2024
Provision	25%	50%	75%	100%

The tables used by the Group until 2020 were sufficient, based on the analysis of own experience, either because the tariff tables were sufficient or because said tables were reinforced according to the requirements in force at each moment.

The analysis of the Group own experience tables is based on the historic archives of the policies in force and the claims from the subsidiaries, and in the case of the Annuity business the National Death Index consultations.

The period of reference used was 2015-2019, and the technical surcharge applied are the same as those included in the published first order tables.

The second order Biometric Tables used for solvency calculations are based on the company's own experience in each type of business. The data sources and reference periods are generally the same as those indicated above. These tables correspond to the "best estimates" and do not include charges for uncertainty or risks.

- Other countries

Format	Coverage	Biometric tables	Technical interest	Profit sharing	
				Amount	Distribution
COMPANHIA DE SEGUROS ALIANÇA DO BRASIL					
Ouro Vida Revisado / BB seguro vida completo / BB Seguro Vida Mulher Mais / BB Seguro Vida Estilo /Ouro Vida Grupo Especial	Death / Disability	AT-49	—	—	Bank channel
Ouro Vida 2000 / BB seguro Vida Mulher / Other individual Life products	Death / Disability	AT-83	—	—	Bank channel
Other group Life products	Death / Disability	AT-83	—	—	Bank channel / broker
MAPFRE MSV LIFE					
Without profit sharing	Death	52% AMC00	Variable	—	Bank channel / broker
With profit sharing	Longevity / Death	54% AMC00	Variable	38.3	Bank channel / broker
Unit-linked	Longevity / Death	54% AMC00	Variable	—	Bank channel / broker
MAPFRE COLOMBIA VIDA					
Pensiones Ley 100	Longevity / Death / Disability / Funeral Assistance	Male/Female annuitants mortality tables (RV08) - Colombian disability mortality table (MI85)	Variable	—	MAPFRE network
Disability and Longevity Annuity	Death / Disability / Temporary Disability / Funeral Assistance	Male/Female annuitants mortality tables (RV08) - Colombian disability mortality table (MI85)	Variable	—	MAPFRE network

3.4. Progression of claims

The following table shows the progression of claims related to Non-Life direct insurance since the year of occurrence until the close of 2021 and 2020. It also shows the breakdown per year of occurrence of the provision for outstanding claims related to this insurance for the two periods.

2021

Year of occurrence of claims	Item	Year of occurrence	Trends in claim costs in the years after year of occurrence									
			1 year later	2 years later	3 years later	4 years later	5 years later	6 years later	7 years later	8 years later	9 years later	More than 9 years later
2011 and previous	Pending provision	9,162.3	4,198.2	2,596.1	1,551.6	1,115.0	813.2	643.5	656.3	483.4	366.0	187.2
	Cumulative payments	49,733.9	54,565.7	56,131.2	57,120.9	57,610.1	57,990.6	58,213.3	58,272.7	58,373.1	58,486.9	58,523.3
	TOTAL COST	58,896.2	58,763.9	58,727.3	58,672.5	58,725.1	58,803.8	58,856.8	58,929.0	58,856.5	58,852.9	58,710.5
2012	Pending provision	2,168.4	740.8	434.8	287.4	223.0	164.3	141.2	95.9	78.8	73.1	
	Cumulative payments	4,169.7	5,534.2	5,844.7	6,013.1	6,118.9	6,179.1	6,219.3	6,251.9	6,297.6	6,299.4	
	TOTAL COST	6,338.1	6,275.0	6,279.5	6,300.5	6,341.9	6,343.4	6,360.5	6,347.8	6,376.4	6,372.5	
2013	Pending provision	2,228.3	791.8	479.4	312.3	213.3	174.8	133.9	99.1	87.8		
	Cumulative payments	4,375.3	5,793.1	6,175.0	6,368.3	6,452.5	6,524.0	6,579.5	6,620.1	6,620.9		
	TOTAL COST	6,603.6	6,584.9	6,654.4	6,680.6	6,665.8	6,698.8	6,713.4	6,719.2	6,708.7		
2014	Pending provision	2,330.1	874.2	501.8	328.4	250.7	193.1	129.3	105.9			
	Cumulative payments	4,621.9	6,157.9	6,513.4	6,670.9	6,785.6	6,867.8	6,958.5	6,950.0			
	TOTAL COST	6,952.0	7,032.1	7,015.2	6,999.3	7,036.3	7,060.9	7,087.8	7,055.9			
2015	Pending provision	2,475.9	956.8	665.7	437.9	287.3	215.3	202.1				
	Cumulative payments	5,005.1	6,545.2	6,862.3	7,096.6	7,283.3	7,381.9	7,407.7				
	TOTAL COST	7,481.0	7,502.0	7,528.0	7,534.5	7,570.6	7,597.2	7,609.8				
2016	Pending provision	2,605.1	1,195.9	746.3	456.8	317.9	253.3					
	Cumulative payments	4,986.1	6,622.0	7,073.4	7,379.2	7,556.7	7,557.4					
	TOTAL COST	7,591.2	7,817.9	7,819.7	7,836.0	7,874.6	7,810.7					
2017	Pending provision	3,671.1	2,061.7	1,307.7	905.3	797.3						
	Cumulative payments	5,248.4	7,839.9	8,645.6	9,046.2	9,284.2						
	TOTAL COST	8,919.5	9,901.6	9,953.3	9,951.5	10,081.5						
2018	Pending provision	3,725.7	2,087.0	1,584.8	1,135.9							
	Cumulative payments	5,320.6	7,361.3	7,923.3	8,303.8							
	TOTAL COST	9,046.3	9,448.3	9,508.1	9,439.7							
2019	Pending provision	2,964.6	1,211.7	753.2								
	Cumulative payments	5,296.2	6,948.9	7,579.3								
	TOTAL COST	8,260.8	8,160.6	8,332.5								
2020	Pending provision	2,779.2	1,377.5									
	Cumulative payments	4,683.4	6,231.7									
	TOTAL COST	7,462.6	7,609.2									
2021	Pending provision	2,797.2										
	Cumulative payments	4,931.9										
	TOTAL COST	7,729.1										

Figures in millions of euros

December 31, 2021

Item	Year of occurrence											Total
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011 and previous	
Provision for outstanding claims Non-Life direct insurance	2,797.2	1,377.5	753.2	1,135.9	797.3	253.3	202.1	105.9	87.8	73.1	187.2	7,770.5

Figures in millions of euros

2020

Year of occurrence of claims	Item	Year of occurrence	Trends in claim costs in the years after year of occurrence									
			1 year later	2 years later	3 years later	4 years later	5 years later	6 years later	7 years later	8 years later	9 years later	More than 9 years later
2010 and previous	Pending provision	7,514.7	3,844.1	2,325.3	1,450.6	951.5	695.3	548.2	460.7	509.2	359.5	293.3
	Cumulative payments	44,827.1	49,056.2	50,374.9	51,248.5	51,724.3	51,983.5	52,201.4	52,339.6	52,470.6	52,628.5	52,710.1
	TOTAL COST	52,341.8	52,900.3	52,700.2	52,699.2	52,675.8	52,678.7	52,749.4	52,800.3	52,979.8	52,988.0	53,003.4
2011	Pending provision	2,016.3	703.9	438.5	279.9	205.3	148.1	119.7	109.7	73.6	63.9	
	Cumulative payments	4,402.7	5,724.1	6,035.4	6,201.0	6,281.7	6,369.0	6,383.2	6,433.8	6,455.2	6,465.2	
	TOTAL COST	6,419.0	6,427.9	6,474.0	6,480.9	6,487.0	6,517.1	6,502.9	6,543.4	6,528.8	6,529.1	
2012	Pending provision	2,157.9	739.9	431.8	288.1	223.5	170.6	148.4	97.0	80.5		
	Cumulative payments	4,139.8	5,494.0	5,823.1	5,987.5	6,095.8	6,155.9	6,195.5	6,232.4	6,229.9		
	TOTAL COST	6,297.6	6,233.9	6,254.9	6,275.6	6,319.3	6,326.5	6,343.9	6,329.3	6,310.4		
2013	Pending provision	2,221.7	789.9	478.3	311.9	223.3	186.4	136.6	100.6			
	Cumulative payments	4,355.2	5,777.5	6,141.7	6,335.3	6,417.8	6,488.1	6,549.3	6,549.3			
	TOTAL COST	6,576.9	6,567.4	6,620.0	6,647.2	6,641.1	6,674.5	6,685.9	6,650.0			
2014	Pending provision	2,331.5	883.8	498.1	340.4	266.0	197.3	133.9				
	Cumulative payments	4,601.6	6,139.3	6,500.6	6,656.7	6,771.4	6,860.1	6,937.9				
	TOTAL COST	6,933.1	7,023.0	6,998.6	6,997.2	7,037.3	7,057.3	7,071.7				
2015	Pending provision	2,462.1	958.1	684.9	464.7	293.1	220.5					
	Cumulative payments	4,944.9	6,469.9	6,781.8	7,012.1	7,204.6	7,288.6					
	TOTAL COST	7,407.0	7,428.0	7,466.6	7,476.7	7,497.7	7,509.0					
2016	Pending provision	2,607.9	1,222.9	826.4	460.0	325.8						
	Cumulative payments	4,934.4	6,561.6	7,005.8	7,314.4	7,466.9						
	TOTAL COST	7,542.3	7,784.5	7,832.2	7,774.4	7,792.7						
2017	Pending provision	3,630.6	2,051.6	1,274.5	883.5							
	Cumulative payments	5,190.8	7,703.6	8,490.0	8,899.3							
	TOTAL COST	8,821.5	9,755.3	9,764.5	9,782.8							
2018	Pending provision	3,853.3	2,158.2	1,668.4								
	Cumulative payments	5,303.3	7,349.6	7,889.6								
	TOTAL COST	9,156.6	9,507.8	9,557.9								
2019	Pending provision	2,952.8	1,203.9									
	Cumulative payments	5,246.1	6,906.2									
	TOTAL COST	8,199.0	8,110.1									
2020	Pending provision	2,745.6										
	Cumulative payments	4,627.9										
	TOTAL COST	7,373.4										

Figures in millions of euros

December 31, 2020

Item	Year of occurrence											2010 and previous	Total
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011			
Provision for outstanding claims Non-Life direct insurance	2,745.6	1,203.9	1,668.4	883.5	325.8	220.5	133.9	100.6	80.5	63.9	293.3	7,719.7	

Figures in millions of euros

As shown in the tables above, the overall percentage of claims attributable to ceded reinsurance is 25.2 percent and 26.3 percent for 2021 and 2020, respectively.

Information about the progression in accepted reinsurance claims per year of occurrence is not provided since as a general rule the ceding companies use accounting methods other than the year of occurrence. In accordance with the studies undertaken for accepted reinsurance, the technical provisions are adequate.

6.14. PROVISIONS FOR RISKS AND EXPENSES

The following tables show the movements of provisions for risks and expenses in the last two years.

2021

Item	Opening balance	Adjustments to the opening balance	Changes to the scope	Inflows		Outflows		Closing balance
				Allocated provisions	Increased value on discount	Applied provisions	Reversed provisions	
Provision for tax to be paid	224.1	0.3	—	(0.1)	3.5	(1.2)	(8.1)	218.5
Provision for payments of liquidation agreements	13.8	—	—	18.1	—	(10.7)	—	21.2
Provisions for restructuring	25.6	—	—	199.6	(0.7)	(96.1)	(0.1)	128.3
Other provisions for staff-related commitments	218.0	(0.1)	(3.6)	149.2	3.3	(166.3)	(1.0)	199.5
Other provisions	101.1	(5.5)	1.9	67.5	4.1	(72.6)	(10.4)	86.1
TOTAL	582.6	(5.3)	(1.7)	434.3	10.2	(346.9)	(19.6)	653.6

Figures in millions of euros

2020

Item	Opening balance	Adjustments to the opening balance	Changes to the scope	Inflows		Outflows		Closing balance
				Allocated provisions	Increased value on discount	Applied provisions	Reversed provisions	
Provision for tax to be paid	316.3	(89.3)	(0.1)	2.7	2.9	(4.1)	(4.3)	224.1
payments of liquidation	14.2	(0.3)	—	9.5	—	(9.6)	—	13.8
Provisions for restructuring	10.5	—	—	25.1	—	(10.0)	—	25.6
Other provisions for staff-related commitments	220.6	(5.8)	(0.8)	191.7	0.1	(187.7)	(0.1)	218.0
Other provisions	147.7	(22.0)	—	44.8	3.7	(57.9)	(15.1)	101.1
TOTAL	709.3	(117.4)	(0.9)	273.7	6.6	(269.3)	(19.5)	582.6

Figures in millions of euros

The provisions for risks and expenses include the estimated amounts of tax debts, settlement agreement payments, restructuring, employee incentives and others derived from the activities and inherent risks of the Group companies, which will be paid in the coming years.

The estimates of the amount provided and the period in which the provisions will be liquidated are affected by uncertainties regarding the ruling on filed appeals and performance of other parameters. It was not necessary to design assumptions regarding future events in order to determine the value of the provision. Potential provision reimbursement is not expected.

Provision for taxes

This heading includes, at December 31, 2021 and 2020, tax liabilities amounting to 215.4 and 214.6 million euros, respectively, related to the tax contingencies that the Brazilian insurance companies have with the tax authorities in that country, which are being discussed on a judicial and administrative level. These contingencies primarily refer to the taxes known as COFINS (tax contribution used to fund social security) amounting to 200.9 million euros (197.4 million euros at December 31, 2020) and the PIS (Social Integration Program) amounting to 4.4 million euros (4.4 million euros at December 31, 2020). These contingencies have arisen due to discrepancies in the interpretation by the Brazilian government and the business sector regarding the justification of applying said taxes to the companies' turnover.

From said discussion, the Group is currently involved in legal proceedings with the tax authorities in Brazil in connection with the enforceability of the aforementioned COFINS and PIS taxes, regarding non-operating financial income, for the amounts of 131.0 and 121.7 million Brazilian reals at December 31, 2021 and 2020, respectively. Given the current uncertainty in case law regarding whether the PIS and COFINS calculation base should be extended to include non-operating financial income, as well as the existence of a ruling by the "Procuradoria Geral da Fazenda (the Brazilian General Attorney's Office for the National Treasury) that is favorable to the insurance companies, both the Group and its advisors classify the risk of loss as possible.

Further, the current proceedings are currently ongoing in Brazil:

- Appeal contesting the 46.1 million euro liquidation, with regard to an inspection initiated by the tax authorities against BRASILSEG COMPANHIA DE SEGUROS, relating to 2014 corporate taxes, questioning the extension applied to revenue from Agricultural insurance operations.

- Appeal regarding the inspection initiated by the tax administration against BRASILVEÍCULOS COMPANHIA DE SEGUROS (absorbed in 2019 by MAPFRE SEGUROS GERAIS), relating to corporate tax corresponding to the years 2014 to 2016, questioning the deductibility of certain expenses and incentives for the sales network, as well as the amortization of the goodwill generated in a corporate restructuring prior to MAPFRE's agreement with Banco do Brasil. The owed taxes included in the inspection for said concepts reaches 73.1 million euros, which, if settled unfavorably would trigger the application of the compensation clause set out in the agreements signed with Banco do Brasil.

Both appeals were heard in the court of first instance (BRASILSEG unfavorable and BRASILVEÍCULOS partially favorable) and are awaiting sentencing in the second administrative level. Both the Group and its advisors classify the risk of loss as possible in both cases.

Provision for restructuring

The Group has established a voluntary early retirement plan aimed at employees of its insurance operations in Spain. The plan is voluntary and there are certain age and length-of-service requirements in order to be able to opt into the plan. At June 30, the Group recorded a provision for this concept in the IBERIA region for approximately 75 million euros. 274 employees signed up for this first phase of the voluntary early retirement plan. Additionally, in December, the voluntary early retirement plan was expanded by 100 million euros, in order to accelerate the transformation of MAPFRE's operating model in IBERIA. 300 additional employees are expected to sign up for this expansion.

Other provisions

This heading included the contingent payments arising from business combinations, which included the variable part of the price of the business combination that directly depends on the achievement of certain targets linked to the performance of each of the businesses acquired, amounting to 25.3 million euros at the close of 2020.

At each reporting date, the amount of contingent payments with the interest established in the contract is updated in the financial statements, and their permanence is analyzed according to fulfillment of the business plan. Payment would occur if the business plan were fulfilled, as of the reference date for the calculation of the Embedded Value, for the financial statements closed at December 31, 2020, in line with the contracts signed with the sellers in each business combination.

6.15. DEPOSITS RECEIVED ON CEDED AND RETROCEDED REINSURANCE

Deposits on ceded and retroceded reinsurance represent guarantees received from reinsurers in line with the reinsurance coverage contracts entered into pursuant to usual business practices. These deposits accrue interest to be paid and the average renewal period is usually quarterly. The liquidation of the aforementioned interest is performed quarterly.

6.16. DEBT

The balances included in the headings "Due on direct insurance and co-insurance operations", "Due on reinsurance operations", "Tax liabilities" and "Other debts" do not accrue payable interest and generally their liquidation is performed in the following year.

6.17. REVENUES AND EXPENSES FROM INVESTMENTS

The breakdown of revenues and expenses from investments for financial years 2021 and 2020 is shown below:

Revenues from investments

Item	Revenues from investments from:				Financial revenues from other activities		Total	
	Operations		Equity		2021	2020	2021	2020
	2021	2020	2021	2020				
REVENUES FROM INTEREST, DIVIDENDS AND SIMILAR								
Real estate investment								
Rentals	42.1	43.2	1.0	0.9	6.1	14.2	49.2	58.3
Other	0.4	0.4	—	0.1	0.9	1.8	1.3	2.3
Revenues from the held-to-maturity portfolio								
Fixed income	158.0	149.0	0.3	1.2	3.0	2.0	161.3	152.2
Other investments	2.3	1.9	0.2	0.1	—	—	2.5	2.0
Revenue from the available-for-sale portfolio:								
Revenue from the trading portfolio:	297.8	245.3	—	0.3	3.5	3.3	301.3	248.9
Other financial returns	113.7	100.5	39.5	26.9	21.6	27.2	174.8	154.6
TOTAL REVENUE	1,661.9	1,560.2	93.6	91.7	37.0	51.2	1,792.5	1,703.1
REALIZED AND UNREALIZED GAINS								
Net realized gains:								
Real estate investment	13.1	17.7	0.3	16.3	33.8	—	47.2	34.0
Held-to-maturity portfolio financial investments	—	—	—	—	—	—	—	—
Financial investments available for sale portfolio	306.2	300.5	33.5	28.8	1.8	2.1	341.5	331.4
Financial investments trading portfolio	54.9	60.3	8.3	3.6	—	—	63.2	63.9
Other	42.2	—	13.6	—	7.4	0.1	63.2	0.1
Unrealized gains:								
Increase in fair value of the trading portfolio and earnings from derivatives	146.7	114.8	30.3	26.7	0.4	0.7	177.4	142.2
Other	2.1	5.8	0.4	—	4.5	5.4	7.0	11.2
TOTAL GAINS	565.2	499.1	86.4	75.4	47.9	8.3	699.5	582.8
TOTAL REVENUES FROM INVESTMENT	2,227.1	2,059.3	180.0	167.1	84.9	59.5	2,492.0	2,285.9

Figures in millions of euros

In 2020, the increase in other financial returns from other activities came from the gain obtained from the sale of MAQUAVIT INMUEBLES, for the amount of 14.1 million euros.

Expenses from investments

Item	Expenses from investments from:				Financial expenses from other activities		Total	
	Operations		Equity		2021	2020	2021	2020
	2021	2020	2021	2020				
FINANCIAL EXPENSES								
Real estate investment								
Direct operational expenses	18.4	19.1	—	—	—	0.5	18.4	19.6
Other expenses	9.7	5.3	—	—	6.6	7.1	16.3	12.4
Expenses from held-to-maturity portfolio								
Fixed income	7.6	6.8	—	—	1.4	—	9.0	6.8
Other investments	4.3	0.4	—	—	0.1	0.1	4.4	0.5
Expenses from the available for sale portfolio	265.1	152.8	1.8	18.4	—	—	266.9	171.2
Expenses from the trading portfolio:	235.3	132.8	—	0.7	—	—	235.3	133.5
Other financial expenses	128.9	119.3	32.5	5.6	83.2	84.9	244.6	209.8
TOTAL EXPENSES	669.3	436.5	34.3	24.7	91.3	92.6	794.9	553.8
REALIZED AND UNREALIZED LOSSES								
Net realized losses								
Real estate investment	1.2	18.0	—	—	0.4	—	1.6	18.0
Financial investments available for sale portfolio	95.5	223.5	3.3	8.6	0.4	1.4	99.2	233.5
Financial investments trading portfolio	42.5	57.0	3.5	7.1	—	—	46.0	64.1
Other	1.9	7.5	0.2	0.6	16.1	0.2	18.2	8.3
Unrealized losses								
Decrease in fair value of trading portfolio and losses in derivatives	98.5	55.9	10.3	10.0	—	—	108.8	65.9
Other	1.1	0.9	1.5	—	0.3	0.4	2.9	1.3
TOTAL LOSSES	240.7	362.8	18.8	26.3	17.2	2.0	276.7	391.1
TOTAL EXPENSES FROM INVESTMENT	910.0	799.3	53.1	51.0	108.5	94.6	1,071.6	944.9

Figures in millions of euros

A large part of profits and losses, both realized and unrealized, correspond to assets related to mathematical provisions (see Note 6.13), and as such both effects are compensated on the income statement.

The expenses arising from investment portfolios mainly stem from financial swaps related to insurance operations.

6.18. OPERATING EXPENSES

A breakdown of net operating expenses by purpose and nature, for the last two financial years, is shown below.

Operating expenses by purpose

Item	2021	2020
Claims-related expenses	760.5	775.3
Acquisition expenses	4,611.0	4,610.2
Administration expenses	766.8	746.8
Expenses from investments	963.1	850.4
Other technical expenses	352.8	205.0
Other non-technical expenses	152.9	145.7
Operating expenses from other activities	408.0	437.0
TOTAL	8,015.1	7,770.4

Figures in millions of euros

Operating expenses by nature

Item	2021	2020
Commissions and other portfolio expenses	3,685.3	3,668.3
Personnel expenses	1,838.2	1,696.8
External services		
- Leasing (shops and buildings)	25.6	26.7
- Repairs and upkeep (shops and buildings)	67.7	70.0
- Leasing and repairs (computer equipment)	33.9	36.3
- Leasing and repairs (computer applications)	189.5	164.5
- Other services (computer applications)	242.4	221.4
- Supplies (communications)	15.1	37.6
- Advertising and marketing	121.5	126.3
- Public relations	26.6	22.6
- Independent professional services	215.3	206.8
- Other services	326.0	331.9
Taxes	147.6	150.0
Provision for amortization	305.1	320.6
Expenses posted directly to purpose	775.3	690.5
TOTAL	8,015.1	7,770.4

Figures in millions of euros

The income statement reflects expenses by purpose, i.e., based on the function the expenses fulfill in the operational cycle of the insurance activity (claims-related expenses, the acquisition of insurance contracts, administration, investments or other technical items).

Expenses are initially recognized according to their nature, and are reclassified according to their purpose in those cases in which the nature and purpose are not the same. The reclassification performed in the following subject headings is as follows:

1. Claims-related expenses. Includes expenses for personnel assigned to claims management, amortization and depreciation of fixed assets assigned to this activity, fees paid for claims management and expenses incurred for other services necessary for processing claims.

2. Net operating expenses. Included in this heading are:

- Acquisition expenses. Includes commissions, expenses for personnel assigned to production, amortization and depreciation of fixed assets assigned to this activity, expenses for analyzing and processing policy applications and formalizations, as well as advertising, publicity and commercial organization expenses directly related to the acquisition of insurance contracts.

- Administration expenses. These primarily include expenses for personnel assigned to these functions and amortization and depreciation of fixed assets assigned to this activity, as well as expenses deriving from contentious matters related to premiums, from processing refunds and from ceded and accepted reinsurance.

- Commissions and participations in reinsurance. Includes compensation from reinsurers to the ceding companies for acquisition and administration expenses incurred by the latter, as well as their participation in the profits of the reinsurer.

3. Investment expenses. Includes expenses for personnel assigned to managing investments, charges to amortization and depreciation allowance for fixed assets assigned to this activity, and other internal and external expenses for managing investments, with external expenses including fees, commissions and brokerage fees accrued.

Expenses from investments are classified as from operations or from equity depending on whether they derive from investments corresponding to technical provisions (operating investments) or from investments corresponding to the company's equity (equity investments).

6.19. RESULT FROM CEDED AND RETROCEDED REINSURANCE

The result from ceded and retroceded reinsurance for years 2021 and 2020 is the following:

Item	Non-Life		Life		Total	
	2021	2020	2021	2020	2021	2020
Premiums	(4,121.8)	(3,458.4)	(186.0)	(190.0)	(4,307.8)	(3,648.4)
Change in the provision for unearned premiums and unexpired risks	248.2	(184.5)	1.1	3.7	249.3	(180.8)
Claims paid and change in the provision for claims	2,069.8	1,723.4	159.6	112.0	2,229.4	1,835.4
Change in mathematical provision and other technical provisions	—	—	(6.9)	(14.4)	(6.9)	(14.4)
Participation of reinsurance in commissions and expenses	690.3	630.1	32.1	39.8	722.4	669.9
Result of ceded and retroceded reinsurance	(1,113.5)	(1,289.4)	(0.1)	(48.8)	(1,113.6)	(1,338.2)

Figures in millions of euros

6.20. FISCAL SITUATION

Fiscal consolidation regulations

- Tax on profits

Since the financial year 1985, some of the consolidated companies with registered offices in Spain have been included for corporate tax purposes in Fiscal Group 9/85. This Group is made up of the controlling company and those of its subsidiaries that are eligible for this tax regime. A list of the main subsidiaries included in this fiscal Group in 2021 is provided in Annex 2 of this report.

- Value Added Tax

Since the financial year 2010, and for the purposes of value added tax, some of the consolidated companies with registered offices in Spain have been included in the VAT Group 87/10. This Group comprises MAPFRE S.A. as the controlling company and those of its controlled companies that agreed to join the Group when it was created. A list of the main subsidiaries that form part of this Group in 2021 is provided in Annex 2 of this report.

Components of tax on profits expenses and reconciliation of the accounting profit with the tax cost for ongoing activities

The main components of the tax on profits expenses from ongoing activities and the reconciliation between the tax on profits expenses and the result of multiplying the accounting profit by the applicable tax rate for the financial years ending December 31, 2021 and 2020 are shown below. The Group has reconciled the amounts by aggregating reconciliations made separately using the national rates of each country.

Item	Amount	
	2021	2020
<u>Tax expense</u>		
Result before taxes from ongoing operations	1,355.1	1,118.5
25 percent of result before taxes from ongoing operations	338.8	279.6
Tax effect of the permanent differences	(112.5)	(58.4)
Tax incentive for the financial year	(34.2)	(36.8)
Tax effect of tax rates other than 25 percent	114.4	118.1
Total expense from current tax originating in the financial year	306.5	302.5
Expense from current tax originating in previous years	13.8	10.8
Receivables from negative taxable income not recognized from previous periods, deductions pending application or temporary differences	(0.8)	(15.5)
TOTAL TAX EXPENSES OF ONGOING OPERATIONS	319.5	297.7
<u>Tax on profits to be paid</u>		
Withholdings and advance payments	(390.8)	(367.0)
Temporary differences and currency conversion differences	34.5	26.3
Tax receivables and incentives applied, registered in previous years	(39.9)	(37.1)
Tax on earnings for discontinued operations	—	—
TOTAL TAX ON PROFITS TO BE PAID (RECEIVABLE) ORIGINATING IN THE YEAR	(76.7)	(80.1)
Tax on profits receivable from previous financial years	(49.5)	(43.1)
NET TOTAL TAX ON PROFITS TO BE PAID (RECEIVABLE)	(126.2)	(123.1)

Figures in millions of euros

Deferred tax assets and liabilities

At December 31, 2021 and 2020 deferred tax assets and liabilities were shown on the consolidated balance sheet for the net amount corresponding to each of the Group's tax-paying companies. They currently stand as follows:

Item	2021	2020
Deferred tax assets	299.6	221.7
Deferred tax liabilities	(537.7)	(670.6)
Asset (Liability) net	(238.1)	(448.9)

Figures in millions of euros

In addition to the deferred tax assets recorded in 2021 and 2020, shown in the above table, there are other deferred tax assets deriving from tax loss carryforwards pending offset, amounting to 23.6 and 22.7 million euros, respectively. These assets were not recognized, in accordance with the criteria established under EU-IFRS.

MAPFRE AND SUBSIDIARIES

The following tables show the movements in the net balance of deferred taxes in the financial years 2021 and 2020, with a breakdown of the amounts related to items directly debited or credited to equity accounts in each financial year.

2021

Item	Opening balance	Adjustments to the opening balance	Changes to the scope	From		Settled	Closing balance
				Results	Equity		
Portfolio acquisition expenses and other intangibles	(224.7)	(1.0)	—	13.8	(5.6)	—	(217.6)
Valuation difference in financial investments	(1,303.1)	91.7	—	41.6	269.0	—	(900.8)
Other comprehensive revenue and expenses	(15.1)	0.2	0.1	2.2	—	0.4	(12.3)
Valuation difference in mathematical provisions by shadow accounting	854.6	(81.3)	—	(0.9)	(145.4)	—	627.0
Stabilization and catastrophe provision	(151.5)	(0.3)	—	(27.5)	—	9.6	(169.7)
Other technical provisions	53.8	6.0	—	(9.3)	—	—	50.4
Tax receivables on negative taxable income	187.6	2.8	(0.2)	47.9	—	(20.5)	217.6
Receivables on tax incentives	17.9	1.4	—	33.5	—	(33.9)	18.9
Pension supplements and other staff-related commitments	60.1	4.2	(0.2)	(5.7)	—	(4.4)	54.1
Provisions for uncollected premiums	17.7	1.0	(0.4)	6.3	—	(4.9)	19.7
Provisions for liabilities and others	56.6	(5.3)	0.7	44.5	—	(22.3)	74.3
EU-IFRS 16 application	5.4	—	—	(1.4)	2.7	—	6.7
Other items	(8.2)	2.0	5.9	(3.7)	—	(2.5)	(6.5)
TOTAL	(448.9)	21.3	5.9	141.3	120.6	(78.5)	(238.2)

Figures in millions of euros

2020

Item	Opening balance	Adjustments to the opening balance	Changes to the scope	From		Settled	Closing balance
				Results	Equity		
Portfolio acquisition expenses and other intangibles	(254.4)	55.1	10.9	14.8	(51.1)	—	(224.7)
Valuation difference in financial investments	(1,526.8)	(24.1)	414.2	29.3	(195.7)	—	(1,303.1)
Other comprehensive revenue and expenses	(12.2)	(2.8)	—	(0.3)	—	0.3	(15.1)
Valuation difference in mathematical provisions by shadow accounting	1,133.4	26.7	(387.9)	(11.4)	93.8	—	854.6
Stabilization and catastrophe provision	(174.6)	5.5	—	(10.8)	—	28.5	(151.5)
Other technical provisions	63.9	(3.3)	(0.4)	(6.4)	—	—	53.8
Tax receivables on negative taxable income	261.3	(63.4)	—	19.0	—	(29.3)	187.6
Receivables on tax incentives	11.5	(0.2)	—	48.7	—	(42.2)	17.9
Pension supplements and other staff-related commitments	55.7	—	(0.2)	5.7	—	(1.0)	60.1
Provisions for uncollected premiums	19.7	(2.0)	(0.1)	5.5	—	(5.4)	17.7
Provisions for liabilities and others	51.6	(3.2)	0.1	16.4	—	(8.2)	56.6
EU-IFRS 16 application	6.0	(0.7)	1.0	(0.9)	—	—	5.4
Other items	(31.2)	(9.8)	(2.6)	43.5	—	(8.2)	(8.2)
TOTAL	(396.1)	(22.3)	35.0	153.0	(153.0)	(65.5)	(448.9)

Figures in millions of euros

The amount recorded in 2020 in the heading for “Portfolio acquisition expenses and other intangibles” in the equity column was a result of the assignation of the final acquisition price of the stake in SANTANDER MAPFRE carried out in 2019.

At the close of 2020, deferred tax assets and liabilities maturing in less than 12 months amounted to 38.7 and 41.1 million euros, respectively (45.0 and 40.3 million euros, respectively, in 2020).

Tax loss carryforwards

The tax loss carryforwards pending offset in fully consolidated companies at the close of the last two periods is shown below:

Year generated	Tax loss carryforwards				Deferred tax assets			
	Applied in the financial year		Pending application		Amount recognized		Amount not recognized	
	2021	2020	2021	2020	2021	2020	2021	2020
2013 and previous	1.7	18.7	171.2	170.9	60.0	60.2	4.3	4.1
2014	0.5	—	10.0	10.1	—	—	2.3	2.2
2015	0.1	5.0	16.3	16.1	0.6	0.5	4.3	4.3
2016	0.4	4.4	124.3	124.6	35.7	35.7	2.5	2.5
2017	5.1	50.7	33.8	38.8	5.6	7.3	2.6	2.5
2018	55.2	17.4	138.9	193.9	44.8	57.4	2.8	2.8
2019	0.3	—	58.0	58.2	11.0	11.1	0.9	0.9
2020	23.4	—	55.3	79.0	10.3	15.4	3.9	3.4
2021	—	—	209.4	—	49.5	—	—	—
Total	86.7	96.2	817.2	691.6	217.5	187.5	23.6	22.7

Figures in millions of euros

Assets recognized in relation to deferred taxes on tax loss carryforwards pending offset in consolidated companies represent negative tax bases generated as a result of unusual management events, and future tax profits are likely to exist against which they may be offset.

Tax incentives

The tax incentives of the companies consolidated by global integration for 2021 and 2020 are as follows:

Module	Amount applied in the financial year		Amount pending application		Amount not recorded	
	2021	2020	2021	2020	2021	2020
Double taxation deduction	5.2	9.1	0.7	0.8	—	0.8
Job creation	—	—	—	—	—	—
Other	28.7	33.0	18.2	17.9	—	—
Total	33.9	42.2	18.9	18.7	—	0.8

Figures in millions of euros

The consolidated tax group no. 9/85 made use in previous years of the reduction from capitalization reserve contemplated in Article 25 of the Corporate Income Tax Act 27/2014, giving rise to a decrease in the consolidated tax payable each year. To enjoy this tax benefit, there must be an increase in shareholders' equity in the period and this increase must be maintained for a period of five years, and a reserve must be created equivalent to the amount of the reduction, equivalent to at least 10 percent of said increase and which will be restricted for the same five-year period.

The breakdown of increases in shareholders' equity and allocated reserves in the last periods, subject to maintenance requirement, is as follows:

Year	Increase in Shareholders' Equity	Restricted reserve
2015	324.9	35.0
2016	94.7	12.0
2017	18.6	1.9

Figures in millions of euros

Verification by tax authorities

In Spain in 2020 and 2021, checks and verifications begun in 2017 are still being carried out regarding Fiscal Group number 9/85, affecting MAPFRE, S.A. as the controlling company and MAPFRE ESPAÑA, MAPFRE VIDA, MAPFRE INTERNACIONAL, MAPFRE RE, MAPFRE ASISTENCIA, MAPFRE GLOBAL RISKS, and other Group controlled companies regarding Corporate Tax for the financial years 2013 to 2016, and other taxes from the financial years 2014 to 2016.

As a result of above-mentioned activities, acts of partial conformity were signed regarding retentions and income against Personal Income Tax (IRPF in Spanish), the liquidations of which were deposited at the date of preparation of the 2020 annual accounts. Regarding the acts signed in partial disagreement, the liquidations are being contested before the Economic-Administrative Court (TEAC).

Regarding Corporate tax for 2013 to 2016, acts of agreement and disagreement were signed on March 11, 2020. The acts of agreement, the liquidation of which is deposited with Hacienda Publica at December 31, 2020, have notable deductions for double taxation, in line with Article 30.6 of Royal Decree 4/2004, which approved the Recast Text of the Corporate Tax Law (in force in 2013 and 2014), and Transitory Disposition n. 23 of Law 27/2014 regarding Corporate Tax (in force in 2015), as well as the regulation of non-deductible provisions that revert to subsequent years. As for the acts of disagreement, they primarily refer to the deductibility of certain personnel expenses, of the technical provision for claims and stabilization reserve, the deduction for technological innovation expenses and the repercussions for subsidiaries of canons from the the use of the MAPFRE brand.

On May 30, 2020, allegations were made against the acts of disagreement, which were denied by the Large Contributors Central Delegation Technical Office, which decisions were appealed before the TEAC. Subsequently, on December 22, 2020, the inspection activity was extended with regard to Corporate Tax for 2016, limited to checking certain personnel expenses, affecting some of the controlled companies, already regulated in the 2013 and 2014 resolution, and which were finalized signing acts of disagreement with the liquidation currently being appealed before TEAC.

Regarding Value Added tax in 2014 to 2016, on June 3, 2020, acts of agreement were signed in reference to the application of the pro-rata rule for the Group of Entities (REGE) number 87/2010, of which MAPFRE, S.A. is the controlling company, and they were paid, at the date of preparation of the annual accounts, and an act of disagreement regarding the impact of canons for the use of the MAPFRE brand has been appealed before TEAC.

Regarding fiscal debt being disputed resulting from the above mentioned verification activity, MAPFRE considers, based on the criteria of its fiscal advisors, that there are solid defense arguments in the administrative and legal proceedings, and therefore has not made specific provisions for this concept.

In accordance with current legislation, the statements made for the different taxes may not be considered final until they have been inspected by the tax authorities or until the statute of limitations has passed (four years for Spanish companies).

At December 31, 2021 the view of the Directors and advisors of the consolidated companies regarding the possibility of tax liabilities arising and significantly affecting the financial position of the consolidated companies was remote.

6.21 REMUNERATION FOR EMPLOYEES AND ASSOCIATED RETIRED EMPLOYEES

Personnel expenses

The personnel expenses breakdown for the last two years is shown in the table below:

Item	Amount	
	2021	2020
Short-term remuneration		
Wages and salaries	1,214.0	1,215.9
Social security	235.3	240.8
Other remuneration	119.0	130.2
Post-employment benefits	43.9	36.2
Other long-term remuneration	—	3.9
Termination payments	226.0	69.8
TOTAL	1,838.2	1,696.8

Main post-employment benefits

Defined benefit plans

The commitments from defined benefit plans still on the balance sheet correspond exclusively to retired employees. The most relevant of the plans are instrumented through insurance policies, are measured pursuant to the provisions described in the accounting policies.

In relation to the amounts recognized on the balance sheet, the obligations regarding defined benefit plans amounted to 39.6 and 41.8 million euros at December 31, 2021 and 2020, respectively, fully externalized through written policies with MAPFRE VIDA. Consequently, no assets allocated to these plans are recognized and the liability recognized on the consolidated balance sheet is recorded under the heading "Provisions for life insurance".

There are also obligations relating to pension commitments, externalized through allocated insurance policies, amounting to 11.3 and 11.8 million euros at December 31, 2021 and 2020, respectively. These amounts coincide with the value of the assets allocated to the plan.

The main actuarial hypothesis used at the close of the last two years have been the following: PERM/F-2020 mortality tables in 2021 and PERM/F-2000 in 2020, annuities linked to the previous year's CPI in both years (3 percent revaluation assured in the policy), with identical discount rates and expected returns of the related assets as the products have matched flows.

The net effect on equity and results of the actuarial loss and gains, interest expenses and return of the assets allocated to the plan is null, as the amounts corresponding to commitments and the assets allocated to the plan or reimbursement right are netted.

Other post-employment benefits

In 2021 and 2020 the personnel expenses correspond to Life insurance covering death between ages 65 and 77, amounting to 1.1 and 2.1 million euros, respectively. Said provision was calculated in 2020 and 2021 using the PASEM-2010 and PASEM-2020 mortality tables, respectively

Other medium-term remuneration and share-based payments

In 2019, the Board of Directors approved a new medium-term incentive plan valued and recognized in the consolidated income statement in line with the valuation rule in Note 5.19 "Personnel expenses". No amounts for this concept were provisioned, as the established objectives were not reached.

In 2019 the previous medium-term incentive plan approved in 2016 was partially cancelled, with payment of 0.3 million euros in cash and 0.3 million euros in equity instruments pending until the 2020-2022 period, which are included in liabilities and equity, respectively, at December 31, 2021 (0.7 and 0.4 million euros, respectively, at December 31, 2020).

Number of employees

The following table shows the average number and final number of employees for the last two years, classified by category and gender, and distributed by segment.

Average number of employees:

2021

Segment	Board of Directors and Executive Management		Senior Management		Advisors		Associates		Total	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
IBERIA	6	—	1,201	666	2,807	2,821	624	1,856	4,638	5,343
LATAM NORTH	5	4	365	388	753	918	408	596	1,531	1,906
LATAM SOUTH	7	2	434	335	997	956	559	659	1,997	1,952
BRAZIL	3	—	368	290	1,013	1,718	469	1,140	1,853	3,148
NORTH AMERICA	4	—	265	268	588	902	154	560	1,011	1,730
EURASIA	6	1	271	250	694	775	328	577	1,299	1,603
ASISTENCIA	—	1	374	227	389	414	729	1,139	1,492	1,781
GLOBAL RISKS	1	—	33	23	46	68	2	12	82	103
REINSURANCE	2	—	84	50	130	148	7	27	223	225
CORPORATE AREAS	18	5	271	140	314	251	11	71	614	467
Average total number of employees	52	13	3,666	2,637	7,731	8,971	3,291	6,637	14,740	18,258

2020

Segment	Board of Directors and Executive Management		Senior Management		Advisors		Associates		Total	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
IBERIA	6	—	1,177	590	2,892	2,832	650	1,884	4,725	5,306
LATAM NORTH	7	3	334	363	806	920	457	663	1,604	1,949
LATAM SOUTH	7	2	421	353	1,087	988	592	716	2,107	2,059
BRAZIL	3	—	309	208	1,078	1,784	592	1,312	1,982	3,304
NORTH AMERICA	4	—	272	282	616	961	176	572	1,068	1,815
EURASIA	4	—	271	242	729	802	365	616	1,369	1,660
ASISTENCIA	—	1	431	263	470	459	856	1,382	1,757	2,105
GLOBAL RISKS	1	—	24	20	52	64	3	17	80	101
REINSURANCE	2	—	70	36	153	161	9	30	234	227
CORPORATE AREAS	19	4	207	105	395	291	17	77	638	477
Average total number of employees	53	10	3,516	2,462	8,278	9,262	3,717	7,269	15,564	19,003

Number of employees at the end of the year:

2021

Segment	Board of Directors and Executive Management		Senior Management		Advisors		Associates		Total	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
IBERIA	7	—	1,178	662	2,755	2,786	606	1,845	4,546	5,293
LATAM NORTH	6	4	360	377	769	952	380	593	1,515	1,926
LATAM SOUTH	7	2	425	328	966	949	504	652	1,902	1,931
BRAZIL	3	—	361	277	1,009	1,790	445	1,031	1,818	3,098
NORTH AMERICA	4	—	274	272	586	886	145	542	1,009	1,700
EURASIA	6	1	285	261	677	763	310	548	1,278	1,573
ASISTENCIA	—	1	343	214	307	340	725	1,097	1,375	1,652
GLOBAL RISKS	1	—	34	23	44	72	2	11	81	106
REINSURANCE	2	—	85	51	124	152	6	26	217	229
CORPORATE AREAS	17	5	278	142	316	257	10	67	621	471
Total number of employees	53	13	3,623	2,607	7,553	8,947	3,133	6,412	14,362	17,979

2020

Segment	Board of Directors and Executive Management		Senior Management		Advisors		Associates		Total	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
IBERIA	6	—	1,174	592	2,866	2,838	647	1,878	4,693	5,308
LATAM NORTH	7	3	327	357	794	920	431	634	1,559	1,914
LATAM SOUTH	7	2	414	340	1,056	955	574	703	2,051	2,000
BRAZIL	2	—	310	205	1,075	1,362	523	1,630	1,910	3,197
NORTH AMERICA	4	—	274	273	614	943	155	555	1,047	1,771
EURASIA	4	1	258	231	719	791	361	616	1,342	1,639
ASISTENCIA	—	2	403	253	431	439	765	1,256	1,599	1,950
GLOBAL RISKS	1	—	24	21	52	63	2	17	79	101
REINSURANCE	2	—	68	36	154	161	9	29	233	226
CORPORATE AREAS	18	4	208	105	396	290	13	77	635	476
Total number of employees	51	12	3,460	2,413	8,157	8,762	3,480	7,395	15,148	18,582

The following table shows the number of employees in Spain with a degree of disability equal to or higher than 33 percent at the close of the last two years and the average during those years, indicating the categories to which they belong:

Item	2021		2020	
	Year-end close	Average	Year-end close	Average
Senior Management	16	16	16	16
Advisors	100	107	104	103
Associates	91	97	92	92
Total	207	220	212	211

6.22. EARNINGS ON FOREIGN EXCHANGE DIFFERENCES

Positive foreign exchange differences other than those arising from financial instruments measured at fair value, allocated to the consolidated income statement, amounted to 1.6 and 2.0 billion euros in 2021 and 2020, respectively.

Negative foreign exchange differences other than those arising from financial instruments measured at fair value, allocated to the consolidated income statement, amounted to 1.6 and 2.0 billion euros in 2021 and 2020, respectively.

The settlement of the currency conversion differences recognized in equity at the beginning and end of the year in 2021 and 2020 is shown below.

Description	Amount	
	2021	2020
FOREIGN EXCHANGE DIFFERENCES AT THE BEGINNING OF THE YEAR	(1,915.7)	(1,240.2)
Net foreign exchange differences on valuation of non-monetary items	0.9	(0.9)
Net foreign exchange differences on conversion of financial statements	138.5	(674.6)
FOREIGN EXCHANGE DIFFERENCES AT THE END OF THE YEAR	(1,776.3)	(1,915.7)

Figures in millions of euros

At December 31, 2021 and 2020 the net foreign exchange differences arising from the translation into euros of the financial statements of those Group companies whose functional currency is not the euro were as follows:

Company/Subgroup	Geographic Area	Currency conversion differences					
		Gains		Losses		Net	
		2021	2020	2021	2020	2021	2020
Companies consolidated by global integration:							
MAPFRE RE	Europe, America and rest of world	23.6	22.7	(48.2)	(46.5)	(24.6)	(23.8)
MAPFRE INTERNACIONAL	Europe, America and rest of world	461.3	300.0	(2,104.3)	(2,071.5)	(1,643.0)	(1,771.5)
OTHER	—	23.9	25.9	(116.9)	(128.7)	(93.0)	(102.8)
TOTAL		508.8	348.6	(2,269.4)	(2,246.7)	(1,760.6)	(1,898.1)

Figures in millions of euros

6.23. CONTINGENT ASSETS AND LIABILITIES

At the end of 2021 and 2020, and at the time of preparing these consolidated annual accounts, there was no evidence of the existence of contingent assets and liabilities for significant amounts, other than those disclosed in these annual accounts (Note 6.9 regarding the termination of the Bankia agreement and the initiation of arbitration for MAPFRE's right to receive from Caixabank, in the contractually established terms, an additional 10 percent compensation, equivalent to 52.0 million euros before taxes).

6.24. BUSINESS COMBINATIONS

In 2021, there were no relevant business combinations.

In February 2020, MAPFRE reached an agreement with the León BHD Financial Center by means of which the Spanish company acquired 51 percent of the Health insurance company, ARS Palic, which changed its name to MAPFRE SALUD ARS (a benchmark in the Dominican health market with more than 900,000 clients), with the León BHD Financial Center maintaining the remaining 49 percent. With this transaction, MAPFRE consolidated its position as one of the top insurers in the Dominican Republic, with close to 350 million euros in premiums a year.

MAPFRE AND SUBSIDIARIES

In June 2020, MAPFRE and Banco Santander reached an agreement to jointly distribute Non-Life insurance products in Portugal, with the acquisition of 50.01 percent of the existing company, Popular Seguros, by the MAPFRE subsidiary in Portugal. The agreement implied signing a contract for the exclusive distribution of new business of certain Non-Life products (Auto, Multirisk SME and TPL insurance) through the bank's network in Portugal, until December 31, 2037. This agreement is reinforced with the acquisition of 100 percent of a run-off Life Protection portfolio owned by Santander Totta Seguros.

The table below shows the fair value of the identifiable assets and liabilities related to the acquisition of these businesses:

ITEM	2020	
	MAPFRE SALUD ARS	MAPFRE SANTANDER PORTUGAL
ASSETS		
Portfolio acquisition expenses and other intangibles	65.5	25.1
Investments	47.8	—
Deferred tax assets	0.5	0.1
Participation of reinsurance in technical provisions	—	0.9
Receivables	8.0	0.7
Cash	8.9	13.3
Other assets	15.0	—
TOTAL ASSETS	145.7	40.1
LIABILITIES		
Technical provisions	44.0	4.4
Deferred tax liabilities	17.0	5.6
Debt	7.5	0.7
Other Liabilities	6.3	0.6
TOTAL LIABILITIES	74.8	11.3
Fair value of net assets	70.9	28.8
Interest acquired	51.00%	50.01%
Fair value of the percentage of net assets acquired	36.2	14.4
First consolidation difference	—	—
Business combination costs	36.2	14.4

Figures in millions of euros

The definitive amounts of the MAPFRE SANTANDER PORTUGAL business combinations differ from the provisional amounts recorded in 2020 from the final acquisition price assignment carried out in the first half of 2021 and which has implied an increase in value of the intangible assets (exclusive distribution agreement in Banco Santander branches in Portugal for 25.1 million euros, as well as deferred tax liabilities and non-controlling interest for 5.6 and 9.7 million euros, respectively, bringing the difference from first consolidation down to zero. As the effect of this difference in results and equity attributed to the Controlling company's shareholders is null, the comparative figures from 2020 have not been restated.

The fair values described above differ from the book values of the company prior to the combination, primarily as a result of portfolio acquisition expenses and associated deferred tax liabilities, not recorded in their accounting.

The acquisition costs of the business combinations in 2020 were full paid up, with no amount pending payment at December 31, 2021 and 2020.

Expenses directly attributable to the abovementioned business combinations, for fees for independent professional, lawyers, and financial assessment, are not material and were recorded as expenses in the consolidated income statement.

The abovementioned business combinations were incorporated in the consolidated group on January 1, 2020, contributing in said year 196.6 million euros to Group premiums and 5.8 million euros to the attributable net result of the Controlling company.

Information about business combinations with immaterial costs carried out in 2021 and 2020 is provided in Annex 1.

6.25. TRANSACTIONS WITH RELATED PARTIES

All transactions with related parties have been conducted under market conditions.

In addition to the transactions described in the other notes accompanying the consolidated annual accounts, the balances and transactions between Group companies are explained below.

Operations with Group companies

The operations conducted between Group companies, with a zero effect on results because they have been eliminated in the consolidation process, are shown below:

Item	2021	2020
Received/provided services and other expenses/revenue	631.2	539.8
Expenses/revenue from real estate investment	24.1	23.5
Expenses/revenues from investments and financial accounts	24.3	25.8
Dividends distributed	1,340.3	1,134.7

Figures in millions of euros

Reinsurance and co-insurance operations

Reinsurance and co-insurance activities conducted between Group companies, which have been eliminated in the consolidation process, are shown below:

Item	2021	2020
Ceded/accepted premiums	2,840.2	2,560.9
Benefits and services	1,429.9	1,527.7
Changes in technical provisions	96.7	5.8
Commissions	528.5	541.7

Figures in millions of euros

The following table shows the balances with reinsurers and ceding companies, deposits given, and technical provisions on reinsurance activities with Group companies, all of which have been eliminated in the consolidation process:

Item	2021	2020
Receivables and payables	240.4	286.2
Deposits	59.8	57.8
Technical provisions	3,120.3	3,020.3

Figures in millions of euros

Information related to controlled companies

The following table shows the dividends distributed by the controlled companies with significant non-controlling interests and the result for the period of these individually considered companies (prior to intercompany eliminations), attributable to the non-controlling interests:

Controlled company	Dividends distributed				Earnings attributable to non-controlling interests	
	Controlling company		Non-controlling company			
	2021	2020	2021	2020	2021	2020
BB MAPFRE PARTICIPAÇÕES, S.A.	47.1	47.9	141.1	144.6	152.7	144.5
BANKINTER SEGUROS DE VIDA, S.A.	25.0	48.5	25.0	48.5	32.5	29.2
MAPFRE BHD COMPAÑÍA DE SEGUROS, S.A.	6.4	7.9	6.2	7.5	7.0	8.7
CAJA CASTILLA LA MANCHA VIDA Y PENSIONES, S.A.	3.7	9.9	3.7	9.9	7.6	9.2
MAPFRE PERÚ VIDA, COMPAÑÍA DE SEGUROS, S.A.	3.7	7.4	1.7	3.3	1.2	5.3
MAPFRE RE COMPAÑÍA DE REASEGUROS, S.A.	54.0	—	3.6	—	8.9	0.7
BANKIA VIDA S.A. DE SEGUROS Y REASEGUROS	—	26.0	—	25.0	—	61.6

Figures in millions of euros

The key figures for controlled companies and significant joint arrangements related to insurance activities are shown below:

- Balance sheet

Entity	Investments		Credits		Total assets		Equity		Technical Provisions	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Controlled company										
MAPFRE VIDA SOCIEDAD ANÓNIMA DE SEGUROS Y REASEGUROS SOBRE LA VIDA HUMANA	13,241.5	14,064.1	216.9	208.5	16,558.6	16,637.7	1,678.4	1,534.0	11,990.4	12,567.7
MAPFRE ESPAÑA COMPAÑÍA DE SEGUROS Y REASEGUROS S.A.	6,158.9	6,367.7	899.2	886.3	9,702.4	9,663.2	2,494.8	2,575.0	5,839.2	5,812.0
MAPFRE RE COMPAÑÍA DE REASEGUROS, S.A.	5,296.5	4,720.6	524.9	813.5	9,274.5	8,601.4	1,763.5	1,726.6	6,794.3	5,924.8
M.S.V. LIFE P.L.C.	2,424.3	2,281.0	0.4	1.2	2,723.3	2,563.6	222.1	161.3	2,326.5	2,249.0
BANKINTER SEGUROS DE VIDA, S.A.	1,768.9	1,800.8	40.7	37.7	2,159.3	2,126.2	145.5	130.1	1,247.4	1,383.7
THE COMMERCE INSURANCE COMPANY	1,394.8	1,347.3	326.6	325.3	2,516.3	2,358.6	875.5	783.5	1,397.9	1,302.9
COMPANHIA DE SEGUROS ALIANÇADO BRASIL, S.A.	1,196.3	1,063.1	784.6	805.8	2,870.4	2,548.4	244.4	243.8	1,975.8	1,656.9
Subtotal controlled companies	31,481.2	31,644.6	2,793.3	3,078.5	45,804.8	44,499.1	7,424.2	7,154.4	31,571.5	30,897.1
Joint Arrangement										
SOLUNION SEGUROS DE CREDITO S.A.	111.1	79.7	88.7	70.3	551.6	472.4	125.5	118.8	263.7	241.0
Subtotal Joint Arrangements	111.1	79.7	88.7	70.3	551.6	472.4	125.5	118.8	263.7	241.0

Figures in millions of euros

- Income statement

Entity	Revenue				Results					
	From insurance business		Totals		From insurance business		From operations		From global account	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Controlled company										
MAPFRE VIDA SOCIEDAD ANÓNIMA DE SEGUROS Y REASEGUROS SOBRE LA VIDA HUMANA	2,854.2	2,094.9	2,873.2	2,118.0	292.0	210.7	271.3	206.8	261.2	241.0
MAPFRE ESPAÑA COMPAÑÍA DE SEGUROS Y REASEGUROS S.A.	4,964.9	4,569.1	5,792.0	5,347.7	423.6	349.4	330.5	266.3	175.9	365.6
MAPFRE RE COMPAÑÍA DE REASEGUROS, S.A.	4,960.7	5,102.9	7,479.6	7,366.5	182.3	15.1	142.2	10.9	94.5	30.4
M.S.V. LIFE P.L.C.	535.1	436.9	538.2	440.5	16.6	15.0	10.9	10.3	10.9	10.3
BANKINTER SEGUROS DE VIDA, S.A.	334.9	341.1	348.2	353.0	87.2	78.4	65.0	58.4	65.4	57.5
THE COMMERCE INSURANCE COMPANY	1,032.0	1,014.4	1,416.4	1,350.8	143.7	95.5	128.7	76.4	128.7	76.4
COMPANHIA DE SEGUROS ALIANÇADO BRASIL, S.A.	1,332.8	1,213.4	1,814.9	1,673.1	286.2	310.9	214.3	231.1	197.7	228.7
Subtotal controlled companies	16,014.6	14,772.8	20,262.5	18,649.6	1,431.6	1,075.0	1,162.9	860.2	934.3	1,009.9
Joint Arrangement										
SOLUNION SEGUROS DE CREDITO S.A.	39.2	33.1	247.6	254.8	15.9	11.8	9.1	6.2	6.8	3.4
Subtotal Joint Arrangements	39.2	33.1	247.6	254.8	15.9	11.8	9.1	6.2	6.8	3.4

Figures in millions of euros

The key figures for controlled companies and significant joint arrangements related to non-insurance activities are shown below:

- Balance sheet

Entity	Current assets		Total assets		Equity		Current liabilities	
	2021	2020	2021	2020	2021	2020	2021	2020
Controlled company								
MAPFRE INMUEBLES, S.G.A.	149.8	151.6	633.4	625.6	499.8	478.1	132.6	146.5
MAPFRE INVERSIÓN SOCIEDAD DE VALORES S.A.	67.4	63.7	200.2	196.5	143.4	144.1	50.8	46.7
FUNESPAÑA, S.A.	59.9	213.4	212.0	214.6	138.2	132.3	67.9	77.4
MAPFRE TECH	44.2	33.5	88.7	78.4	20.9	18.8	62.2	52.0
Subtotal controlled companies	321.3	462.2	1,134.3	1,115.1	802.3	773.3	313.5	322.6

Figures in millions of euros

- Income statement

Entity	Earnings					
	Revenue		From operations		From overall account	
	2021	2020	2021	2020	2021	2020
Controlled company						
MAPFRE INMUEBLES, S.G.A.	47.6	20.5	21.6	(23.2)	21.6	(23.2)
MAPFRE INVERSIÓN SOCIEDAD DE VALORES S.A.	94.8	83.5	41.4	36.1	43.9	37.6
FUNESPAÑA, S.A.	106.9	77.6	6.2	5.5	6.1	5.5
MAPFRE TECH	212.3	199.2	1.5	0.8	1.5	0.8
Subtotal controlled companies	461.6	380.8	70.7	19.2	73.1	20.7

Figures in millions of euros

Information relating to joint arrangements and associated undertakings

In 2021 and 2020 MAPFRE PARTICIPACIONES did not receive any dividends from SOLUNION.

The cost and fair value of the shareholding in the SOLUNION joint venture at the close of the year were 37.1 and 63.1 million euros, respectively [37.1 and 59.4 million euros respectively in 2020].

MAPFRE AND SUBSIDIARIES

The following table contains the supplementary information for the joint ventures:

Joint Arrangement	Cash and cash equivalents		Financial liabilities		Repayment		Interest				Expenses or income after tax on profit	
	2021	2020	2021	2020	2021	2020	Revenue		Expenses		2021	2020
							2021	2020	2021	2020		
SOLUNION SEGUROS DE CREDITO S.A.	11.4	10.4	—	—	—	0.6	1.3	1.8	1.3	1.6	(3.9)	(3.3)
TOTAL	11.4	10.4	—	—	—	0.6	1.3	1.8	1.3	1.6	(3.9)	(3.3)

Figures in millions of euros

The information relating to the key figures of the most relevant associated undertakings is included in Annex 2 of the annual report.

Remuneration of key management personnel

- Board of Directors and other steering Committees

The following table shows the paid remuneration received in the last two years by members of the Board of Directors of the controlling company:

Item	Amount	
	2021	2020
Short-term remuneration		
Salary	2.6	2.6
Short-term variable remuneration	2.5	2.2
Fixed allowance	2.8	2.8
Travel allowance	0.1	—
Other items	0.2	0.2
Medium-term variable remuneration	—	—
TOTAL REMUNERATION	8.2	7.8
Other remuneration		
Life insurance	0.1	0.1

Figures in million euros

The basic remuneration for external directors consists of an annual fixed amount for membership to the Board of Directors, which was 110,000 euros in 2021 and 2020. The Vice-Chairman-Coordinating Director had a fixed annual allowance of 220,000 euros in 2021 and 2020. The members of the Steering Committee received 10,000 euros in 2021 and 2020 and also have a travel, subsistence and accommodation allowance of 3,000 euros. Said amount reached 68,000 euros in the case of the Chair of the Audit and Compliance Committee in 2021 and 2020, and 60,000 euros in the case of people who chair other Steering Committees in 2021 and 2020. Other members of the Audit and Compliance Committee received 48,000 euros in 2021 and 2020, and other members of other sub-steering committees received 39,000 euros in 2021 and 2020.

Members of the Boards of Directors of Spanish insurance companies receive a fixed allowance of 48,000 euros in 2021 and 2020. The external vice-chairmen of the Boards of Directors of Spanish companies received 59,000 euros in 2021 and 2020. Members of Steering Committees received 11,000 euros in 2021 and 2020.

Life insurance is also established in case of death, with an insured capital of 150,253 euros, as well as some of the staff benefits like medical insurance.

Executive directors (who are deemed to be executives of the controlling company as well as those who perform executive functions in other MAPFRE Group companies) receive the remuneration established in their contracts, which includes a fixed salary, incentives with varying amounts linked to results, life and disability insurance, and other general benefits established for the Group's staff. They also receive certain pension supplements for retirement, externalized through a life insurance policy. All of these payments are in line with the compensation policy established by the Group for its senior managers, whether or not they are directors. Contributions to defined benefit plans amounted to 4.4 million euros in 2021 (4.6 million in 2020), and were recognized as expenses for the year, with the accumulated rights reaching 36.9 and 32.1 million euros at December 31 2021 and 2020, respectively.

Executive directors do not receive the fixed amount established for external directors.

Regarding variable short-term remuneration accrued in the current and previous years, in 2021 3.8 million euros are pending payment (3.3 million euros in 2020).

Additionally, the Board of Directors of MAPFRE S.A. approved, as proposed by the Appointments and Remuneration Committee, for a key group in the company, an additional short-term component tied to both the Return on Equity (ROE) and the Global Combined Ratio. The accrued amount reached 0.6 million euros both in 2021 and 2020, for members of the Board of Directors included in this plan. Further, in 2021, 1.1 million euros in other remuneration corresponding to non-recurrent items accrued.

The basic remuneration for external directors is approved by the Annual General Meeting at the recommendation of the Board of Directors and in keeping with the report drawn up by the company's Appointments and Remuneration Committee. The amount of the contractual remuneration for executive directors and the fixed allowance for membership to the Boards or Steering Committees are approved by the Board of Directors, subject to a report by the committee.

- Senior Management

Remuneration paid in the last two years is shown below:

Item	Amount	
	2021	2020
No. of senior management members	9	9
Fixed remuneration	2.6	2.6
Variable remuneration	1.7	1.5
Other concepts	0.3	0.3
TOTAL REMUNERATION	4.6	4.4
Life insurance	0.04	0.03

Figures in million euros

Regarding short-term variable remuneration accrued in the current and previous years, at the close of 2021, 2.4 million euros are pending payment (2.3 million euros in 2020).

Additionally, on February 10, 2021 and February 11, 2020, the Board of Directors of MAPFRE S.A. approved, as proposed by the Appointments and Remuneration Committee, for a key group in the company, an additional short-term component tied to both the Return on Equity (ROE) and the Global Combined Ratio. The accrued amount reached 0.6 million euros both in 2021 and 2020, for members of Senior Management included in this plan.

Further, in 2021, expenses of 1.8 million euros for the year (1.3 million in 2020) were recorded as contributions to defined benefit plans, with the accumulated rights reaching 11.6 and 8.8 million euros at December 31, 2021 and 2020, respectively.

6.26. COVID-19

MAPFRE's activity during the COVID-19 crisis has focused on two main priorities:

- Guaranteeing the health and safety of all employees and collaborators.
- Ensuring business continuity in order to continue providing the highest level of service to our clients.

From the perspective of managing the crisis provoked by the pandemic, despite its impact and the mobility restrictions imposed in many countries, MAPFRE Group has maintained the continuity of its operations and has continued providing service to clients everywhere the Group operates, always complying with our commitment to our clients, as well as with the relevant legislation in force in each country at all times.

At the close of December, the percent of personnel who were working on the premises in the key markets where MAPFRE operates was the following: Spain, 95.9 percent of employees on a rotating basis; United States, 78.0 percent of employees on regular schedule with flexibility to work remotely; and Brazil, 100.0 percent of employees on a hybrid mobility model.

In the last quarter of the year, the COVID-19 pandemic situation improved progressively, thanks to advances in the vaccination process. This made it possible to be moderately optimistic about the development of the pandemic situation, with more and more countries slowly getting closer to normality, although new waves and new variants could limit the return to the total normalization of economic activity.

Impacts on the Consolidated Income Statement

The following is a breakdown of the most relevant impacts on Group results, at the close of December 2021, as a result of the coronavirus (COVID-19) crisis:

Losses

Losses incurred as a result of claims directly allocated to COVID-19 in 2021, by line of business, are as follows:

Lines	2021	2020
	Amount	Amount
Health	88.7	58.8
Burial	15.0	30.0
Life Protection	278.8	83.5
Travel Assistance (Travel insurance)	8.0	23.2
Other lines (Homeowners, Multirisk...)	17.7	13.7
TOTAL INSURANCE	408.2	253.3
Accepted Reinsurance	52.1	113.4
TOTAL	460.3	366.7

figures in million euros

By region and business unit, the breakdown of losses (excluding IBNR) is as follows:

Business Units	2021	2020
	Amount	Amount
IBERIA	32.7	39.1
LATAM NORTH	130.1	63.3
LATAM SOUTH	42.7	33.5
BRAZIL	188.7	46.2
NORTH AMERICA	2.7	0.8
EURASIA	3.3	3.1
TOTAL INSURANCE	400.2	186
REINSURANCE	52.1	113.4
ASISTENCIA	8	23.2
TOTAL	460.3	322.6

figures in million euros

COVID-19 Expenses

MAPFRE has mobilized resources and adopted measures aimed at guaranteeing the protection of its staff against the COVID-19 pandemic, as well as ensuring business continuity. The expenses related to these measures incurred by the Group during 2021 reached 3.8 million euros.

Combined Ratio

The combined ratio to December by line of business during the last three years is broken down below:

Lines	Combined Ratio	
	2021	2020
Auto	100.8 %	91.7 %
Health & Accident	100.1 %	94.1 %
General P&C	90.8 %	92.5 %
Burial	100.5 %	112.1 %
Travel Assistance	107.4 %	102.3 %
Life Protection	94.6 %	85.4 %

As can be seen, there has been a relevant deterioration of the Auto combined ratio compared to the same period the previous year, from the elimination of mobility restrictions and the return to a certain normality. On the other hand, an improvement can be seen in the General P&C and Burial lines. The combined ratios in the Life Protection and Health lines have gone up significantly, primarily as a result of the high COVID-19 claims in Latin America.

Economic effects on the Group Consolidated Balance Sheet and Solvency

There have been no relevant changes in credit ratings for the Group financial investment portfolio (see Note 7, Credit risk), and there has been no evidence of relevant delays in premium payments from clients or collections from reinsurers, nor of the recoverability of deferred tax assets.

As a result of the extraordinary situation resulting from the COVID-19 pandemic, the Insurance supervisor has recommended the Solvency Capital Requirement (SCR) be recalculated over the course of 2021, allowing estimations in the calculation. The solvency position updates performed by the Group throughout the year are proof of the solidity and resilience of MAPFRE's balance sheet, as well as its continued management capacity.

6.27. EVENTS SUBSEQUENT TO CLOSING

On January 7, 2022, the sale of MAPFRE Insurance Services Australia to Europ Assistance was closed. With this operation, MAPFRE completes its exit from the Australian market, primarily focused on the sale and distribution of Travel Insurance.

The amount agreed on for the sale is expected to be a minimum payment of 6.5 million Australian dollars. Potential additional payments are also foreseen, based on the sold company's business volume development in 2022. This operation will contribute a minimum gain of close to 3.4 million euros.

On January 14, MAPFRE S.A. proceeded to return credit lines for the amount of 155.9 million euros, which were used as temporary financing for the debt buyback carried out on December 14, 2021 and which was immediately cancelled.

7. RISK MANAGEMENT

The Board of Directors of MAPFRE S.A. establishes the risk level that the Group would be ready to assume to attain its business objectives with no significant deviations, even in adverse situations. That level, which establishes limits applicable to risk taking, configures the MAPFRE Group's risk appetite.

MAPFRE's structure is based on Units and Companies that are highly autonomous insofar as their management. The governing and management bodies of the Group approve the Units' and Companies' lines of action regarding continuous risk management and supervision through indicators and risk exposure ratios.

To guarantee the effective administration of risks, the Group has developed a series of policies for managing and controlling key risks. The Risk Management policy establishes a framework for risk management and, at the same time, for the development of policies regarding specific risks. These are:

- a. They establish general guidelines, basic principles and a general framework of action for the type of risk, ensuring coherent application within the Group.
- b. Assign responsibilities and define strategies, processes and procedures regarding the information needed to identify, measure, monitor, manage and notify about the risks referred to.
- c. Establish reporting chains of command and communication responsibilities of the risk supervisor.

Risk management is a local responsibility. The Group Risk Management Area handles all significant aspects related to risk management corresponding to the Group as well as relevant aspects of the different legal undertakings belonging to it, establishing benchmark directives and criteria. Respecting the action framework established by the Group, the companies are autonomous and responsible for structuring their own Risk management system in line with the applicable legislation and the complexity of their risk profile.

The Governing Bodies receive information relating to the quantification of the main risks to which the Group is exposed and the capital resources available to cover them, as well as information relating to compliance with the established risk appetite limits.

Assigned capital is established prospectively in general based on estimates based on the budgets for the following year and it is periodically reviewed throughout the year in line with the development of risks in order to ensure compliance with the established risk appetite limits.

Exposure to the types of risk coming from the Group financial instruments and insurance contracts, as well as the processes and methods used for their management and measurement are explained in sections A), B), C) and D) of this Note.

A. INSURANCE RISK

1. Sensitivity to insurance risk

This sensitivity analysis measures the effect on capital fluctuations upward and downward of the determining factors of insurance risk (number of insured risks, average premium value, frequency and cost of claims). One measure of the sensitivity to the Non-Life insurance risk is the impact that a one percentage point change in the combined ratio would have on the annual results and, consequently, on equity. The following table shows this effect and the volatility index of the ratio, calculated according to the standard deviation in a five-year time horizon:

Business Units	Impact on results of 1% variation in the combined ratio		Combined ratio volatility index
	2021	2020	
Insurance			
- IBERIA	28.9	33.7	2.6%
- LATAM	22.3	20.3	3.1%
- INTERNATIONAL	16.7	18.8	2.2%
Reinsurance	23.1	18.9	2.3%
Assistance	(0.9)	4.1	2.3%
Global Risks	1.5	1.5	16.8%
CONSOLIDATED	99.4	93.2	1.2%

Figures in millions of euros

In the case of the Life business, MAPFRE uses the standard formula to measure and manage the conditioning factors of insurance risk, which contemplates the following aspects:

- Mortality
- Morbidity
- Revision
- Expenses
- Lapse
- Catastrophe

The Group calculates its Solvency Capital Requirement (SCR) in line with the requirements of the standard formula for all risks except the longevity sub-risk for MAPFRE VIDA, which is calculated with a partial internal model and approved by the Directorate General for Insurance and Pension Funds (DGSFP) in Spain.

Based on the sensitivity analysis carried out regarding the main technical variables (mortality, disability, expenses and lapses) in the Group's main Life insurers, there are no relevant deviations from Life insurance provisions and, therefore, from the own funds of these entities or the Group.

Adequate allocation of technical provisions is one of the basic principles of the Group's insurance management. The technical provisions are calculated by the companies' actuarial teams and the amounts are validated by an independent party that did not participate in the calculation. The establishment of technical provisions is regulated by a specific policy.

The main actuarial methodologies considered to be adequate, applicable and relevant for the calculation of technical provisions under Solvency II for MAPFRE Group are:

- For Non-Life insurance:
 - Combinations of generally accepted deterministic methods to determine the ultimate loss ratio based on the selection of factors to determine average cost and frequency.
 - Stochastic methods to determine the loss ratio assuming a probability distribution function.
- For Life insurance:
 - Policy by policy calculation of the current expected value of acquired commitments based on existing statistical information regarding mortality, longevity, disability, etc.

- Projections based on groupings of homogenous policies or 'model points' where the policy by policy cash flow calculations are disproportionate in relation to the nature and complexity of the company's risks, as long as the projection does not distort the results obtained.
- Stochastic calculations, where relevant, to recognize the temporary value of the options and guarantees.

2. Concentrations of insurance risk

The Group has a high degree of insurance risk diversification since it operates in virtually all insurance lines in Spain and has a wide presence in the international markets.

The Group has implemented a system of procedures and limits which allows it to control the level of concentrated insurance risk.

It is standard practice to use reinsurance contracts to mitigate the insurance risk arising from the concentration or accumulation of guarantees exceeding the maximum acceptance levels.

2.a) Premiums by risk

The following tables show the breakdown for the last two years of written direct insurance and accepted reinsurance premiums classified according to the type of business underwritten:

2021

Item	Accepted reinsurance				Catastrophic risk	Direct insurance			
	Non-Life			Total		Other risks			Total
	Life	Catastrophic risk	Other risks			Life	Automobile	Other	
Written premiums, direct insurance	—	—	—	—	491.8	4,252.2	5,335.8	8,047.8	18,127.6
Premiums from accepted reinsurance	630.0	404.4	2,992.6	4,027.0	—	—	—	—	—

Figures in millions of euros

2020

Item	Accepted reinsurance				Direct insurance				
	Non-Life			Total	Catastrophic risk	Other risks			Total
	Life	Catastrophic risk	Other risks			Life	Automobile	Other	
Written premiums, direct insurance	—	—	—	—	467.7	3,813.9	5,542.9	6,942.9	16,767.3
Premiums from accepted reinsurance	553.7	333.7	2,827.5	3,714.9	—	—	—	—	—

Figures in millions of euros

2.b) Premiums by product and segment

The following tables show premiums issued for direct insurance and accepted reinsurance by product and segment, in the last two years:

2021

Product	IBERIA	LATAM NORTH	LATAM SOUTH	BRAZIL	NORTH AMERICA	EURASIA	ASISTENCIA	GLOBAL RISKS	REINSURANCE	CORPORATE AREAS AND CONSOLIDATION ADJUSTMENTS	Total
Life	2,097.6	403.8	265.4	1,154.6	0.8	335.0	—	—	—	0.3	4,257.5
Automobile	2,258.6	244.1	388.7	461.4	1,282.2	749.1	3.6	—	—	(3.0)	5,384.7
Homeowners and commercial risks	1,055.2	122.7	92.8	355.7	632.7	91.3	—	—	—	(0.6)	2,349.8
Health	672.4	480.0	68.3	0.3	43.1	102.9	—	—	—	7.0	1,374.0
Accident	105.8	13.5	95.7	—	2.0	5.4	—	—	—	0.2	222.6
Other Non-Life	1,406.8	923.6	706.8	1,368.1	112.3	77.1	482.8	—	—	(348.9)	4,728.6
Reinsurance	—	—	—	—	—	—	—	1,283.0	4,991.6	(2,437.2)	3,837.4
TOTAL	7,596.4	2,187.7	1,617.7	3,340.1	2,073.1	1,360.8	486.4	1,283.0	4,991.6	(2,782.2)	22,154.6

Figures in millions of euros

2020

Product	IBERIA	LATAM NORTH	LATAM SOUTH	BRAZIL	NORTH AMERICA	EURASIA	ASISTENCIA	GLOBAL RISKS	REINSURANCE	CORPORATE AREAS AND CONSOLIDATION ADJUSTMENTS	Total
Life	1,676.9	424.1	226.3	1,209.5	2.3	279.7	—	—	—	0.1	3,818.8
Automobile	2,234.6	230.7	345.4	443.5	1,350.7	928.0	68.0	—	—	(67.6)	5,533.3
Homeowners and commercial risks	1,013.4	118.6	184.3	322.7	626.7	84.4	—	—	—	(10.1)	2,339.9
Health	611.7	443.3	72.7	0.4	48.5	111.4	—	—	—	1.6	1,289.6
Accident	103.0	12.6	75.0	—	1.7	5.7	—	—	—	0.1	198.0
Other Non-Life	1,359.3	345.4	546.8	1,109.3	68.0	74.2	551.0	—	—	(330.4)	3,723.6
Reinsurance	—	—	—	—	—	—	—	1,255.8	4,430.7	(2,107.5)	3,579.0
TOTAL	6,998.9	1,574.6	1,450.5	3,085.4	2,097.9	1,483.4	618.9	1,255.8	4,430.7	(2,514.0)	20,482.2

Figures in millions of euros

2.c) Premiums by currency

The following tables show the breakdown for the last two years of written direct insurance premiums.

Currency	Financial Year	
	2021	2020
Euro	8,567.3	8,000.5
US dollar	3,843.8	3,439.6
Brazilian real	3,340.1	3,085.4
Mexican peso	572.1	534.8
Argentine peso	131.1	99.9
Venezuelan digital holivar	13.4	5.8
Turkish lira	209.2	230.5
Colombian peso	268.7	238.7
Chilean peso	158.5	136.9
Pound sterling	41.9	125.6
Peruvian sol	292.7	290.3
Indonesian rupiah	36.0	34.7
Other currencies	652.8	544.8
TOTAL	18,127.6	16,767.3

Figures in millions of euros

3. Claims

Section 3.4 of Note 6.13 of the annual report, "Technical Provisions", offers information about the progression of claims.

B. CREDIT RISK

1. Credit risk arising from reinsurance contracts

The following table shows the breakdown of receivables against reinsurers in the last two years:

Ceded and retroceded reinsurance	Book value	
	2021	2020
· Provision for Life insurance	54.4	55.6
· Provision for outstanding claims	4,142.8	3,738.4
· Other technical provisions	0.5	2.6
· Receivables on ceded and retroceded reinsurance transactions	381.2	394.4
· Due on ceded and retroceded reinsurance transactions	(892.1)	(690.1)
TOTAL NET POSITION	3,686.8	3,500.9

Figures in millions of euros

The following table shows the breakdown of credits against reinsurers based on the financial solvency margin:

Level (*)	Book value	
	2021	2020
AAA	648.2	1,166.9
AA	892.0	994.1
A	1,239.6	363.6
BBB	153.2	317.4
BB OR LESS	116.7	82.4
WITHOUT CREDIT RATING	637.2	576.4
TOTAL NET POSITION	3,686.8	3,500.9

Figures in millions of euros

(*) According to local criteria

The following table shows the type and amount of the guarantees granted by reinsurers in the last two years:

Type of surety	Amount	
	2021	2020
Letters of credit	110.5	94.4
Guarantees	—	—
Pledging of assets	—	—
Other guarantees	22.1	17.0
TOTAL	132.6	111.4

Figures in millions of euros

The balances corresponding to receivables on direct insurance and co-insurance operations amounted to 3.9 and 3.5 billion euros at December 31, 2021 and 2020, respectively. Estimated losses due to impairment are recorded in the income statement as specified in accounting policy 5.9.

2. Credit risk arising from other financial instruments

The breakdown for the last two years of the portfolio of fixed-income securities, hybrid securities, deposits and cash, based on the payment capacity of issuers of fixed-income securities and financial institutions, is shown below:

Issuer capacity for payment (*)	Book value							
	Held-to-maturity portfolio		Available-for-sale portfolio		Trading portfolio		Cash	
	2021	2020	2021	2020	2021	2020	2021	2020
AAA	1,054.2	1,107.2	2,477.0	3,081.4	1,158.8	788.4	182.2	177.7
AA	83.2	47.6	2,919.9	3,164.4	346.1	316.4	147.0	173.1
A	27.4	184.7	13,607.0	14,761.9	566.0	456.1	1,845.1	1,208.1
BBB	167.6	29.6	6,553.5	6,223.1	759.9	848.5	402.5	546.5
BB OR LESS	30.5	42.8	289.3	257.8	43.0	25.2	74.1	83.8
WITHOUT CREDIT RATING	142.3	145.2	284.7	270.5	202.7	96.5	236.7	229.8
TOTAL	1,505.2	1,556.9	26,131.4	27,759.1	3,076.5	2,531.1	2,887.6	2,418.9

Figures in millions of euros
 (*) According to local criteria

3. Fixed-income securities in default

There were no fixed-income securities in default for significant amounts at December 31, 2021 and 2020.

4. Receivables

The following table shows the composition of the receivables heading at December 31, 2021 and 2020, as well as impairment losses, gains on recorded impairment reversals, and received amounts for guarantees in the last two years:

Item	Net balance on balance sheet		Impairment				Guarantees Received	
	2021	2020	Recorded losses	Reversal gains	Recorded losses	Reversal gains	2021	2020
Receivables on direct insurance and co-insurance operations	3,892.0	3,477.3	(8.5)	(14.5)	7.1	6.7	—	—
Receivables on reinsurance operations	791.7	1,012.2	(1.7)	(16.1)	2.7	15.5	—	—
Tax receivables	365.1	331.5	—	—	—	—	—	—
Corporate and other receivables	545.9	538.1	(3.9)	(2.8)	3.3	1.4	—	—
TOTAL	5,594.7	5,359.2	(14.1)	(33.4)	13.1	23.6	—	—

Figures in millions of euros

C. LIQUIDITY RISK

With respect to liquidity risk, MAPFRE has a Liquidity Risk Management Policy and an Asset and Liability Management Policy, which together comprise the benchmark framework for acting in this regard. In MAPFRE, the general practice is based on maintaining sufficient cash balances to comfortably cover the commitments arising from its obligations to insured parties and creditors. Thus, at December 31, 2020, the cash and cash equivalent balance amounted to 2.9 billion euros (2.4 billion euros the previous year), equivalent to 7.4 percent of total financial investments and cash (6.2 percent at the close of 2020).

For Life and Savings insurance, the investment criteria applied consists in matching the maturities of investments with obligations entered into under the terms of insurance contracts in order to mitigate the long-term liquidity risk. In addition, most fixed-income investments have an investment grade and are traded in organized markets, providing ample capacity to act against potential liquidity stress.

Assets with maturity exceeding one year are described in the "Interest rate risk" section.

Lastly, MAPFRE's low level of debt as regards shareholders' equity, combined with the amount not drawn down from the syndicated loan taken out by the controlling company, provides additional liquidity through financing operations. Note 6.12 "Financial liabilities" provides information on the Group's debt with credit institutions and its other financial liabilities.

1. Liquidity risk arising from insurance contracts

The table below shows the estimated schedule of disbursements for insurance liabilities recorded at December 31, 2021 and 2020 (non-financial discount amounts).

2021

Item	Estimated cash outflows in years						Subsequent	Total
	2022	2023	2024	2025	2026	2027 to 2031		
Provisions for Life insurance	2,624.3	1,609.6	1,390.6	1,256.9	1,185.8	4,264.3	6,543.9	18,875.4
Provision for outstanding claims	5,905.0	2,398.1	1,136.2	680.9	459.2	928.5	478.2	11,986.1
Other technical provisions	103.6	48.7	50.4	50.7	52.2	278.3	670.2	1,254.1
Due on direct insurance and coinsurance operations	857.2	20.5	12.0	8.2	4.9	11.0	1.2	915.0
Due on reinsurance operations	1,234.4	6.2	4.2	2.5	1.5	3.4	0.6	1,252.8
TOTAL	10,724.5	4,083.1	2,593.4	1,999.2	1,703.6	5,485.5	7,694.1	34,283.4

Figures in millions of euros

2020

Item	Estimated cash outflows in years						Subsequent	Total
	2021	2022	2023	2024	2025	2025 to 2029		
Provisions for Life insurance	2,491.4	1,625.3	1,392.1	1,212.1	1,100.7	4,286.1	7,094.5	19,202.1
Provision for outstanding claims	5,135.0	2,301.5	1,116.3	738.4	492.7	890.0	536.5	11,210.5
Other technical provisions	100.6	40.0	40.6	41.0	42.0	223.2	708.1	1,195.5
Due on direct insurance and coinsurance operations	894.4	17.8	10.9	8.1	4.6	9.3	5.8	951.0
Due on reinsurance operations	1,277.0	9.7	5.7	4.0	2.3	4.6	2.8	1,305.9
TOTAL	9,898.4	3,994.3	2,565.6	2,003.5	1,642.3	5,413.2	8,347.7	33,864.9

Figures in millions of euros

2. Liquidity risk arising from subordinated liabilities and financial liabilities

The breakdown for the last two years of disbursement maturities for subordinated and financial liabilities, excluding the financial discount, is shown below:

2021

Item	Maturity in						Total
	2022	2023	2024	2025	2026	Subsequent	
Subordinated liabilities	46.9	46.9	46.9	46.9	46.9	1,167.5	1,402.0
Issue of debentures and other negotiable securities	13.9	13.9	13.9	13.9	871.2	—	926.8
Due to credit institutions	221.6	45.7	56.2	658.3	58.3	82.3	1,122.4
Other financial liabilities (excluding for trading, others at fair value and w/o maturity)	710.0	0.8	0.3	0.7	0.3	2.3	714.4
TOTAL	992.4	107.3	117.3	719.8	976.7	1,252.1	4,165.6

Figures in millions of euros

2020

Item	Maturity in						Total
	2021	2022	2023	2024	2025	Subsequent	
Subordinated liabilities	46.9	46.9	46.9	46.9	46.9	1,214.4	1,448.8
Issue of debentures and other negotiable securities	16.3	16.3	16.3	16.3	16.3	1,016.3	1,097.5
Due to credit institutions	53.8	39.9	39.8	48.7	636.4	66.0	884.5
Other financial liabilities (excluding for trading, others at fair value and w/o maturity)	603.2	1.0	1.0	0.9	0.2	3.0	609.2
TOTAL	720.1	104.0	103.9	112.7	699.7	2,299.6	4,040.0

Figures in millions of euros

D. MARKET RISK

The MAPFRE Risk Management Area carries out resilience and sensitivity tests regarding the impact of financial variables from the market on its solvency position.

The Group's Investment Area regularly conducts analyses of the sensitivity of the investment portfolio's value to market risk.

Among others, the most usual indicators are the modified duration, for fixed-income securities, and the VaR, or value at risk, for equity instruments.

1. Interest rate risk

The following tables show the significant information of the last two years regarding the level of exposure to interest rate risk of the financial assets and liabilities:

Portfolio	Amount of assets exposed to interest rate risk at fair value					
	Fixed interest rate		Not exposed to risk		Total	
	2021	2020	2021	2020	2021	2020
To maturity	1,419.5	1,470.9	108.3	113.4	1,527.8	1,584.4
Available for sale	23,573.6	25,317.9	5,387.9	4,782.8	28,961.5	30,100.7
Trading	4,570.8	4,048.3	1,183.3	777.7	5,754.1	4,826.0
TOTAL	29,563.9	30,837.1	6,679.5	5,674.0	36,243.4	36,511.1

Figures in millions of euros

The assets with a fixed interest rate include the immunized portfolios, which amounted to 10.3 and 16.5 billion euros at December 31, 2021 and 2020 respectively, thus reducing the interest rate risk.

Item	Amount of liabilities exposed to interest rate risk at fair value					
	Fixed interest rate		Not exposed to risk		Total	
	2021	2020	2021	2020	2021	2020
Subordinated liabilities	1,122.2	1,121.6	—	—	1,122.2	1,121.6
Issue of debentures and other negotiable securities	862.8	1,005.6	—	—	862.8	1,005.6
Due to credit institutions	167.1	72.4	939.4	794.0	1,106.5	866.4
Other financial liabilities	974.1	828.2	1,394.5	768.5	2,368.6	1,596.7
TOTAL	3,126.2	3,027.9	2,333.9	1,562.5	5,460.1	4,590.4

Figures in millions of euros

The following tables show the breakdown of financial investments by maturity for 2021 and 2020.

December 31, 2021

Item	Closing balance	Maturity in:					Subsequent or without maturity
		1 year	2 years	3 years	4 years	5 Years	
<u>HELD TO MATURITY PORTFOLIO</u>							
Fixed income	1,505.2	420.5	258.2	115.8	47.9	100.4	562.4
Other investments	22.6	13.9	0.8	0.2	—	3.7	4.0
TOTAL HELD TO MATURITY PORTFOLIO	1,527.8	434.4	259.0	116.0	47.9	104.1	566.4
<u>AVAILABLE FOR SALE PORTFOLIO</u>							
Fixed income	26,131.4	2,522.4	2,176.3	2,088.7	2,088.6	3,645.7	13,609.7
Other investments	147.5	8.1	0.8	0.9	0.4	—	137.3
TOTAL AVAILABLE FOR SALE PORTFOLIO	26,278.9	2,530.5	2,177.1	2,089.6	2,089.0	3,645.7	13,747.0
<u>TRADING PORTFOLIO</u>							
Financial swaps	420.6	(104.8)	(175.4)	(220.2)	(72.9)	(295.6)	1,289.5
Options	—	—	—	—	—	—	—
Fixed income	2,859.7	1,092.7	248.6	219.3	138.4	271.6	889.1
Hybrids	216.8	74.6	65.6	5.5	9.0	49.2	12.9
Deposits	—	—	—	—	—	—	—
TOTAL TRADING PORTFOLIO	3,497.1	1,062.5	138.8	4.6	74.5	25.2	2,191.5

Figures in millions of euros

December 31, 2020

Item	Closing balance	Maturity in:					Subsequent or without maturity
		1 year	2 years	3 years	4 years	5 Years	
<u>HELD TO MATURITY PORTFOLIO</u>							
Fixed income	1,556.9	262.8	289.1	212.0	103.8	60.4	628.8
Other investments	27.4	18.9	0.9	—	0.3	0.1	7.3
TOTAL HELD TO MATURITY PORTFOLIO	1,584.4	281.7	290.0	212.0	104.0	60.4	636.1
<u>AVAILABLE FOR SALE PORTFOLIO</u>							
Fixed income	27,759.1	1,716.2	2,167.8	2,291.0	2,284.9	2,342.2	16,957.0
Other investments	19.6	11.6	1.2	0.8	1.0	0.3	4.8
TOTAL AVAILABLE FOR SALE PORTFOLIO	27,778.7	1,727.8	2,169.0	2,291.8	2,286.0	2,342.4	16,961.7
<u>TRADING PORTFOLIO</u>							
Financial swaps	501.4	(93.1)	(164.0)	(108.8)	(139.6)	(139.6)	1,146.5
Options	1.0	0.3	—	—	—	—	0.8
Fixed income	2,215.7	739.7	175.7	194.3	167.8	197.8	740.4
Hybrids	315.5	114.8	70.1	65.3	—	3.6	61.8
Deposits	—	—	—	—	—	—	—
TOTAL TRADING PORTFOLIO	3,033.6	761.7	81.8	150.8	28.2	61.8	1,949.4

Figures in millions of euros

The average interest rate and modified duration of fixed-income investments in 2021 and 2020 are shown below:

Item	2021	2020
Average interest rate (%)	3.42	3.34
Modified duration (%)	6.95	7.55

The modified duration reflects the sensitivity of the value of the assets to movements in interest rates and represents an approximation of the percentage variation that the value of financial assets would experience for every percentage point (100 bp) of variation of interest rates.

The balances included in the "Receivables" heading under the assets on the balance sheet and in the "Due on direct insurance and co-insurance operations", "Due on reinsurance operations", "Tax liabilities" and "Other debts" accounts under the liabilities on the balance sheet do not accrue interest and they are usually settled the following year. Liabilities with a maturity exceeding one year are covered in the section "Liquidity risk arising from subordinated liabilities and financial liabilities".

2. Exchange rate risk

The following table shows the breakdown of assets and liabilities regarding the currencies in which they are recorded at the end of the last two years.

Currency	Assets		Liabilities		Net Total	
	2021	2020	2021	2020	2021	2020
Euro	36,162.5	43,021.6	33,036.3	39,292.4	3,126.2	3,729.2
US dollar	13,736.4	12,877.0	9,904.8	9,496.3	3,831.6	3,380.7
Mexican peso	1,231.7	1,212.1	891.8	899.6	339.9	312.6
Brazilian real	6,875.0	6,195.5	5,777.6	4,968.1	1,097.4	1,227.4
Turkish lira	382.5	523.4	402.0	508.5	(19.5)	14.9
Chilean peso	270.1	348.6	105.2	271.6	164.9	77.0
Venezuelan digital bolivar	12.7	13.0	10.0	12.5	2.7	0.5
Argentine peso	303.3	246.8	207.3	160.5	96.0	86.4
Colombian peso	1,217.0	1,367.1	1,144.8	1,247.4	72.2	119.7
Pound sterling	544.7	587.0	392.0	468.2	152.7	118.8
Canadian dollar	96.5	86.6	18.2	20.9	78.3	65.8
Philippine peso	157.4	103.7	75.0	78.1	82.4	25.7
Peruvian sol	780.0	746.0	656.3	594.5	123.7	151.5
Indonesian rupiah	158.9	148.9	67.2	69.0	91.7	80.0
Other currencies	1,925.5	1,675.3	1,499.1	1,227.2	426.4	447.6
TOTAL	63,854.2	69,152.6	54,187.6	59,314.8	9,666.6	9,837.8

Figures in millions of euros

The sensitivity of the Group's equity to changes in euro exchange rates against the different currencies in which assets are stated is determined by the net total amount shown in the previous table, having deducted the amount for the non-monetary items. Similarly, the effect of these exchange rate variations on the Group's future results is determined by the volume of earnings obtained in each currency. In this regard, Annex 1 provides a breakdown of the country in which the operations of each Group company are located, and Annex 2 provides the result obtained by the most relevant companies in the Group.

3. Stock market risk

The VaR or value at risk (maximum variation expected in a one-year time horizon and at a confidence level of 99 percent) of equities and mutual funds exposed to stock market risk amounted to 1.3 billion and 1.4 billion euros at December 31, 2021 and 2020, respectively.

4. Property risk

At December 31, 2021 the Group had property assets representing approximately 5.2 percent of total investments and cash (5.0 percent at December 31, 2020), of which approximately 46.0 percent corresponds to its own offices (46.4 percent at December 31, 2020). This equity serves the dual function of providing administrative and sales support as well as generating revenues from investments and diversifying investments. The breakdown of these property assets is shown in the following table:

Item	Net book value		Market value	
	2021	2020	2021	2020
Real estate investments	1,260.0	1,199.5	1,685.1	1,698.7
Real estate for own use	1,071.8	1,040.4	1,416.3	1,414.5
TOTAL	2,331.8	2,239.9	3,101.4	3,113.2

Figures in millions of euros

Unrealized gains would offset a fall in the price of the properties equivalent to approximately 24.8 percent of their market value at the close of 2021 (28.1 percent at the close of 2020).

E. ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RISKS

MAPFRE is constantly analyzing all factors that, should they materialize, would or could impact the business. This analysis includes environmental, social and governance (ESG) factors, which makes it possible to obtain additional information about social movements and transformations, stakeholder expectations as well as those of the market, which affect the organization.

Based on the analysis of these ESG factors and how they can affect the business in the short, medium and long-term, they are included in the typology of risks established by the company, and measures for their prevention and mitigation are adopted.

The strategy for the fight against climate change is articulated in MAPFRE through the Corporate Environmental Footprint Plan 2021-2030, which gives continuity to the previous Energy Efficiency and Climate Change Plan 2014-2020, incorporating other environmental variables that are decisive in the adaptation and mitigation processes.

The MAPFRE S.A. Board of Directors also approved, in September 2021, a new update of the Group Environmental Policy in which key aspects such as Green Procurement are included, and the Circular Economy (via the zero waste initiative) and Natural Capital are introduced.

In line with the defined objectives, the 2021 carbon footprint of MAPFRE companies located in Spain and Portugal has been neutralized. In the context of the new Environmental Footprint Plan, the Group has established new objectives to be added to the previously existing ones:

Objectives to 2024:

- Reduce the Group's carbon footprint by 19 percent compared to the 2019 baseline.
- Neutralize MAPFRE's carbon footprint in Brazil, the United States, Mexico, Peru, Puerto Rico, Germany, Italy and Turkey.

Objectives to 2030:

- Reduce the Group's carbon footprint by 50 percent compared to the 2019 baseline.
- Neutralize the remaining carbon footprint for the Group as a whole.

These lines of action define the Group's roadmap to fight climate change.

The following is a list of the key environmental commitments regarding underwriting and investment applicable to all Group entities starting in 2022:

Underwriting commitment:

Environmental commitments have been reinforced and modified, thus advancing activity in favor of a transition to a low-carbon economy, accompanying clients in their decarbonization processes and energy transitions.

Investment commitment:

The first measurement of environmental impact on the portfolio was performed, so that decarbonization objectives can be established and decision-making can be well-directed. The investment portfolio carbon footprint was calculated using a proprietary method as well as the Partnership for Carbon Accounting Financials (PCAF) method, measuring the emissions of the equity portfolio, Corporate debt and Government fixed income.

The Integrated Report provides further information on the environmental risks and management.

8. OTHER INFORMATION

8.1. INFORMATION RELATED TO THE GOVERNING BODY

In the last two years, there have not been any conflicts of interest, either direct or indirect, between the directors or the people connected to them and the Group.

In the last two years, the controlling company's directors did not carry out any operations with the controlling company itself or with any other Group company either outside the scope of the companies' ordinary trading activities or outside normal market conditions.

The insurance premium paid on behalf of the administrators for damages liability was 1.0 million euros in 2021 (0.8 million euros in 2020).

8.2. FEES EARNED BY THE AUDITORS

The annual accounts of the controlling company and of the main Group companies for the financial year 2021 have been audited by the firm KPMG, with the main exception of the subsidiaries with registered offices in Indonesia and Ecuador, whose auditors are PKF and GRANT THORNTON, respectively.

The remuneration accrued by the main auditor is shown below. It is deemed that these fees do not compromise the independence of the auditors.

Item	Amount	
	2021	2020
Audit services	7.0	7.5
Other verification services	1.4	1.5
Tax services	—	—
Other services	0.1	0.1
Total services of main auditor	8.5	9.1

Figures in millions of euros

The abovementioned amounts include those paid to the company KPMG Auditores, S.L. to the Group in 2021 for the amount of 2.3 million euros for audit services (2.4 million euros in 2020) and 0.5 million euros for Other verification services (0.7 million in 2020).

These include, most notably, other required reviews (by regulation or requirement of external partners), as well as services regarding regulatory compliance, the most relevant of which are those corresponding to the review of the Solvency Reports (0.3 million euros).

Other entities associated with KPMG International (KPMG Asesores, S.L.) have invoiced 0.1 million euros for an independent review of the Non-Financial Information Statement.

Fees related to account auditing services provided by auditors other than the main auditor amounted to 0.1 million euros in 2021 and 2020, in each year.

8.3. ENVIRONMENTAL INFORMATION

The Group companies do not have any environment-related item in the last two financial years that might be significant or specifically included in these consolidated annual accounts.

8.4. INFORMATION ON AVERAGE PROVIDER PAYMENT PERIOD

Details of the payments made by the Group's fully consolidated Spanish companies to providers in the financial years 2021 and 2020:

Item	Days	
	2021	2020
Average provider payment period	7.9	5.7
Ratio of paid operations	7.8	5.3
Ratio of operations pending payment	18.2	30.4

MAPFRE AND SUBSIDIARIES

Item	Million euros	
	2021	2020
Total payments made	2,148.7	1,581.0
Total pending payments exceeding the maximum statutory term	29.5	21.9

APPENDIX 1: SUBSIDIARIES, ASSOCIATED UNDERTAKINGS AND JOINT VENTURE AT DECEMBER 31, 2021 AND 2020

Name	Address	Holder	Participation in Capital		Consolidation method	Integration method for Solvency
			2020	2019		
			Percentage	Percentage		
IBERIA						
MAPFRE ESPAÑA COMPAÑÍA DE SEGUROS Y REASEGUROS S.A.	Ctra. Pozuelo, 50. Majadahonda. Madrid (España)	MAPFRE, S.A.	83.5173	83.5168	(A)	(1)
		MAPFRE PARTICIPACIONES, S.A.	16.4827	16.4825		
CLUB MAPFRE, S.A.	Ctra. Pozuelo, 50. Majadahonda. Madrid (España)	MAPFRE ESPAÑA, S.A.	99.9875	99.9875	(A)	(1)
		MAPFRE AUTOMOCIÓN S.A.U	0.0125	0.0125		
CENTRO DE EXPERIMENTACIÓN Y SEGURIDAD VIAL MAPFRE, S.A.	Ctra.Valladolid, km 1 Ávila (España)	MAPFRE ESPAÑA, S.A.	99.9982	99.9982	(A)	(1)
		MAPFRE, S.A.	0.0018	0.0018		
MAPFRE AUTOMOCIÓN S.A.U	Ctra. Pozuelo, 50. Majadahonda. Madrid (España)	MAPFRE ESPAÑA, S.A.	100.0000	100.0000	(A)	(1)
VERTI ASEGURADORA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A	Ctra. Pozuelo, 52. Majadahonda. Madrid (España)	MAPFRE ESPAÑA, S.A.	99.9991	99.9991	(A)	(1)
		CLUB MAPFRE, S.A.	0.0009	0.0009		
VERTI MEDIACION SOCIEDAD DE AGENCIA DE VALORES VINCULADA, S.L.	Doctor esquerdo, 138 Madrid (España)	VERTI ASEGURADORA S.A.	98.0000	98.0000	(F)(A)	(F)(1)
		CLUB MAPFRE, S.A.	2.0000	2.0000		
RASTREATOR.COM LTD (Sold in 2021)	Greyfriars House Greyfriars Road Cardiff Cardiff. South Wales CF10 3AL (Reino Unido)	MAPFRE ESPAÑA, S.A.	0.0000	25.0000	(H)	(H)
MAPFRE CONSULTORES DE SEGUROS Y REASEGUROS, S.A.	Ctra. Pozuelo, 50. Majadahonda. Madrid (España)	MAPFRE ESPAÑA, S.A.	50.0000	50.0000	(A)	(1)
		MAPFRE, S.A.	50.0000	50.0000		
MULTISERVICIOS MAPFRE MULTIMAP, S.A.	Ctra. Pozuelo, 52. Majadahonda. Madrid (España)	MAPFRE ESPAÑA, S.A.	97.5000	97.5000	(A)	(1)
		CENTROS MÉDICOS S.A.	2.5000	2.5000		
FUNESPAÑA, S.A.U.	C/ Doctor Esquerdo, 138 5º Madrid (España)	MAPFRE ESPAÑA, S.A.	99.7810	99.7760	(A)	(1)
FUNESPAÑA DOS, S.L.	C/ Doctor Esquerdo, 138 5º Madrid (España)	FUNESPAÑA, S.A.	100.0000	100.0000	(F)(A)	(F)(1)
POMPES FÚNEBRES DOMINGO, S.L.	C/ Mercaderes, 5 Bajo Tortosa. Tarragona (España)	FUNESPAÑA DOS, S.L.	100.0000	100.0000	(A)	(1)
SERVICIOS FUNERARIOS FUNEMADRID, S.A.U.	C/ Doctor Esquerdo, 138 5º Plta Madrid (España)	FUNESPAÑA DOS, S.L.	100.0000	100.0000	(A)	(1)
CEMENTERIO JARDÍN DE ALCALA DE HENARES, S.A.	Carretera de Pastrana, Km 3 Alcala de Henares. Madrid (España)	FUNEMADRID	49.0000	49.0000	(C)	(3)
EMPRESA MIXTA SERVEIS MUNICIPALS DE TARRAGONA, S.L.	Carretera Villa de Valencia, 2 Tarragona (España)	FUNESPAÑA DOS, S.L.	49.0000	49.0000	(C)	(3)
CEMENTERIO PARQUE ANDUJAR, S.A.	C/ Cementerio, 4 Andujar. Jaén (España)	FUNESPAÑA DOS, S.L.	72.8200	72.8200	(A)	(1)
SERVICIOS FUNERARIOS DE ZARAGOZA, S.L.	C/ Doctor Esquerdo, 138 5º Plta Madrid (España)	FUNESPAÑA DOS, S.L.	70.0000	70.0000	(A)	(1)
		FUNESPAÑA, S.A.	100.0000	100.0000	(A)	(1)
TANATORIUM ZRT	Joseph Krt, 49 Budapest (Hungria)	FUNESPAÑA, S.A.	100.0000	100.0000	(A)	(1)
INICIATIVAS ALCAÉSAR, S.L.	C / Viena, 2 1º A Cáceres (España)	FUNESPAÑA DOS, S.L.	40.0000	40.0000	(C)	(3)
SALZILLO SERVICIOS FUNERARIOS, S.L.	C/ Doctor Esquerdo, 138 5º Plta Madrid (España)	FUNESPAÑA DOS, S.L.	45.0000	45.0000	(C)	(1)

APPENDIX 1: SUBSIDIARIES, ASSOCIATED UNDERTAKINGS AND JOINT VENTURE AT DECEMBER 31, 2021 AND 2020

Name	Address	Holder	Participation in Capital		Consolidation method	Integration method for Solvency
			2020	2019		
DE MENA SERVICIOS FUNERARIOS, S.L.	C/ Doctor Esquerdo, 138 5º Plta Madrid (España)	FUNESPAÑA DOS, S.L.	70.0000	70.0000	(A)	(1)
ISABELO ALVAREZ MAYORGA, S.A.	Carretera Ávila - Valladiolid Km 08 Ávila (España)	FUNESPAÑA DOS, S.L.	50.0000	50.0000	(C)	(3)
SERVICIOS FUNERARIOS DEL NERVIÓN, S.L.	Alameda de Recalde 10 Bilbao (España)	FUNESPAÑA DOS, S.L.	50.0000	50.0000	(C)	(3)
NUEVO TANATORIO, S.L.	Avenida Hermanos Bou, 251 Castellón (España)	FUNESPAÑA DOS, S.L.	50.0000	50.0000	(C)	(3)
SERVICIOS FUNERARIOS LA CARIDAD, S.L.	Carretera Sanlúcar - Trebujena Km 1,5 Sanlúcar de Barrameda. Cádiz (España)	FUNESPAÑA DOS, S.L.	50.0000	50.0000	(C)	(3)
TANATORIO DE ÉCIJA, S.L.	C/ Camino del Valle Écija. Sevilla (España)	FUNESPAÑA DOS, S.L.	33.3300	33.3300	(C)	(3)
TANATORIO SE-30 SEVILLA, S.L.	C/ San Juan Bosco, 58 Zaragoza (España)	FUNESPAÑA DOS, S.L.	10.0000	10.0000	(C)	(3)
ALL FUNERAL SERVICES, S.L.	C/ Doctor Esquerdo, 138 5º Plta Madrid (España)	FUNESPAÑA, S.A.	100.0000	100.0000	(A)	(1)
FUNESPAÑA CHILE, S.A.	Santiago de Chile (Chile)	FUNESPAÑA, S.A.	50.0000	50.0000	(B)	(9)
FUNEUROPA CHILE, S.A.	Santiago de Chile (Chile)	FUNESPAÑA, S.A.	50.0000	50.0000	(B)	(9)
FUNERARIAS REUNIDAS DEL BIERZO, S.A.	C/ Doctor Esquerdo, 138 5º Plta Madrid (España)	FUNESPAÑA DOS, S.L.	85.8200	85.8200	(A)	(1)
SERVICIOS FUNERARIOS LUCEM S.L.	C/ La Costera número 20, Polígono Industrial Bovalar 46970 Alaquás. Valencia (España)	FUNESPAÑA DOS, S.L.	50.0000	50.0000	(C)	(3)
FUNERARIA SAN VICENTE, S.L.	C/ Restauración, número 2-bajo, Polígono Industrial y de Servicios "Matallana" 41440-Lora del Río. Sevilla (España)	FUNESPAÑA DOS, S.L.	50.0000	50.0000	(C)	(3)
INVERSIONES FUNERARIAS ANDALUZAS, S.L.	C/Torredonjimeno s/n Martos. Jaén (España)	FUNESPAÑA DOS, S.L.	33.3300	33.3300	(C)	(3)
FUNERARIA ALIANZA CANARIA, S.L.	Luis Doreste Silva, 18B 35004 Las Palmas de Gran Canaria (España)	FUNESPAÑA DOS, S.L.	100.0000	100.0000	(A)	(1)
MEDISEMAP, AGENCIA DE SEGUROS, S.L.	Ctra. Pozuelo, 52. Majadahonda Madrid (España)	MAPFRE ESPAÑA, S.A. MAPFRE VIDA, S.A.	66.6667 33.3333	66.6667 33.3333	(A)	(1)
CENTROS MÉDICOS MAPFRE, S.A.	Ctra. Pozuelo, 50. Majadahonda. Madrid (España)	MAPFRE ESPAÑA, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE VIDEO Y COMUNICACIÓN S.A.	Ctra. Pozuelo, 50. Majadahonda Madrid (España)	MAPFRE ESPAÑA, S.A. MAPFRE VIDA, S.A.	75.0000 25.0000	75.0000 25.0000	(A) 0	(1) 0
BANKINTER SEGUROS GENERALES, CÍA DE SEGUROS Y REASEGUROS S.A.	Avda. Bruselas, 12 Alcobendas. Madrid (España)	MAPFRE ESPAÑA, S.A.	50.1000	50.1000	(A)	(1)
AUDATEX ESPAÑA, S.A.	Av de Barajas, 34 Parque Empresarial Omega 28108 Alcobendas. Madrid	MAPFRE ESPAÑA, S.A.	12.5000	12.5000	(C)	(3)
TECNOLOGÍAS DE LA INFORMACIÓN Y REDES PARA LAS ENTIDADES ASEGURADORAS, S.A	C/ García Paredes, 55 Madrid (España)	MAPFRE ESPAÑA, S.A.	22.9506	22.9506	(C)	(3)

APPENDIX 1: SUBSIDIARIES, ASSOCIATED UNDERTAKINGS AND JOINT VENTURE AT DECEMBER 31, 2021 AND 2020

Name	Address	Holder	Participation in Capital		Consolidation method	Integration method for Solvency
			2020	2019		
MAPFRE QUINGDAO ENTERPRISE MANAGEMENT CONSULTING CO (Liquidated in 2021)	Qingdao (China)	MAPFRE ESPAÑA, S.A.	0.0000	100.0000	(A)	(1)
AGROSEGURO	C/ Gobelos, 23 Madrid (España)	MAPFRE ESPAÑA, S.A.	19.8100	19.8100	(C)	(3)
SALVADOR CAETANO AUTO (SGPS), S.A.	Avenida Vasco da Gama 14-10 4430-247 Vila Nova de Gaia (Portugal)	MAPFRE ESPAÑA, S.A.	24.6100	24.6100	(C)	(3)
SALUD DIGITAL MAPFRE S.A.	Ctra. Pozuelo, 50. Majadahonda Madrid (España)	MAPFRE ESPAÑA, S.A. CENTROS MÉDICOS MAPFRE, S.A.	97.5000 2.5000	97.5000 2.5000	(A)	(1)
PUY DU FOU ESPAÑA, S.A.	C/ Cuesta de Carlos V, 9 45001 Toledo (España)	MAPFRE ESPAÑA, S.A.	19.3810	19.3810	(C)	(3)
SANTANDER MAPFRE SEGUROS Y REASEGUROS S.A	Ctra. Pozuelo, 50. Majadahonda Madrid (España)	MAPFRE ESPAÑA, S.A.	50.0100	50.0100	(A)	(1)
SANTANDER ASSURANCE SOLUTIONS, S.A.	C/ Juan Ignacio Luca de Tena, 11 28027 Madrid (España)	SANTANDER MAPFRE SEGUROS Y REASEGUROS S.A.	33.0000	0.0000	(G)(C)	(G)(3)
MAPFRE INMUEBLES, S.G.A.	Ctra. Pozuelo, 52 Majadahonda Madrid (España)	MAPFRE ESPAÑA, S.A.	82.9732	82.9732	(A)	(1)
		MAPFRE, S.A.	9.9983	9.9979		
		MAPFRE VIDA, S.A.	7.0279	7.0279		
DESARROLLOS URBANOS CIC. S.A.	Ctra. Pozuelo, 52. Majadahonda Madrid (España)	MAPFRE INMUEBLES, S.G.A. MAPFRE, S.A.	99.9216 0.0784	99.9216 0.0784	(A)	(1)
SERVICIOS INMOBILIARIOS MAPFRE S.A.	Ctra. Pozuelo, 52. Majadahonda Madrid (España)	MAPFRE INMUEBLES, S.G.A. DESARROLLOS URBANOS CIC. S.A.	99.9000 0.1000	99.9000 0.1000	(A)	(1)
MAP SL EUROPEAN INVEST SARL	3 Rue Gabriel Lippmann L- 5365 Munsbach Grand Duchy of Luxembourg	MAPFRE INMUEBLES, S.G.A.	50.0000	0.0000	(G)(E)	(G)(3)
MAPAR IMPERIAL 14, S.L.	Cra. Húmera, 52 28023 Madrid (España)	MAPFRE INMUEBLES, S.G.A.	100.0000	0.0000	(G)(A)	(G)(1)
INMO ALEMANIA GESTIÓN DE ACTIVOS INMOBILIARIOS, S.L.	Pso. de la Castellana, 24 (Madrid) España	MAPFRE ESPAÑA, S.A.	20.0000	20.0000	(C)	(3)
MAPFRE TECH, S.A.	Ctra. Pozuelo, 52 Majadahonda Madrid (España)	MAPFRE ESPAÑA, S.A.	65.1574	65.1574	(A)	(1)
		MAPFRE VIDA, S.A.	11.6834	11.6834		
		MAPFRE RE, S.A.	0.8002	0.8002		
		MAPFRE ASISTENCIA, S.A.	1.5684	1.5684		
		MAPFRE INTERNACIONAL, S.A.	20.0000	20.0000		
MAPFRE SEGUROS GERAIS S.A.	Rua Doutor António Loureiro Borges, 9, Algés (Portugal)	MAPFRE ESPAÑA, S.A.	100.0000	100.0000	(A)	(1)
		MAPFRE GLOBAL RISK, S.A.				
MAPFRE SEGUROS DE VIDA S.A.	Rua Doutor António Loureiro Borges, 9, Algés (Portugal)	MAPFRE SEGUROS GERAIS S.A.	100.0000	100.0000	(A)	(1)
MAPFRE SANTANDER PORTUGAL COMPANHIA DE SEGUROS, S.A.	Rua Doutor António Loureiro Borges, 9, Algés (Portugal)	MAPFRE SEGUROS GERAIS S.A.	50.0100	50.0100	(F)(A)	(F)(1)
MAPFRE VIDA SOCIEDAD ANÓNIMA DE SEGUROS Y REASEGUROS SOBRE LA VIDA HUMANA	Carretera de Pozuelo, 50. (28222) Majadahonda. Madrid (España)	MAPFRE, S.A.	99.9234	99.9225	(A)	(1)

APPENDIX 1: SUBSIDIARIES, ASSOCIATED UNDERTAKINGS AND JOINT VENTURE AT DECEMBER 31, 2021 AND 2020

Name	Address	Holder	Participation in Capital		Consolidation method	Integration method for Solvency
			Percentage			
			2020	2019		
CONSULTORA ACTUARIAL Y DE PENSIONES MAPFRE VIDA S.A.	Carretera de Pozuelo, 50 (28222) Majadahonda Madrid (España)	MAPFRE VIDA, S.A.	99.9339	99.9339	(A)	(1)
		MAPFRE, S.A.	0.0661	0.0661		
GESTIÓN MODA SHOPPING S.A.	Avda.General Perón,40 Madrid (España)	MAPFRE VIDA, S.A.	99.8215	99.8215	(A)	(1)
		MAPFRE, S.A.	0.1785	0.1785		
MAPFRE INVERSIÓN SOCIEDAD DE VALORES S.A.	Carretera de Pozuelo, 50-1, M-4. 2º Planta Módulo Sur. (28222) Majadahonda Madrid (España)	MAPFRE VIDA, S.A.	99.9991	99.9991	(A)	(4)
		MAPFRE, S.A.	0.0009	0.0009		
MAPFRE ASSET MANAGEMENT, S.G.I.I.C., S.A	Carretera de Pozuelo, 50-1, M-4. 2º Planta Módulo Norte. (28222) Majadahonda. Madrid (España)	MAPFRE INVERSIÓN, S.A.	99.9853	99.9853	(A)	(4)
		MAPFRE, S.A.	0.0147	0.0147		
MAPFRE VIDA PENSIONES, ENTIDAD GESTORA DE FONDOS DE PENSIONES S.A.	Carretera de Pozuelo, 50-1, M-4. 2º Planta Módulo Norte. Madrid (España)	MAPFRE INVERSIÓN, S.A.	99.9971	99.9971	(A)	(4)
		MAPFRE, S.A.	0.0029	0.0029		
BANKIA VIDA, S.A. DE SEGUROS Y REASEGUROS (Sold in 2021)	Ctra. Pozuelo, 50 28222 (Majadahonda) Madrid (España)	MAPFRE VIDA, S.A.	0.0000	51.0000	(H)	(H)
MIRACETI S.A.	Carretera de Pozuelo, 50 28222 (Majadahonda) Madrid (España)	MAPFRE VIDA, S.A.	99.9991	99.9991	(A)	(1)
		MAPFRE, S.A.	0.0009	0.0009		
			0.0000	0.0000		
BANKINTER SEGUROS DE VIDA, S.A. DE SEGUROS Y REASEGUROS	Avda. Bruselas, 12 Alcobendas. Madrid (España)	MAPFRE VIDA, S.A.	50.0000	50.0000	(A)	(1)
CAJA CASTILLA LA MANCHA VIDA Y PENSIONES, S.A.	C/ Carretería, 5 Cuenca (España)	MAPFRE VIDA, S.A.	50.0000	50.0000	(A)	(1)
MAPFRE AM- GOOD GOVERNANCE	60, avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg	MAPFRE VIDA, S.A.	40.7924	35.1459	(A)	(9)
		OTHER GROUP COMPANIES	25.3849	39.9306		
MAPFRE AM- IBERIAN EQUITIES	60, avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg	MAPFRE VIDA, S.A.	58.4544	60.8408	(A)	(9)
		OTHER GROUP COMPANIES	21.3475	28.5132		
MAPFRE AM-EUROPEAN EQUITIES	60, avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg	MAPFRE VIDA, S.A.	71.7228	69.2616	(A)	(9)
		OTHER GROUP COMPANIES	19.3435	22.6746		
MAPFRE AM-MULTI ASSET STRATEGY	60, avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg	MAPFRE ESPAÑA, S.A.	41.6139	41.6139	(A)	(9)
		MAPFRE RE, S.A.	43.5891	43.5891		
		OTHER GROUP COMPANIES	8.8017	14.7970		
FONDMAPFRE ELECCION DECIDIDA	Ctra. Pozuelo, 50. Majadahonda Madrid (España)	MAPFRE VIDA, S.A.	39.6963	41.6354	(A)	(9)
		OTHER GROUP COMPANIES	21.3012	14.1661		
FONDMAPFRE ELECCION MODERADA	Ctra. Pozuelo, 50. Majadahonda Madrid (España)	MAPFRE VIDA, S.A.	48.9819	46.8965	(A)	(9)
		OTHER GROUP COMPANIES	7.3393	3.5363		
FONDMAPFRE ELECCION PRUDENTE	Ctra. Pozuelo, 50. Majadahonda Madrid (España)	MAPFRE VIDA, S.A.	48.3609	54.5839	(A)	(9)
		OTHER GROUP COMPANIES	7.5003	2.3995		

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Name	Address	Holder	Participation in Capital		Consolidation method	Integration method for Solvency
			Percentage			
			2020	2019		
FONDMAPFRE BOLSA AMERICA	Ctra. Pozuelo, 50.	MAPFRE VIDA, S.A.	27.0780	26.0686	(A)	(9)
	Majadahonda	MAPFRE ESPAÑA, S.A.	16.7966	22.9088		
	Madrid (España)	OTHER GROUP COMPANIES	17.3079	23.5396		
FONDMAPFRE RENTA DÓLAR	Ctra. Pozuelo, 50.	MAPFRE RE, S.A.	23.0525	23.8561	(A)	(9)
	Majadahonda	MAPFRE ESPAÑA, S.A.	23.0941	23.7576		
	Madrid (España)	MAPFRE VIDA, S.A.	23.7764	13.3073		
FONDMAPFRE GLOBAL F.I.	Ctra. Pozuelo, 50.	MAPFRE VIDA, S.A.	40.9075	39.8869	(A)	(9)
	Majadahonda	OTHER GROUP COMPANIES	4.3135	5.6999		
	Madrid (España)					
FONDMAPFRE BOLSA MIXTO F.I.	Ctra. Pozuelo, 50.	MAPFRE VIDA, S.A.	57.6716	57.3166	(A)	(9)
	Majadahonda	OTHER GROUP COMPANIES	5.1444	5.7612		
	Madrid (España)					
FONDMAPFRE BOLSA EUROPA F.I.	Ctra. Pozuelo, 50.	MAPFRE VIDA, S.A.	12.2207	12.2512	(A)	(9)
	Majadahonda	MAPFRE RE, S.A.	21.3734	21.5788		
	Madrid (España)	OTHER GROUP COMPANIES	24.7377	31.0829		
MAPFRE AM- SHORT TERM EURO I	60, avenue J.F. Kennedy	MAPFRE ESPAÑA, S.A.	31.7476	35.0585	(A)	(9)
	L-1855 Luxembourg	MAPFRE RE, S.A.	40.6023	30.9254		
	Grand Duchy of Luxembourg	OTHER GROUP COMPANIES	3.5981	4.3498		
FONDMAPFRE GARANTIA, F.I.	Ctra. Pozuelo, 50.	MAPFRE VIDA, S.A.	99.9989	99.9990	(A)	(9)
	Majadahonda					
	Madrid (España)					
FONDMAPFRE GARANTIA II, F.I.	Ctra. Pozuelo, 50.	MAPFRE VIDA, S.A.	99.9971	99.9971	(A)	(9)
	Majadahonda					
	Madrid (España)					
STABLE INCOME EUROPEAN REAL ESTATE FUND	60, avenue J.F. Kennedy	MAPFRE ESPAÑA, S.A.	18.0882	21.7000	(A)	(9)
	L-1855 Luxembourg	MAPFRE RE, S.A.	19.9213	20.8100		
	Grand Duchy of Luxembourg	OTHER GROUP COMPANIES	12.6184	15.9900		
MAPFRE AM-BEHAVORIAL FUND I	60, avenue J.F. Kennedy	MAPFRE RE, S.A.	21.6982	25.7672	(A)	(9)
	L-1855 Luxembourg	OTHER GROUP COMPANIES	23.2531	26.8929		
	Grand Duchy of Luxembourg					
MAPFRE AM-INCLUSION RESPONSABLE	60, avenue J.F. Kennedy	MAPFRE ESPAÑA, S.A.	18.5859	17.3322	(A)	(9)
	L-1855 Luxembourg	MAPFRE RE, S.A.	27.9465	24.0224		
	Grand Duchy of Luxembourg	OTHER GROUP COMPANIES	19.5280	50.7728		
MAPFRE AM-US FORGOTTEN VALUE	60, avenue J.F. Kennedy	MAPFRE ESPAÑA, S.A.	33.5656	43.7559	(A)	(9)
	L-1855 Luxembourg	MAPFRE RE, S.A.	27.5133	20.4195		
	Grand Duchy of Luxembourg	OTHER GROUP COMPANIES	15.5137	19.2575		
MAPFRE AM CAPITAL RESPONSABLE	60, avenue J.F. Kennedy	MAPFRE VIDA, S.A.	17.2586	0.0000	(F)(A)	(F)(9)
	L-1855 Luxembourg	MAPFRE INVERSION, S.A.	2.2048	3.3933		
	Grand Duchy of Luxembourg	OTHER GROUP COMPANIES	9.4987	37.2960		
MAPFRE AM GLOBAL BOND FUND	60, avenue J.F. Kennedy	MAPFRE VIDA, S.A.	47.6583	45.4957	(F)(A)	(F)(9)
	L-1855 Luxembourg	MAPFRE ESPAÑA, S.A.	10.9931	14.3550		
	Grand Duchy of Luxembourg	OTHER GROUP COMPANIES	16.5518	20.1954		
SWISSLIFE SPPICAV	60, avenue J.F. Kennedy	MAPFRE ESPAÑA, S.A.	15.0675	15.0675	(F)(C)	(F)(3)
	L-1855 Luxembourg	MAPFRE RE, S.A.	17.0497	17.0497		
	Grand Duchy of Luxembourg	OTHER GROUP COMPANIES	17.8828	17.8828		
OLIFAN INMO 18 OPCl	60, avenue J.F. Kennedy	MAPFRE ESPAÑA, S.A.	25.7487	32.8562	(F)(A)	(F)(9)
	L-1855 Luxembourg	MAPFRE RE, S.A.	32.0832	40.9394		
	Grand Duchy of Luxembourg	OTHER GROUP COMPANIES	5.7552	7.3344		

APPENDIX 1: SUBSIDIARIES, ASSOCIATED UNDERTAKINGS AND JOINT VENTURE AT DECEMBER 31, 2021 AND 2020

Name	Address	Holder	Participation in Capital		Consolidation method	Integration method for Solvency
			Percentage			
			2020	2019		
MAPFRE INFRAESTRUCTURAS FCR	Ctra. Pozuelo, 50.	MAPFRE ESPAÑA, S.A.	8.0654	8.0654	(F)(C)	(F)(3)
	Majadahonda	MAPFRE RE, S.A.	9.3366	9.3366		
	Madrid (España)	OTHER GROUP COMPANIES	4.5148	4.5148		
MAPFRE PRIVATE EQUITY I FCR	Ctra. Pozuelo, 50.	MAPFRE ESPAÑA, S.A.	28.0800	28.0800	(F)(A)	(F)(9)
	Majadahonda	MAPFRE RE, S.A.	35.7600	35.7600		
MAPFRE FONDTESORO PLUS, F.I.	Ctra. Pozuelo, 50.	MAPFRE VIDA, S.A.	12.2424	0.0000	(G)(A)	(G)(9)
	Majadahonda	OTRAS SOCIEDADES DEL GRUPO	11.9171	0.0000		
	Madrid (España)					
ALMA MUNDI INSURTECH FUND, FCRE	Plaza Santa Bárbara, 2	MAPFRE S.A.	28.4600	0.0000	(G)(C)	(G)(3)
	Madrid (España)					
MAPFRE ENERGIAS RENOVABLES I, F.C.R.	Avda. de Bruselas, 13 pl.1, pta. C	MAPFRE ESPAÑA, S.A.	29.1500	0.0000	(G)(A)	(G)(9)
	28108 Alcobendas	MAPFRE RE, S.A.	27.9000	0.0000		
		OTRAS SOCIEDADES DEL GRUPO	24.4500	0.0000		
FONDMAPFRE RENTA FIJA FLEXIBLE	Ctra. Pozuelo, 50.	MAPFRE VIDA, S.A.	34.0210	0.0000	(G)(A)	(G)(9)
	Majadahonda	OTRAS SOCIEDADES DEL GRUPO	1.2402	0.0000		
	Madrid (España)					
BRAZIL						
MAPFRE SEGUROS GERAIS S.A.	Avd.Nações Unidas, 11711 16.	MAPFRE PARTICIPAÇÕES, S.A.	100.0000	100.0000	(A)	(7)
	Andar Brooklin					
	São Paulo. (Brasil)					
MAPFRE VERA CRUZ CONSULTORIA E ADMINISTRACAO DE FUNDOS LTDA.	Avd.Nações Unidas, 11711 16.	MAPFRE BRASIL PARTICIPAÇÕES, S.A.	100.0000	100.0000	(A)	(1)
	Andar Brooklin					
	São Paulo (Brasil)					
BB MAPFRE PARTICIPAÇÕES, S.A.	Avd.Nações Unidas, 11711 16.	MAPFRE BRASIL PARTICIPAÇÕES, S.A.	25,0100(*)	25,0100(*)	(A)	(1)
	Andar Brooklin					
	São Paulo (Brasil)					
MAPFRE CAPITALIZAÇÃO S.A.	Avd.Nações Unidas, 11711 16.	MAPFRE PARTICIPAÇÕES, S.A.	100.0000	100.0000	(A)	(1)
	Andar Brooklin					
	São Paulo (Brasil)					
MAPFRE PARTICIPAÇÕES, S.A.	Avd.Nações Unidas, 11711 16.	MAPFRE BRASIL PARTICIPAÇÕES, S.A.	100.0000	100.0000	(A)	(1)
	Andar Brooklin					
	São Paulo (Brasil)					
MAPFRE BRASIL PARTICIPAÇÕES, S.A.	Avd.Nações Unidas, 11711 16.	MAPFRE INTERNACIONAL, S.A.	99.1700	99.1700	(A)	(1)
	Andar Brooklin	MAPFRE INVESTMENT S.A.	0.8300	0.8300		
	São Paulo (Brasil)					
MAPFRE VIDA S.A.	Avd.Nações Unidas, 11711 16.	MAPFRE PARTICIPAÇÕES, S.A.	100.0000	100.0000	(A)	(7)
	Andar Brooklin					
	São Paulo (Brasil)					
MAPFRE INVESTIMENTOS LTDA.	Avd.Nações Unidas, 11711 16.	MAPFRE INVESTIMENTOS E PARTICIPAÇÕES S.A.	99.9900	99.9900	(A)	(9)
	Andar Brooklin					
	São Paulo (Brasil)	MAPFRE BRASIL PARTICIPAÇÕES S.A.	0.1000	0.1000		

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Name	Address	Holder	Participation in Capital		Consolidation method	Integration method for Solvency
			2020	2019		
MAPFRE PREVIDENCIA S.A.	Avda.Mª Coelho Aguiar 215 Jardim São Luis Bloco F - 2º andar, São Paulo (Brasil)	MAPFRE PARTICIPAÇÕES, S.A.	100.0000	100.0000	(A)	(7)
MAPFRE INVESTIMENTOS E PARTICIPAÇÕES, S.A.	Avd.Nações Unidas, 11711 17. Andar Brooklin São Paulo (Brasil)	MAPFRE BRASIL PARTICIPAÇÕES, S.A.	100.0000	100.0000	(A)	(1)
ALIANÇA DO BRASIL SEGUROS, S.A.	R.Manuel da Nobrega, 12809. Andar, Rio de Janeiro Sao Paulo (Brasil)	BB MAPFRE PARTICIPAÇÕES S.A.	100.0000	100.0000	(A)	(7)
BRASILSEG COMPANHIA DE SEGUROS S.A.	R.Senador Dantas, 105 29 parte, 30 e 31. Andares. São Paulo-SP (Brasil)	BB MAPFRE PARTICIPAÇÕES S.A.	100.0000	100.0000	(A)	(7)
MAC INVESTIMENTOS S.A.	Avenida das Nações Unidas, 12.495 11º Andar Brooklin São Paulo-SP (Brasil)	MAPFRE INVESTIMENTOS E PARTICIPAÇÕES SA	100.0000	100.0000	(A)	(1)
MAPFRE SAUDE LTDA	Avenida das Nações Unidas, 12.495 11º Andar Brooklin São Paulo-SP (Brasil)	MAPFRE BRASIL PARTICIPAÇÕES, S.A.	99.9900	99.9900	(A)	(1)
PROTENSEG CORRETORA DE SEGUROS LTDA	Avenida das Nações Unidas, 12.495 11º Andar Brooklin São Paulo-SP (Brasil)	MAPFRE BRASIL PARTICIPAÇÕES, S.A.	100.0000	100.0000	(A)	(1)
LATAM NORTH						
MAPFRE TENEDORA DE ACC, S.A.	Costa del Este, diagonal al Business Park Panamá (Panamá)	MAPFRE AMERICA CENTRAL, S.A.	100.0000	100.0000	(A)	(9)
MAPFRE AMERICA CENTRAL S.A	Costa del Este, diagonal al Business Park Panamá (Panamá)	MAPFRE INTERNACIONAL, S.A.	99.9000	99.9000	(A)	(1)
MAPFRE SEGUROS HONDURAS S.A.	Avenida Berlín y Calle Viena, piso 7 Lomas del Guijarro Sur. Edificio Plaza Azul Tegucigalpa, M.D.C. (Honduras)	MAPFRE TENEDORA DE ACC, S.A MAPFRE AMERICA CENTRAL, S.A.	73.2569 25.1031	73.2569 25.1031	(A)	(9)
MAPFRE PANAMÁ S.A.	Costa del Este, diagonal al Business Park Panamá (Panamá)	MAPFRE AMERICA CENTRAL, S.A.	99.3772	99.3772	(A)	(1)
MAPFRE SEGUROS EL SALVADOR, S.A.	Alameda Roosevelt, 3107 Nivel 7 San Salvador (El Salvador)	MAPFRE AMERICA CENTRAL, S.A.	78.1065	78.1065	(A)	(9)
INMOBILIARIA AMERICANA S.A.	Alameda Roosevelt, 31-07 San Salvador (El Salvador)	MAPFRE AMERICA CENTRAL, S.A.	78.9000	78.9000	(A)	(9)
MAPFRE SEGUROS COSTA RICA S.A.	Barrio Tournón, Edificio Alvasa, 2do. Piso Diagonal al Periódico La República en intersección con Ctra de Guapiles (Ruta 32) San José (Costa Rica)	MAPFRE TENEDORA DE ACC, S.A.	100.0000	100.0000	(A)	(9)
MAPFRE SEGUROS GUATEMALA S.A.	5a Avenida 5-55 Zona 14 Europlaza Europlaza Torre 4 Nivel 16 y PH. Ciudad de Guatemala(Guatemala)	MAPFRE TENEDORA DE ACC, S.A.	100.0000	100.0000	(A)	(9)

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			2020	2019		
MAPFRE SEGUROS NICARAGUA S.A.	Edificio Invercasa, 1er. Piso Managua (Nicaragua)	MAPFRE TENEDORA DE ACC, S.A.	100.0000	100.0000	(A)	(9)
MAPFRE DOMINICANA S.A.	Ave Abraham Lincoln, 952 esq. José Amado Soler Ensanche Piantini, Santo Domingo (República Dominicana)	MAPFRE INTERNACIONAL, S.A.	99.9999	99.9999	(A)	(9)
		CREDIPRIMAS, S.A.	0.0001	0.0001		
MAPFRE BHD COMPAÑÍA DE SEGUROS, S.A.	Ave Abraham Lincoln, 952 esq. José Amado Soler Ensanche Piantini, Santo Domingo (República Dominicana)	MAPFRE DOMINICANA S.A.	51.0000	51.0000	(A)	(9)
CREDIPRIMAS, S.A.	Ave Abraham Lincoln, 952 esq. José Amado Soler Ensanche Piantini, Santo Domingo (República Dominicana)	MAPFRE BHD COMPAÑÍA DE SEGUROS S.A.	100.0000	100.0000	(A)	(9)
MAPFRE SALUD ARS	Av. 27 de Febrero No. 50. Edificio ARS Palic, Urb. El Vergel, Santo Domingo (República Dominicana)	MAPFRE DOMINICANA S.A.	51.0000	51.0000	(F)(A)	(F)(9)
MAPFRE MÉXICO S.A.	Avenida Paseo de la Reforma 243 Colonia Cuauhtémoc Delegación Cuauhtémoc. Distrito Federal C.P. 06500 (México)	MAPFRE INTERNACIONAL, S.A.	55.6602	55.6602	(A)	(7)
		GRUPO CORPORATIVO LML S.A.	44.3398	44.3398		
GRUPO CORPORATIVO LML S.A. DE C.V.	Avenida Paseo de la Reforma 243 Colonia Cuauhtémoc Delegación Cuauhtémoc. Distrito Federal C.P. 06500 (México)	MAPFRE INTERNACIONAL, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE UNIDAD DE SERVICIOS S.A. DE C.V.	Avenida Paseo de la Reforma 243 Colonia Cuauhtémoc Delegación Cuauhtémoc. Distrito Federal C.P. 06500 (México)	MAPFRE MÉXICO S.A.	99.9982	99.9982	(A)	(7)
MAPFRE DEFENSA LEGAL S.A. DE C.V.	Avenida Paseo de la Reforma 243 Colonia Cuauhtémoc Delegación Cuauhtémoc. Distrito Federal C.P. 06500 (México)	MAPFRE MÉXICO S.A.	100.0000	100.0000	(A)	(7)
MAPFRE TEPEYAC INC.	109 Este San Ysidro Blvd No. 65 San Isidro California, EEUU	MAPFRE MÉXICO S.A.	100.0000	100.0000	(A)	(7)
MAPFRE SERVICIOS MEXICANOS S.A.	Avenida Paseo de la Reforma 243 Colonia Cuauhtémoc Delegación Cuauhtémoc. Distrito Federal C.P. 06500 (México)	MAPFRE MÉXICO S.A.	99.9900	99.9900	(A)	(7)
CESVI MÉXICO, S.A.	Calle 1 Sur No. 101 Parque Industrial Toluca 2000 Toluca. Estado de México (Mexico)	MAPFRE MÉXICO S.A.	16.6700	16.6700	(D)	(9)
MAPFRE FIANZAS S.A.	Avenida Paseo de la Reforma 243 Colonia Cuauhtémoc Delegación Cuauhtémoc. Distrito Federal C.P. 06500 (México)	MAPFRE MÉXICO S.A.	100.0000	100.0000	(A)	(7)
LATAM SOUTH						
MAPFRE ARGENTINA HOLDING S.A.	Avda. Juana Manso, 205 C 1107CBE Puerto Madero Buenos Aires (Argentina)	MAPFRE INTERNACIONAL, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE ARGENTINA SEGUROS S.A.	Avda. Juana Manso, 205 C 1107CBE Puerto Madero Buenos Aires (Argentina)	MAPFRE ARGENTINA HOLDING S.A.	99.9988	99.9988	(A)	(1)
CLUB MAPFRE ARGENTINA S.A.	Avda. Juana Manso, 205 C 1107CBE Puerto Madero Buenos Aires (Argentina)	MAPFRE ARGENTINA HOLDING S.A.	97.0000	97.0000	(A)	(1)

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			2020	2019		
MAPFRE ARGENTINA SEGUROS DE VIDA S.A.	Avda. Juana Manso, 205 C	MAPFRE INTERNACIONAL, S.A.	64.0000	64.0000	(A)	(9)
	1107CBE Puerto Madero Buenos Aires (Argentina)	MAPFRE ARGENTINA HOLDING S.A.	36.0000	36.0000		
CESVI ARGENTINA, S.A.	Calle 9 y 17. Parque Ind.Pitar Buenos Aires (Argentina)	MAPFRE ARGENTINA SEGUROS S.A.	60.6400	60.6400	(A)	(1)
MAPFRE CHILE SEGUROS S.A.	Isidora Goyenechea 3520 p 16 Las Condes Santiago de Chile (Chile)	MAPFRE INTERNACIONAL, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE CHILE ASESORÍAS, S.A	Isidora Goyenechea 3520 p 16	MAPFRE CHILE SEGUROS S.A.	99.9999	99.9999	(A)	(1)
	Las Condes Santiago de Chile (Chile)	MAPFRE INTERNACIONAL, S.A.	0.0001	0.0001		
MAPFRE COMPAÑÍA DE SEGUROS GENERALES DE CHILE S.A.	Isidora Goyenechea 3520 p 16	MAPFRE CHILE SEGUROS S.A.	87.2900	87.2900	(A)	(1)
	Las Condes Santiago de Chile (Chile)	MAPFRE CHILE ASESORÍAS, S.A	12.7100	12.7100		
MAPFRE CHILE VIDA, S.A.	Isidora Goyenechea 3520 p 16	MAPFRE INTERNACIONAL, S.A.	100.0000	100.0000	(A)	(9)
	Las Condes Santiago de Chile (Chile)					
MAPFRE COMPAÑÍA DE SEGUROS DE VIDA DE CHILE S.A.	Isidora Goyenechea 3520 p 16	MAPFRE CHILE VIDA S.A.	99.9968	99.9968	(A)	(9)
	Las Condes Santiago de Chile (Chile)	MAPFRE INTERNACIONAL, S.A.	0.0032	0.0032		
MAPFRE SEGUROS GENERALES DE COLOMBIA S.A.	Carrera, 14, nº 96-34	MAPFRE INTERNACIONAL, S.A.	93.8525	93.7178	(A)	(1)
	Santa Fé de Bogotá (Colombia)	APOINT S.A.	6.1425	6.2768		
CREDIMAPFRE S.A.	Carrera, 14, nº 96-34	MAPFRE SEGUROS GENERALES DE COLOMBIA S.A.	100.0000	100.0000	(A)	(1)
	Santa Fé de Bogotá (Colombia)					
MAPFRE COLOMBIA VIDA SEGUROS S.A.	Carrera, 14, nº 96-34	MAPFRE INTERNACIONAL, S.A.	94.3541	94.3541	(A)	(1)
	Santa Fé de Bogotá (Colombia)	APOINT S.A.	5.6459	5.6459		
CESVI COLOMBIA, S.A.	Carrera 87, Num.15-87 Santa Fé de Bogotá(Colombia)	MAPFRE SEGUROS GENERALES DE COLOMBIA S.A.	67.7723	67.7723	(A)	(1)
MAPFRE SERVICIOS EXEQUIALES SAS	Carrera, 14, nº 96-34 Santa Fé de Bogotá (Colombia)	CREDIMAPFRE S.A.	100.0000	100.0000	(A)	(1)
MAPFRE ATLAS COMPAÑÍA DE SEGUROS, S.A.	Kennedy e Norte, Justino Cornejo y Avda, Luis Orrantia. Edificio Torres Atlas Guayaquil (Ecuador)	MAPFRE INTERNACIONAL, S.A.	67.6550	60.0000	(A)	(9)
MAPFRE PARAGUAY COMPAÑÍA DE SEGUROS S.A.	Av.Mariscal López, 910 Asunción (Paraguay)	MAPFRE INTERNACIONAL, S.A.	89.5400	89.5400	(A)	(9)
MAPFRE PERÚ COMPAÑÍA DE SEGUROS Y REASEGUROS S.A.	Av.Veintiocho de Julio, 873 Miraflores- Lima 18 (Perú)	MAPFRE INTERNACIONAL, S.A.	99.2902	99.2900	(A)	(1)
	Av.Veintiocho de Julio, 873	MAPFRE INTERNACIONAL, S.A.	98.5866	98.5900		
MAPFRE PERÚ ENTIDAD PRESTADORA DE SALUD	Miraflores- Lima 18 (Perú)	MAPFRE PERU CIA. SEGUROS Y REASEGUROS S.A.	1.4134	1.4100	(A)	(9)
MAPFRE PERÚ VIDA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	Av.Veintiocho de Julio, 873	MAPFRE INTERNACIONAL, S.A.	95.3906	67.4071	(A)	(1)
	Miraflores- Lima 18 (Perú)	MAPFRE PERÚ COMPAÑÍA DE SEGUROS Y REASEGUROS S.A	4.4771	0.0000		
CORPORACIÓN FUNERARIA, S.A.	Av.Veintiocho de Julio, 873 Miraflores- Lima 18 (Perú)	MAPFRE PERÚ VIDA S.A.	100.0000	100.0000	(A)	(1)
APOINT S.A.	Col. 993 Piso 3 Montevideo (Uruguay)	MAPFRE INTERNACIONAL, S.A.	100.0000	100.0000	(A)	(9)

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MAPFRE URUGUAY SEGUROS S.A.	Juncal 1385 piso 2 Montevideo (Uruguay)	MAPFRE INTERNACIONAL, S.A.	100.0000	100.0000	(A)	(9)
MAPFRE LA SEGURIDAD C.A. DE SEGUROS	Avenida Francisco de Miranda, Torre Financiera Caracas, piso 14, Urbanización La Castellana. Chacao, Estado Miranda (Venezuela)	MAPFRE INTERNACIONAL, S.A.	99.5159	99.5159	(A)	(9)
CENTRO DE FORMACION PROFESIONAL SEGUROS LA SEGURIDAD C.A.	Avenida Francisco de Miranda, Torre Financiera Caracas, piso 14, Urbanización La Castellana. Chacao, Estado Miranda (Venezuela)	MAPFRE LA SEGURIDAD C.A. DE SEGUROS	100.0000	100.0000	(A)	(9)
INVERSORA SEGURIDAD-FINANCIADORA DE PRIMAS, C.A.	Avenida Francisco de Miranda, Torre Financiera Caracas, piso 14, Urbanización La Castellana. Chacao, Estado Miranda (Venezuela)	MAPFRE LA SEGURIDAD C.A. DE SEGUROS	100.0000	100.0000	(A)	(9)
CLUB MAPFRE S.A.	Avenida Francisco de Miranda, Torre Financiera Caracas, piso 14, Urbanización La Castellana. Chacao, Estado Miranda (Venezuela)	MAPFRE LA SEGURIDAD C.A. DE SEGUROS	100.0000	100.0000	(A)	(9)
AUTOMOTRIZ MULTISERVICAR-VENEZUELA, C.A.	Avenida Francisco de Miranda, Torre Financiera Caracas, piso 14, Urbanización La Castellana. Chacao, Estado Miranda (Venezuela)	MAPFRE LA SEGURIDAD C.A. DE SEGUROS	97.0000	97.0000	(A)	(9)
AMA-ASISTENCIA MEDICA ADMINISTRADA, C.A.	Avenida Francisco de Miranda, Torre Financiera Caracas, piso 14, Urbanización La Castellana. Chacao, Estado Miranda (Venezuela)	MAPFRE INTERNACIONAL, S.A.	99.7000	99.7000	(A)	(9)
UNIDAD EDUCATIVA D.R FERNANDO BRAVO PEREZ CA	Avenida Francisco de Miranda, Torre Financiera Caracas, piso 14, Urbanización La Castellana. Chacao, Estado Miranda (Venezuela)	MAPFRE LA SEGURIDAD C.A. DE SEGUROS	99.7000	99.7000	(A)	(9)
NORTH AMERICA						
MAPFRE INSURANCE COMPANY OF FLORIDA	5959 Blue Lagoon Drive, Suite 400, Miami (E.E.U.U)	COMMERCE INSURANCE	100.0000	100.0000	(A)	(7)
MAPFRE INSURANCE COMPANY	100 Campus Drive New Jersey 07932-2007 (E.E.U.U.))	COMMERCE INSURANCE	100.0000	100.0000	(A)	(7)
MAPFRE INTERMEDIARIES	5959 Blue Lagoon Drive, Suite 400, Miami (E.E.U.U)	COMMERCE INSURANCE	100.0000	100.0000	(A)	(7)
MAPFRE USA CORPORATION INC	211 Main Street, Webster, MA 01570 (EE.UU.)	MAPFRE INTERNACIONAL, S.A.	100.0000	100.0000	(A)	(1)
THE COMMERCE INSURANCE COMPANY	211 Main Street, Webster, MA 01570 (EE.UU.)	MAPFRE USA CORPORATION	100.0000	100.0000	(A)	(7)
THE CITATION INSURANCE COMPANY	211 Main Street, Webster, MA 01570 (EE.UU.)	MAPFRE USA CORPORATION	100.0000	100.0000	(A)	(7)
MAPFRE TECH USA CORPORATION	211 Main Street, Webster, MA 01570 (EE.UU.)	MAPFRE USA CORPORATION	100.0000	100.0000	(A)	(7)
ACIC HOLDINGS COMPANY, INC.	215 Main Street, Webster, MA 01570 (EE.UU.)	MAPFRE USA CORPORATION	100.0000	100.0000	(A)	(1)

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			2020	2019		
AMERICAN COMMERCE INSURANCE COMPANY	3590 Twin Creeks Drive, Columbus, OH 43204 (EE.UU.)	ACIC HOLDINGS	100.0000	100.0000	(A)	(7)
MM REAL ESTATE, LLC	Blue Lagoon, Drive Suite, 200 Miami (E.E.U.U)	COMMERCE INSURANCE	100.0000	100.0000	(A)	(7)
THE COMMERCE WEST INSURANCE COMPANY	4301 Hacienda Drive, Suite 200, Pleasanton, CA 94588 (EE.UU.)	ACIC HOLDINGS	100.0000	100.0000	(A)	(7)
BIGELOW & OLD WORCESTER, LLC	211 Main Street, Webster, MA 01570 (EE.UU.)	COMMERCE INSURANCE	100.0000	100.0000	(A)	(1)
BFC HOLDING CORPORATION	211 Main Street, Webster, MA 01570 (EE.UU.)	MAPFRE USA CORPORATION	100.0000	100.0000	(A)	(1)
VERTI INSURANCE COMPANY	211 Main St, Webster, MA 01570 (EE.UU)	MAPFRE USA CORPORATION	100.0000	100.0000	(A)	(7)
MAPFRE ASSISTANCE USA INC.	7300 Corporate Center Drive, Suite 601 Miami, FL 33126 (E.E.U.U.)	MAPFRE ASISTENCIA, S.A. MAPFRE USA CORPORATION INC	0.0000 100.0000	100.0000 0.0000	(A)	(1)
MAPFRE WARRANTY CORPORATION OF FLORIDA	5959 Blue Lagoon Drive, Suite 400 Miami, FL 33126 (E.E.U.U.)	MAPFRE ASSISTANCE USA INC	100.0000	100.0000	(A)	(1)
CENTURY AUTOMOTIVE SERVICES COMPANY	6565 Americas Parkway NE. Suite 1000. Albuquerque NM 87110 (E.E.U.U.)	MAPFRE ASSISTANCE USA INC	100.0000	100.0000	(A)	(1)
FEDERAL ASSIST COMPANY	7300 Corporate Center Drive, Suite 601 Miami Florida 33126 (U.S.A.)	MAPFRE ASSISTANCE USA INC.	100.0000	100.0000	(A)	(1)
MAPFRE PRAICO CORPORATION	Urb. Tres Monjitas Industrial 297 Avda.Carlos Chardón Hato Rey San Juan (Puerto Rico)	MAPFRE INTERNACIONAL, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE PRAICO INSURANCE COMPANY	Urb. Tres Monjitas Industrial 297 Avda.Carlos Chardón Hato Rey San Juan (Puerto Rico)	MAPFRE PRAICO CORPORATION	100.0000	100.0000	(A)	(1)
MAPFRE PAN AMERICAN INSURANCE COMPANY	Urb. Tres Monjitas Industrial 297 Avda.Carlos Chardón Hato Rey San Juan (Puerto Rico)	MAPFRE PRAICO CORPORATION	100.0000	100.0000	(A)	(1)
MAPFRE INSURANCE AGENCY OF PUERTO RICO, INC.	Urb. Tres Monjitas Industrial 297 Avda.Carlos Chardón Hato Rey San Juan (Puerto Rico)	MAPFRE PRAICO CORPORATION	100.0000	100.0000	(A)	(1)
MAPFRE FINANCE OF PUERTO RICO CORP.	Urb. Tres Monjitas Industrial 297 Avda.Carlos Chardón Hato Rey San Juan (Puerto Rico)	MAPFRE PRAICO CORPORATION	100.0000	100.0000	(A)	(1)
MAPFRE LIFE INSURANCE COMPANY OF PUERTO RICO	Urb. Tres Monjitas Industrial 297 Avda.Carlos Chardón Hato Rey San Juan (Puerto Rico)	MAPFRE PRAICO CORPORATION	100.0000	100.0000	(A)	(1)
MAPFRE SOLUTIONS, INC	Urb. Tres Monjitas Industrial 297 Avda.Carlos Chardón Hato Rey San Juan (Puerto Rico)	MAPFRE PRAICO CORPORATION	100.0000	100.0000	(A)	(1)
MULTISERVICAR INC	Calle Celestial Esq. Joaquina Bo. Cangrejo Arriba Carolina (Puerto Rico)	MAPFRE PRAICO CORPORATION	100.0000	100.0000	(A)	(1)

EURASIA

APPENDIX 1: SUBSIDIARIES, ASSOCIATED UNDERTAKINGS AND JOINT VENTURE AT DECEMBER 31, 2021 AND 2020

Name	Address	Holder	Participation in Capital		Consolidation method	Integration method for Solvency
			2020	2019		
VERTI VERSICHERUNG AG	Rheinstraße 7a 14513 Teltow (Alemania)	MAPFRE INTERNACIONAL, S.A.	100.0000	100.0000	(A)	(1)
VERTI ASSICURIZIONI S.P.A.	Via Alessandro Volta, 16 20093 Cologno Monzese MI (Italia)	MAPFRE INTERNACIONAL, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE MIDDLESEA P.L.C.	Middle Sea House Floriana JTL, 16 (Malta)	MAPFRE INTERNACIONAL, S.A.	55.8325	54.5627	(A)	(1)
MAPFRE M.S.V. LIFE P.L.C.	Middle Sea House Floriana FRN 9010 (Malta)	MAPFRE MIDDLESEA INSURANCE P.L.C.	50.0000	50.0000	(A)	(1)
BEE INSURANCE MANAGEMENT LTD	4th Floor Development House st.Anne Street Floriana FRN 9010 (Malta)	MAPFRE MIDDLESEA INSURANCE P.L.C.	100.0000	100.0000	(A)	(1)
GROWTH INVESTMENTS LIMITED	Pjazza Papa Giovanni XXIII, Floriana, FRN 1420,(Malta)	MAPFRE M.S.V. LIFE P.L.C.	100.0000	100.0000	(A)	(4)
CHURCH WARF PROPERTIES	Middle Sea House, St Publius Street Floriana FRN 1442 (Malta)	MAPFRE MIDDLESEA INSURANCE P.L.C.	50.0000	50.0000	(B)	(9)
		MAPFRE M.S.V. LIFE P.L.C.	50.0000	50.0000		
EURO GLOBE HOLDINGS LIMITED	Middle Sea House, St Publius Street Floriana FRN 1442 (Malta)	MAPFRE MIDDLESEA INSURANCE P.L.C.	100.0000	100.0000	(B)	(9)
EUROMED RISKS SOLUTIONS LIMITED	4th Floor Development House st.Anne Street Floriana FRN 9010 (Malta)	BEE INSURANCE MANAGEMENT LTD	100.0000	100.0000	(A)	(1)
MAPFRE SIGORTA, A.S.	Yenişehir Mah. Irmak Cad. No:11. 34435 Salipazari Istanbul (Turquía)	MAPFRE INTERNACIONAL, S.A.	99.7450	99.7450	(A)	(1)
MAPFRE YASAM SIGORTA, A.S.	Yenişehir Mah. Irmak Cad. No:11. 34435 Salipazari Estambul (Turquía)	MAPFRE SIGORTA, A.S.	99.7778	99.7778	(A)	(1)
GENEL SERVIS YEDEK PARÇA DAGITIM TICARET A.S.	Çevreyolu Caddesi No.2 34020 Bayrampaşa Estambul (Turquía)	MAPFRE SIGORTA, A.S.	51.0000	51.0000	(A)	(1)
MAPFRE INSULAR INSURANCE CORPORATION	Acacia Ave Mandrigal Business Park Ayala Alabarg MuntinlupaCity (Filipinas)	MAPFRE INTERNACIONAL, S.A.	74.9384	74.9384	(A)	(9)
PT ASURANSI BINA DANA ARTA TBK	Plaza ABDA 27 Th floor Jl. Jend. Sudirman Kav. 59 JAKARTA 12190 (Indonesia)	MAPFRE INTERNACIONAL, S.A.	62.3264	62.3264	(A)	(9)
ASSISTANCE						
MAPFRE ASISTENCIA COMPAÑIA INTERNACIONAL DE SEGUROS Y REASEGUROS, S.A.	Ctra. Pozuelo, 52 Majadahonda Madrid (España)	MAPFRE, S.A.	99.9970	99.9970	(A)	(1)
		MAPFRE ESPAÑA, S.A.	0.0030	0.0030		
IBERO ASISTENCIA, S.A.	Edificio Europa, Av. José Malhoa, 16 F, 7º, 1070-159 Lisboa, (Portugal)	MAPFRE ASISTENCIA, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE ASISTENCIA LTDA	Alameda Rio Negro 503, 24º andar, sala 2414 Barueri/SP, CEP 06454-000 São Paulo (Brasil)	MAPFRE ASISTENCIA, S.A.	99.9990	99.9990	(A)	(1)
		MAPFRE BRASIL PARTICIPAÇÕES, S.A.	0.0010	0.0010		

APPENDIX 1: SUBSIDIARIES, ASSOCIATED UNDERTAKINGS AND JOINT VENTURE AT DECEMBER 31, 2021 AND 2020

Name	Address	Holder	Participation in Capital		Consolidation method	Integration method for Solvency
			2020	2019		
AFRIQUE ASSISTANCE, S.A.	Immeuble Tamayouz, 4 ^{ème} Etage, 1082 Centre Urbain Nord Tunis 1002 (Túnez)	MAPFRE ASISTENCIA, S.A.	49.0000	49.0000	(A)	(1)
SERVICIOS GENERALES VENEASISTENCIA, S.A.	4ta transversal de Motecristo, Edificio Axxa, Planta Baja, Los Dos Caminos, (Venezuela)	MAPFRE ASISTENCIA, S.A. MAPFRE RE, S.A.	99.9980 0.0020	99.9980 0.0020	(A)	(1)
ANDIASISTENCIA COMPAÑÍA DE ASISTENCIA DE LOS ANDES, S.A.S	Carrera 14 N 96 -34 Piso 2 Bogotá (Colombia)	MAPFRE ASISTENCIA, S.A. IBEROASISTENCIA S.A.	98.0900 1.9100	98.0900 1.9100	(A)	(1)
IBEROASISTENCIA, ARGENTINA S.A.	Lavalle 344/346/348, PB y 3º Ciudad de Buenos Aires (Argentina)	MAPFRE ASISTENCIA, S.A. IBEROASISTENCIA S.A.	98.4200 1.5800	98.4200 1.5800	(A)	(1)
SUR ASISTENCIA, S.A.	Av.Apoquindo 4499 Santiago de Chile (Chile)	MAPFRE ASISTENCIA, S.A. IBEROASISTENCIA S.A.	99.0000 1.0000	99.0000 1.0000	(A)	(1)
IBEROASISTENCIA, S.A.	Ctra, Pozuelo, 52 Majadahonda. Madrid (España)	MAPFRE ASISTENCIA, S.A. MAPFRE ESPAÑA, S.A.	99.9300 0.0700	99.9300 0.0700	(A)	(1)
IRELAND ASSIST, LTD	22-26 Prospect Hill Galway (Irlanda)	MAPFRE ASISTENCIA, S.A.	100.0000	100.0000	(A)	(1)
GULF ASSIST, B.S.C.	Manama Centre Building Manama (Barhain)	MAPFRE ASISTENCIA, S.A.	74.6250	74.6250	(A)	(1)
INSURE AND GO (Sold in 2021)	1 Victoria Street, Bristol Bridge Bristol BS1 6AA (Reino Unido)	MAPFRE ASISTENCIA, S.A.	0.0000	100.0000	(H)	(H)
MAPFRE INSURANCE SERVICES AUSTRALIA PTY LTD.	Suite4 Level 1, 19 Harris Street, Pymont NSW 2009 Sydney, NSW 2000 (Australia)	MAPFRE ASISTENCIA, S.A.	100.0000	100.0000	(A)	(1)
TRAVEL CLAIMS SERVICES LIMITED (Sold in 2021)	1 Victoria Street, Bristol Bridge Bristol BS1 6AA (Reino Unido)	INSURANCE AND GO	0.0000	100.0000	(H)	(H)
EUROSOS ASSISTANCE, S.A.	473 Messogion Avenue 15343 Agia Paraskevi. Atenas (Grecia)	IBEROASISTENCIA S.A. MAPFRE ASISTENCIA, S.A.	0.5000 99.5000	0.5000 99.5000	(A)	(1)
CARIBE ASISTENCIA, S.A.	Avda. Tiradentes Esq.Pres. González. Edif.La Cumbre. Ens. Naco.Domingo (República Dominicana)	MAPFRE ASISTENCIA, S.A.	83.5823	83.5823	(A)	(1)

APPENDIX 1: SUBSIDIARIES, ASSOCIATED UNDERTAKINGS AND JOINT VENTURE AT DECEMBER 31, 2021 AND 2020

Name	Address	Holder	Participation in Capital		Consolidation method	Integration method for Solvency
			Percentage			
			2020	2019		
ECUASISTENCIA, S.A.	Avda. Doce de Octubre, N42 -562	MAPFRE ASISTENCIA, S.A.	99.2600	99.2600	(A)	(1)
	N42 -562 y Luis Cordero	ANDIASISTENCIA S.A.	0.7399	0.7399		
	Quito (Ecuador)					
CONSULTING DE SOLUCIONES Y TECNOLOGÍAS SIAM, S.A. (Merger with MAPFRE TECH in 2021)	Ctra, Pozuelo, 52	MAPFRE ASISTENCIA, S.A.	0.0000	99.9259	(H)	(H)
	Majadahonda. Madrid (España)	IBEROASISTENCIA S.A.	0.0000	0.0741		
PERÚ ASISTENCIA, S.A. (Liquidated in 2021)	Av. 28 de Julio No. 873 URB. Leuro Lima - Miraflores	MAPFRE ASISTENCIA, S.A.	0.0000	99.9856	(H)	(H)
		IBEROASISTENCIA S.A.	0.0000	0.0144		
	Lima (Perú)					
MÉXICO ASISTENCIA, S.A.	Av. Insurgentes Sur no.2453 Piso 15,	MAPFRE ASISTENCIA, S.A.	99.9998	99.9998	(A)	(1)
	Col. Tizapán San Angel Deleg. Alvaro Obregón.					
	C.P. 01090 México D.F. (México)					
PANAMÁ ASISTENCIA, S.A.	Costa del Este – Avenida la Rotonda, Torre GMT, Piso 1 – Edificio Mapfre Ciudad de Panamá (Panamá)	MAPFRE ASISTENCIA, S.A.	84.0000	84.0000	(A)	(1)
TUR ASSIST, LTD.	19 Mayıs Cd.İsmet Öztürk Sk.Şişli Plaza Ofis Blokları E Blok B-2 Şişli Estambul (Turquía)	MAPFRE ASISTENCIA, S.A.	99.8300	99.6500	(A)	(1)
		IBEROASISTENCIA S.A.	0.1700	0.3500		
URUGUAY ASISTENCIA,S.A.	Plaza Cagancha 1335, oficina 901 Montevideo (Uruguay)	MAPFRE ASISTENCIA, S.A.	97.9000	97.9000	(A)	(1)
		IBEROASISTENCIA S.A.	2.1000	2.1000		
QUETZAL ASISTENCIA, S.A.	8a. Ave. 3-80 Zona 14 Edificio La Rambla II nivel 5 Of. 5-2 (Guatemala)	MAPFRE ASISTENCIA, S.A.	99.9920	99.9920	(A)	(1)
EL SALVADOR ASISTENCIA, S.A.	Alameda Roosevelt No. 3107 Edificio La Centro Americana, Nivel 7. San Salvador (El Salvador)	MAPFRE ASISTENCIA, S.A.	99.9900	99.9900	(A)	(1)
		IBEROASISTENCIA S.A.	0.0100	0.0100		
NICASSIST, S.A.		MAPFRE ASISTENCIA, S.A.	100.0000	100.0000	(A)	(1)
	Edificio Invercasa, Torre II, 5to. piso, modulo # 501 Managua, (Nicaragua)					
MAPFRE WARRANTY S.P.A.	Strada Trossi 66 13971 Verrone (Italia)	MAPFRE ASISTENCIA, S.A.	100.0000	100.0000	(A)	(1)
NORASSIST, INC D/B/A ROAD CANADA	2445 Eagle Steet North Cambridge. ON N3H 4R7, (Canadá)	MAPFRE ASISTENCIA, S.A.	100.0000	100.0000	(A)	(1)
D/B/A ROAD AMERICA MOTOR CLUB (Dissolved in 2021)	7300 Corporate Center Drive, Suite 601 Miami Florida 33126 (E.E.U.U.)	MAPFRE ASISTENCIA, S.A.	0.0000	100.0000	(H)	(H)
ROAD CHINA ASSISTANCE Co, LTD	Suite 603, Zhongyu Plaza, A6 Gongti North Road, Chaoyang District, Beijing, PR (China)	MAPFRE ASISTENCIA, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE ABRAXAS SOFTWARE, LTD	9, Blenheim Court Beaufort Park Almondsbury, Bristol BS32 4NE (Reino Unido)	MAPFRE ASISTENCIA, S.A.	100.0000	100.0000	(A)	(1)

APPENDIX 1: SUBSIDIARIES, ASSOCIATED UNDERTAKINGS AND JOINT VENTURE AT DECEMBER 31, 2021 AND 2020

Name	Address	Holder	Participation in Capital		Consolidation method	Integration method for Solvency
			2020	2019		
ABRAXAS INSURANCE	1 Victoria Street, Bristol Bridge Bristol BS1 6AA (Reino Unido)	MAPFRE ABRAXAS SOFTWARE, LTD	100.0000	100.0000	(A)	(1)
INDIA ROADSIDE ASSISTANCE PRIVATE LIMITED	602, Thawar Apartment, Opp. Heena Residency Main Carter Road, Kasturba Rd, Borivali (East), Mumbai 400066-Maharashtra (India)	MAPFRE ASISTENCIA, S.A. IBEROASISTENCIA S.A.	99.6300 0.3700	99.6300 0.3700	(A)	(1)
ARABA ASSIST FOR LOGISTIC SERVICES	Abdel Hamid Sharaf Street, The plenary Center, Bldg. No. 74, 2nd floor P.O. Box 5906 Amman 11953 - (Jordania)	MAPFRE ASISTENCIA, S.A. GULF ASSIST, B.S.C.	0.0000 100.0000	100.0000	(A)	(1)
ROADSIDE ASSIST ALGERIE SPA	45, Rue des Freres Adessalami 5eme étage. Vieux Kouba. Alger 16050 (Argelia)	MAPFRE ASISTENCIA, S.A. IBEROASISTENCIA S.A. CONSULTING SOL.Y TEC. SIAM S.A.	60.3000 0.4000 0.3000	60.3000 0.4000 0.3000	(A)	(1)
NILE ASSIST	18th Floor, Apartment No. 1804 of Holiday Inn Maadi Hotel building Comeish Maadi Cairo - (Egipto)	MAPFRE ASISTENCIA, S.A. IBEROASISTENCIA S.A. CONSULTING SOL.Y TEC. SIAM S.A.	98.0000 1.0000 1.0000	98.0000 1.0000 1.0000	(A)	(1)
MAPFRE ASISTENCIA COMPANY LIMITED	3F. No.43, Sec.1, Min-sheng E. Rd. Zhongshan District City 104 - (Taiwan)	MAPFRE ASISTENCIA, S.A.	100.0000	100.0000	(A)	(1)
MIDDLESEA ASSIST LIMITED	18ª, Europa Centre, John Lopez Str Floriana, FRN 1400, (Malta)	MAPFRE ASISTENCIA, S.A. MIDDLESEA INSURANCE P.L.C.	51.0000 49.0000	51.0000 49.0000	(A)	(1)
INSURE & GO INSURANCE SERVICES USA CORP.	7300 Corporate Center Drive, Suite 601 Miami, FL 33126 (E.E.U.U.)	MAPFRE ASSISTANCE USA INC	0.0000	100.0000	(H)	(H)
PT MAPFRE ABDA ASSISTANCE	Plaza Kelapa Gading (Ruko Inkopal) Blok A, nº 9 Jalan. Raya Boulevard Barat Kelapa Gading 14240 Jakarta Utara (Indonesia)	MAPFRE ASISTENCIA, S.A. PT ASURANSI BINA DANA ARTA TBK	51.0000 49.0000	51.0000 49.0000	(A)	(1)
PARAGUAY ASISTENCIA CIA. DE SERVICIOS S.A.	Av.Mariscal López, 930 Asunción (Paraguay)	MAPFRE ASISTENCIA, S.A. IBEROASISTENCIA S.A.	98.9500 1.0500	98.9500 1.0500	(A)	(1)
REINSURANCE						
MAPFRE RE COMPAÑÍA DE REASEGUROS, S.A.	Paseo de Recoletos, 25 Madrid (España)	MAPFRE, S.A. MAPFRE ESPAÑA, S.A.	93.7719 0.0003	93.7719 0.0003	(A)	(1)
MAPFRE CHILE REASEGUROS, S.A.	Avda.Apoquindo, 4499 Santiago de Chile (Chile)	MAPFRE RE, S.A.	99.9900	99.9900	(A)	(1)
CAJA REASEGURADORA DE CHILE S.A.	Avda.Apoquindo, 4499 Santiago de Chile (Chile)	MAPFRE CHILE REASEGUROS S.A.	99.8467	99.8467	(A)	(1)
C R ARGENTINA, S.A.	Bouchar 547 piso 14 Buenos Aires (Argentina)	MAPFRE CHILE REASEGUROS S.A.	99.9960	99.9960	(A)	(1)
MAPFRE RE DO BRASIL COMPAÑÍA DE REASEGUROS S.A.	Rua Olimpíadas, 242,5º andar conjunto 52 Vila Olímpia; São Paulo (Brasil)	MAPFRE RE, S.A. MAPFRE ASISTENCIA LTDA	99.9999 0.0001	99.9999 0.0001	(A)	(1)
MAPFRE RE ESCRITORIO DE REPRESENTACION COMPAÑÍA DE REASEGUROS	Rua Olimpíadas, 242,5º andar conjunto 52 Vila Olímpia; São Paulo (Brasil)	MAPFRE RE, S.A. MAPFRE RE DO BRASIL S.A.	99.9999 0.0001	99.9999 0.0001	(B)	(9)
INMOBILIARIA PRESIDENTE FIGUEROA ALCORTA, S.A.	Bouchar 547 piso 14 B. Aires (Argentina)	MAPFRE RE, S.A.	99.9985	99.9985	(B)	(9)

APPENDIX 1: SUBSIDIARIES, ASSOCIATED UNDERTAKINGS AND JOINT VENTURE AT DECEMBER 31, 2021 AND 2020

Name	Address	Holder	Participation in Capital		Consolidation method	Integration method for Solvency
			2020	2019		
MAPFRE MANDATOS Y SERVICIOS, S.A.	Bouchar 547 piso 14 B. Aires (Argentina)	MAPFRE RE, S.A. MAPFRE ARGENTINA HOLDING	95.0000 5.0000	95.0000 5.0000	(B)	(9)
REINSURANCE MANAGAMENT INC.	100 Campus Drive 07932 New Jersey (E.E.U.U.)	MAPFRE RE, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE EURO BONDS FUND	Ctra. Pozuelo, 50. Majadahonda (Madrid)	MAPFRE RE, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE RE VERMONT CORPORATION	122 Cherry Tree Hill Road 05651 East Montpelier Vermont (E.E.U.U.)	MAPFRE RE, S.A.	100.0000	100.0000	(A)	(1)
RISK MED SOLUTIONS, S.L.	Paseo de Recoletos, 25 Madrid (España)	MAPFRE RE, S.A.	100.0000	100.0000	(A)	(1)
OTHER						
MAPFRE INTERNACIONAL S.A.	Ctra. Pozuelo, 52. Majadahonda. Madrid (España)	MAPFRE, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE INVESTMENT S.A.	Avda. 18 de Julio, 841 Montevideo (Uruguay)	MAPFRE, S.A.	100.0000	100.0000	(A)	(1)
PREMINEN PRICE COMPARISON HOLDINGS LIMITED (Sold in 2021)	Ty Admiral, David Street, Cardiff, CF10 2EH (Reino Unido)	MAPFRE, S.A.	0.0000	50.0000	(H)	(9)
MAPFRE AM INVESTMENT HOLDING, S.A.	Ctra. Pozuelo, 52. Majadahonda. Madrid (España)	MAPFRE, S.A.	100.0000	100.0000	(A)	(1)
LA FINANCIERE RESPONSABLE	52, rue dePonthieu 75008 Paris (Francia)	MAPFRE AM INVESTMENT HOLDING, S.A.	24.9500	24.9500	(C)	(4)
STABLE INCOME REAL STATE FUN GP S.A.R.L.	15, rue Bender L-1229 (Luxemburgo)	MAPFRE AM INVESTMENT HOLDING, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE GLOBAL RISK AGENCIA DE SUSCRIPCION	Ctra. Pozuelo, 52. Majadahonda. Madrid (España)	MAPFRE, S.A.	100.0000	100.0000	(A)	(1)
MAPFRE PARTICIPACIONES, S.A.	Ctra. Pozuelo, 52. Majadahonda. Madrid (España)	MAPFRE, S.A.	100.0000	100.0000	(A)	(1)
INDUSTRIAL RE S.A. (Sold in 2021)	23, Avenue Monterey L-2163 (Luxemburgo)	MAPFRE PARTICIPACIONES, S.A.	0.0000	100.0000	(H)	(H)
SOLUNION SEGUROS DE CREDITO S.A.	Avda.General Perón,40 Madrid (España)	MAPFRE PARTICIPACIONES, S.A.	50.0000	50.0000	(E)	(3)

CONSOLIDATION METHOD OR PROCEDURE

- (A) Subsidiaries consolidated by global integration
- (B) Subsidiaries excluded from consolidation
- (C) Equity-accounted associated and investee companies

INTEGRATION METHOD FOR SOLVENCY CALCULATION

- (1) Full consolidation
- (3) Adjusted equity-accounting
- (4) Sectorial standards

APPENDIX 1: SUBSIDIARIES, ASSOCIATED UNDERTAKINGS AND JOINT VENTURE AT DECEMBER 31, 2021 AND 2020

Name	Address	Participation in Capital		Integration		
		Holder	Percentage		Consolidation method	method for Solvency
			2020	2019		
(D) Associated and investee companies excluded from consolidation		(7) Local standards				
(E) Joint ventures consolidated using the equity method		(9) Exclusion from the scope of group supervision, pursuant to article 214 of Directive 2009/138/EC				
(F) Companies added to the scope of consolidation in 2019						
(G) Companies added to the scope of consolidation in 2020		(*) MAPFRE holds the majority voting rights in the Annual General Shareholders' Meeting				
(H) Companies removed from the scope of consolidation in 2020						

APPENDIX 2. FINANCIAL INFORMATION FOR MAIN COMPANIES AT DECEMBER 31, 2021

Name	Effective tax rate	Activity	Year-end figures (thousand euros)			
			Assets	Equity	Revenue	Result for the year
IBERIA						
MAPFRE ESPAÑA COMPAÑÍA DE SEGUROS Y REASEGUROS S.A.	25% (1)(2)	Insurance and reinsurance	9,702,364	2,494,830	5,792,025	330,462
VERTI ASEGURADORA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	25% (1)(2)	Insurance and reinsurance	179,751	75,072	94,729	(6,103)
FUNESPAÑA, S.A.U.	25% (1)	Burial services	89,782	87,241	—	896
FUNESPAÑA DOS, S.A.	25% (1)	Burial services	126,898	91,443	22,706	3,922
MAPFRE VIDEO Y COMUNICACIÓN S.A.	25% (1)	Asset Management	79,316	76,970	8,924	1,389
SANTANDER MAPFRE SEGUROS Y REASEGUROS S.A.	25%(2)	Insurance and reinsurance	96,167	47,078	50,783	(9,142)
MAPFRE INMUEBLES, S.G.A.	25% (1)	Real Estate	633,445	499,759	47,646	21,557
MAPFRE TECH, S.A.	25% (1)(2)	IT	88,724	20,854	212,337	1,522
MAPFRE SEGUROS GERAIS S.A.	21 %	Insurance and reinsurance	254,371	74,758	109,911	7,406
MAPFRE SEGUROS DE VIDA S.A.	21 %	Insurance	343,069	47,704	33,976	755
MAPFRE VIDA SOCIEDAD ANÓNIMA DE SEGUROS Y REASEGUROS SOBRE LA VIDA HUMANA	25% (1)(2)	Insurance and reinsurance	16,558,640	1,678,351	2,873,155	271,252
MAPFRE INVERSIÓN SOCIEDAD DE VALORES S.A.	25% (1)(2)	Investment company	200,167	143,410	94,798	41,352
BANKINTER SEGUROS DE VIDA, S.A.	25%(2)	Insurance and reinsurance	2,159,335	145,493	348,223	65,023
CAJA CASTILLA LA MANCHA VIDA Y PENSIONES, S.A.	25%(2)	Insurance and reinsurance	766,458	73,909	75,210	15,118
BRAZIL						
MAPFRE SEGUROS GERAIS S.A.	34 %	Insurance	2,228,577	373,283	1,301,898	20,940
MAPFRE VIDA S.A.	34 %	Insurance	169,116	79,276	135,173	(14,770)
MAPFRE PREVIDENCIA S.A.	34 %	Insurance	490,516	19,985	93,054	669
ALIANÇA DO BRASIL SEGUROS, S.A.	34 %	Insurance	169,920	32,857	139,817	10,956
BRASILSEG COMPANHIA DE SEGUROS S.A. (3)	34 %	Insurance	2,870,426	244,447	—	—
LATAM NORTH						
MAPFRE SEGUROS HONDURAS S.A.	25 %	Insurance	110,697	22,214	82,851	(6,849)

MAPFRE AND SUBSIDIARIES

Name	Effective tax rate	Activity	Year-end figures (thousand euros)			
			Assets	Equity	Revenue	Result for the year
MAPFRE PANAMÁ S.A.	25 %	Insurance	356,257	92,755	239,768	(3,478)
MAPFRE SEGUROS EL SALVADOR, S.A.	30 %	Insurance	90,503	24,366	87,700	3,772
MAPFRE SEGUROS GUATEMALA S.A.	25 %	Insurance	79,098	25,016	84,002	4,897
MAPFRE BHD COMPAÑÍA DE SEGUROS, S.A.	27 %	Insurance	239,080	64,941	159,820	14,251
MAPFRE SALUD ARS	27 %	Insurance	101,059	40,887	223,585	11,118
MAPFRE MEXICO S.A.	30 %	Insurance	2,203,527	225,258	1,371,826	15,361
LATAM SOUTH						
MAPFRE ARGENTINA SEGUROS S.A.	25 %	Insurance	228,895	59,079	201,818	7,652
MAPFRE COMPAÑÍA DE SEGUROS GENERALES DE CHILE S.A.	27 %	Insurance	593,888	54,450	335,350	5,160
MAPFRE SEGUROS GENERALES DE COLOMBIA S.A.	31 %	Insurance	1,086,189	117,559	285,526	8,122
MAPFRE COLOMBIA VIDA SEGUROS S.A.	31 %	Insurance	779,222	33,596	131,728	1
MAPFRE ATLAS COMPAÑÍA DE SEGUROS, S.A.	25 %	Insurance	72,934	11,506	57,664	579
MAPFRE PARAGUAY COMPAÑÍA DE SEGUROS S.A.	10 %	Insurance	124,503	34,217	68,869	3,824
MAPFRE PERÚ COMPAÑÍA DE SEGUROS Y REASEGUROS S.A.	29.5 %	Insurance and reinsurance	588,012	103,683	300,340	13,540
MAPFRE PERÚ VIDA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	29.5 %	Insurance	506,796	67,126	241,503	8,144
MAPFRE URUGUAY SEGUROS S.A.	25 %	Insurance	154,599	28,060	100,736	4,729
NORTH AMERICA						
MAPFRE INSURANCE COMPANY OF FLORIDA	27 %	Insurance	78,608	28,777	45,355	1,225
MAPFRE INSURANCE COMPANY	27 %	Insurance	65,647	27,521	32,315	960
THE COMMERCE INSURANCE COMPANY	27 %	Insurance	2,516,311	875,527	1,416,449	128,711
THE CITATION INSURANCE COMPANY	27 %	Insurance	173,999	65,516	95,119	881
AMERICAN COMMERCE INSURANCE COMPANY	27 %	Insurance	302,959	117,896	160,801	4,475
THE COMMERCE WEST INSURANCE COMPANY	27 %	Insurance	153,193	57,672	86,224	5,047
VERTI INSURANCE COMPANY	27 %	Insurance	64,490	24,229	36,516	314

MAPFRE AND SUBSIDIARIES

Name	Effective tax rate	Activity	Year-end figures (thousand euros)			
			Assets	Equity	Revenue	Result for the year
CENTURY AUTOMOTIVE SERVICES COMPANY	27 %	Specialty risks	338,233	10,047	231,980	(1,425)
MAPFRE PRAICO INSURANCE COMPANY	27 %	Insurance	828,505	171,613	280,967	13,360
MAPFRE PAN AMERICAN INSURANCE COMPANY	27 %	Insurance	84,241	37,023	43,980	8,092
EURASIA						
VERTI VERSICHERUNG AG	30 %	Insurance	714,807	187,019	387,339	11,124
VERTI ASSICURIZIONI S.P.A.	24 %	Insurance	1,130,637	297,131	235,553	(26,556)
MAPFRE MIDDLESEA P.L.C.	35 %	Insurance	142,438	32,770	81,265	2,973
MAPFRE M.S.V. LIFE P.L.C.	35 %	Insurance	2,723,320	222,103	538,246	10,874
MAPFRE SIGORTA, A.S.	20 %	Insurance	415,034	63,595	386,715	8,665
MAPFRE INSULAR INSURANCE CORPORATION	30 %	Insurance	76,086	27,491	26,164	444
PT ASURANSI BINA DANA ARTA TBK	22 %	Insurance	154,014	91,274	44,398	9,747
ASSISTANCE						
MAPFRE ASISTENCIA COMPAÑÍA INTERNACIONAL DE SEGUROS Y REASEGUROS, S.A.	25% (1)(2)	Insurance and reinsurance	413,894	137,930	234,373	(23,026)
REINSURANCE						
MAPFRE RE COMPAÑÍA DE REASEGUROS, S.A.	25% (1)(2)	Reinsurance	9,274,481	1,763,512	7,479,567	142,226
MAPFRE RE DO BRASIL COMPAÑÍA DE REASEGUROS S.A.	34 %	Insurance and reinsurance	355,377	33,213	218,750	4,327
MAPFRE RE VERMONT CORPORATION	27 %	Insurance and reinsurance	367,012	56,870	290,598	1,129
OTHER						
SOLUNION SEGUROS DE CREDITO S.A.	25 %	Insurance and reinsurance	492,831	120,084	224,533	8,770

TAX GROUP

(1) Company belonging to Tax Group 9/85

(2) Company belonging to VAT Group 87/10

CONSOLIDATED MANAGEMENT REPORT

YEAR 2020

MAPFRE S.A.

CONSOLIDATED MANAGEMENT REPORT 2020

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The content of this Consolidated Management Report (hereinafter "the Report") was prepared in accordance with the recommendations set out in the "Guide for the preparation of management reports by listed companies" published by the Spanish National Securities and Exchange Commission (the "CNMV").

The Alternative Performance Measures (APM) used in this report, which correspond to those financial measures that are used but not defined or explained in the applicable financial information framework, can be consulted at the following web page: <https://www.mapfre.com/en/financial-information/>

Some of the figures included in this Report have been rounded. Therefore, discrepancies may occur in the tables between the totals and the amounts listed due to this rounding.

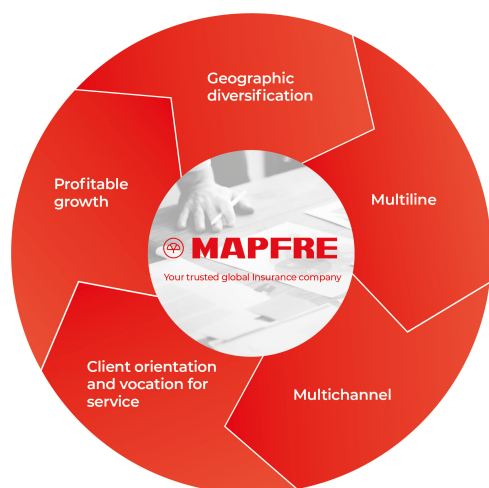
ORGANIZATION OVERVIEW

BUSINESS MODEL

MAPFRE's **vision**, "to be the TRUSTED GLOBAL INSURANCE COMPANY," highlights our geographic presence and capacity to respond to the majority of insurance needs through our extensive range of insurance and reinsurance products and the services we provide.

We aspire to lead the markets where we operate based on our client orientation, focused on both individuals and businesses, with a multi-channel approach and a profound vocation for service.

Digitalization, innovation and commitment to society have been and will continue to be the keys to our evolution. MAPFRE's business model is not focused solely on financial results, but also considers social results.



Accordingly, MAPFRE:

- Is firmly committed to growth in terms of both business volume and geographic development, generating suitable and sufficient profitability from its activities.
- Manages its business in an efficient manner and constantly improves productivity, reducing structural costs continuously in order to enhance its competitiveness.
- Professionally manages the risks it assumes, ensuring sustainable growth and results.
- Steers its development by diversifying its portfolio of insurance, reinsurance and service businesses as a means of boosting growth and minimizing risks.
- Deploys a global management model with ample capacity for local implementation, ensuring a balance between corporate involvement and business development in each country.
- Makes its resources available to the organization, thus harnessing the synergies derived from sharing talent, processes and tools.
- Promotes specialized management as a means of continuously optimizing results and enhancing service quality.

MAPFRE's **mission** is to be a multinational team that strives to constantly improve services and develop the best possible relationships with its clients, distributors, providers, shareholders and society in general.

Our **values** help us to carry out our mission and attain our vision:

-Solvency: financial strength with sustainable results and full capacity to meet all obligations to stakeholders.

-Integrity: ethical conduct as a core element in how everyone (senior executives, employees, agents and collaborators) behaves, with a socially responsible focus on all long-term activities and commitments.

-Excellence in service: the constant quest for excellence in the pursuit of our activities and a continuous focus on building strong relationships with clients.

-Innovation for leadership: differentiation as a key aspect of continuous growth and improvement, using technology to service the different businesses and their objectives.

-Committed team: full engagement of employees, senior executives, agents and other collaborators with the MAPFRE project and continuous development of the team's skills and abilities..

ORGANIZATIONAL STRUCTURE AND GOOD GOVERNANCE

A. ORGANIZATIONAL STRUCTURE

MAPFRE is a multinational company chiefly devoted to insurance and reinsurance activities, and operates in 43 countries worldwide.

The Group's parent company is the holding company MAPFRE S.A., the shares of which are listed on the Madrid and Barcelona stock exchanges. At year-end, the company is part of the IBEX 35, IBEX Top Dividend, FTSE All-World, FTSE Developed Europe and MSCI World Small Cap Index, as well as the FTSE4Good and FTSE4Good IBEX sustainability indexes, Bloomberg Gender Equality Index, IBEX Gender Equality Index, Ethibel Excellence and ESI Europe.

MAPFRE S.A. is a subsidiary of CARTERA MAPFRE, S.L. Sociedad Unipersonal, which is fully controlled by Fundación MAPFRE.

During 2021, the Group conducted its business activities through an organizational structure made up of four Business Units (Insurance, Asistencia, Global Risks and Reinsurance) and six Regional Areas: Iberia (Spain and Portugal), Brazil, and LATAM North (Mexico, the sub-region of Central America and the Dominican Republic), LATAM South (Argentina, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay and Venezuela), North America (the United States, and Puerto Rico) and EURASIA (Europe, the Middle East, Africa, and Asia-Pacific).

The Insurance Business Unit is organized in line with the MAPFRE Regional Areas, which are the geographic units that plan, support and oversee the region.

The Reinsurance and Global Risks units are integrated within MAPFRE RE.

The various Business Units' activities are supplemented by those of the Corporate Areas (Internal Audit, Strategy and M&A, Finance and Resources, Investment, Business and Clients, Operations, People and Organization, External Relations and Communication, General Counsel and Legal Affairs Operation Transformation, Technology and Operations), which have global competences for all MAPFRE companies worldwide in terms of the development, implementation and monitoring of global, regional and local corporate policies.

The fact that the different MAPFRE companies belong to a business group implies, without prejudice to their legal autonomy, that they form an integral part of an organic structure that regulates their interrelations, the coordination of their activities and the oversight of the controlled companies by the controlling companies and, in the final instance, by the parent company.

The MAPFRE S.A. Board of Directors is the senior management and supervisory body for the entire Group. It features a Steering Committee that acts within all of its powers, except those which cannot be ceded by law, bylaws or the regulations of the Board of Directors, and three delegate committees (Audit and Compliance, Appointments and Remuneration, and Risks).

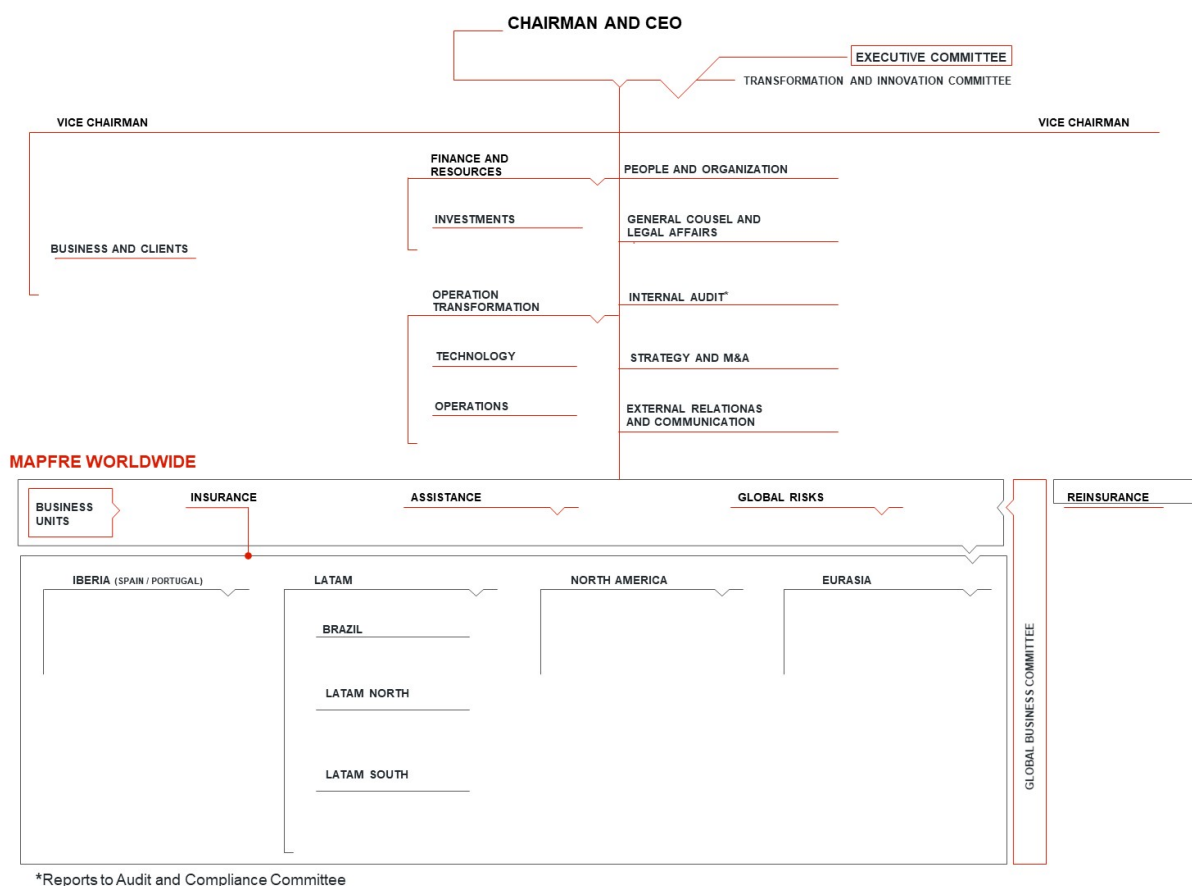
The Executive Committee is the body that exercises direct supervision over management of the Business Units and coordinates the various Areas and Units in the Group. The Transformation and Innovation Committee reports to the Executive Committee and has decision-making powers in relation to all transformation and innovation initiatives within MAPFRE.

The Global Business Committee is also responsible for analyzing the development of MAPFRE's insurance business and services throughout the world, its compliance with approved plans, and for proposing measures to correct or improve them.

The management, coordination and supervision of the activities of the different Units and Areas are carried out, according to their respective remit, by the local, regional and business unit management committees as well as the Executive Committee.

Each of the subsidiary companies has its own governing bodies, in which the structure and complexity depend on the importance of their activities and any legal provisions that may be applicable. They usually have a Board of Directors and, depending on the importance of their activities, a Management Committee as well. In the case of shell or very small companies, these bodies are replaced by two administrators.

The Group's current organizational structure is shown in the accompanying chart:



B. GOOD GOVERNANCE

MAPFRE has constantly and decidedly striven from the start to adopt the best corporate governance practices. MAPFRE's good governance practices are oriented toward creating sustained financial and social value over the long-term. The company's objective is to ensure financial stability and safeguard the interests of shareholders, while maximizing the positive impact on society as a whole.

MAPFRE is governed by the Recast Text of the Spanish Companies Act and has a series of Institutional, Business and Organizational Principles in place that have been approved by the Board of Directors of MAPFRE S.A., which, together with its Bylaws and the Board of Directors' Regulations, define the structure, composition and functions of each of its governing bodies and make up the minimum mandatory compliance framework for all of the companies in the MAPFRE Group and their respective governing bodies. In addition, MAPFRE's governance system is supplemented by a group of corporate policies¹.

MAPFRE complies fully with 90.62 percent, and fully or partially with 96.87 percent, of the recommendations set out in the CNMV Good Governance Code for listed companies at December 31, 2021

The Annual Corporate Governance Report 2021 offers a detailed explanation of the structure of MAPFRE's governance system and its operation in practice², providing the minimum content established by Article 540 of the Recast Text of the Spanish Companies Act.

OPERATIONAL FRAMEWORK

During the financial year, the Group's activities were developed through its Business Units.

¹Institutional, Business and Organizational Principles of the MAPFRE Group and other corporate regulations are available on the Company's website (www.mapfre.com).

² For further information, please consult the Annual Corporate Governance Report 2021, which forms an integral part of this Consolidated Management Report.

MAPFRE AND SUBSIDIARIES

The Insurance Business Unit was organized in 2021 following the structure of Regional Areas: the Iberia Regional Area, which is made up of Spain and Portugal; the Brazil Regional Area; the LATAM North Regional Area (Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama and the Dominican Republic); LATAM South (Argentina, Colombia, Chile, Ecuador, Paraguay, Peru, Uruguay and Venezuela); the North America Regional Area (United States and Puerto Rico) and the EURASIA Regional Area (which includes, with the exception of Spain and Portugal, operations in Europe as well as the Middle East, Africa, Australia, China, the Philippines, Indonesia, Japan, Malaysia and Singapore).

The MAPFRE distribution network is the largest in the Spanish insurance industry and one of the largest belonging to a financial group in Latin America.

MAPFRE is committed to multichannel distribution and is adapting its sales structure to the legislation governing the different countries in which it operates.

Some of the key features behind the success of its business model include its client orientation, global product offering and adaptation to the legal and commercial nature of each market.

At the end of 2021 the MAPFRE global distribution network consisted of 15,354 offices. The breakdown is shown in the accompanying table.

OFFICES	2021	2020
IBERIA		
Direct and Delegate	3,163	3,160
Bancassurance	5,829	6,590
Subtotal IBERIA	8,992	9,750
BRAZIL		
Direct and Delegate	648	557
Bancassurance	4,368	4,370
Subtotal BRAZIL	5,016	4,927
LATAM NORTH		
Direct and Delegate	326	338
Bancassurance	176	261
Subtotal LATAM NORTH	502	599
LATAM SOUTH		
Direct and Delegate	396	419
Bancassurance	0	0
Subtotal LATAM SOUTH	396	419
NORTH AMERICA		
Direct and Delegate	28	28
Bancassurance	0	0
Subtotal NORTH AMERICA	28	28
EURASIA		
Direct and Delegate	381	431
Bancassurance	39	42
Subtotal EURASIA	420	473
TOTAL OFFICES	15,354	16,196

At the end of the year, MAPFRE's footprint in the Iberia Regional Area comprised 8,992 offices, while the Brazil Regional Area had 5,016 offices.

During the year 2021, more than 77,000 intermediaries, including agents, delegates and brokers, have collaborated in the distribution of products. The following table shows the composition of this group.

SALES NETWORK	2021	2020
IBERIA		
Agents	10,898	9,612
Delegates	2,865	2,834
Brokers	3,727	5,012
Subtotal IBERIA	17,490	17,458
BRAZIL		
Agents	0	570
Delegates	560	570
Brokers	19,090	17,846
Subtotal BRAZIL	19,650	18,986
LATAM NORTH		
Agents	3,688	9,095
Delegates	2,752	2,897
Brokers	5,133	5,545
Subtotal LATAM NORTH	11,573	17,537
LATAM SOUTH		
Agents	7,889	6,366
Delegates	446	446
Brokers	9,419	10,785
Subtotal LATAM SOUTH	17,754	17,597
NORTH AMERICA		
Agents	5,777	6,639
Delegates	15	57
Brokers	1,214	1,121
Subtotal NORTH AMERICA	7,006	7,817
EURASIA		
Agents	2,916	1,517
Delegates	141	129
Brokers	1,224	1,135
Subtotal EURASIA	4,281	2,781
TOTAL SALES NETWORK	77,754	82,176

MAPFRE's own networks are supplemented by the distribution capacity provided by the agreements with different companies, and especially bancassurance agreements (Bankia - an alliance terminated in 2021 after a change of ownership following the approval of the integration of Bankia into CaixaBank -, Banco Santander, Bankinter, CCM, Banco do Brasil, BHD Leon and Bank of Valleta, among others). MAPFRE distributed its products in 2021 through 10,412 bancassurance offices, 4,378 in Brazil, 5,829 in Spain, 176 in LATAM and 39 in EURASIA.

Within the insurance business, MAPFRE is the largest Spanish insurer in the world, holding 14.0 percent of the Non-Life insurance market and 8.5 percent of the Life segment. MAPFRE is the 11th largest insurer in Europe by premium volume and is present in nearly every country in Latin America, where it is the leading Non-Life insurance group, with a market share of 6.5 percent (according to the figures for 2020, the latest available). Furthermore, the Group's reinsurance company, MAPFRE RE, occupies position 18 in the global reinsurance ranking³.

BUSINESS PERFORMANCE AND RESULTS

ECONOMIC CONTEXT AND DEVELOPMENT OF INSURANCE MARKETS

Economic context

In 2021, there was a general recovery of the global economy, in large part thanks to fiscal stimulus plans activated in many countries, to monetary support from by central banks, to accumulated household savings, and the reactivation of demand which could not be satisfied in 2020. In this context, the accumulation, in origin, of manufactured product stock that is now trying to reach the markets has tensed freight rates, as there has been a bottleneck effect in the supply chain. Additionally, the delay in the shipping of semiconductors has had a relevant effect on the industries with connections to auto and electronic manufacturing. The damage to the auto sector is especially relevant for Europe's GDP, where this sector has significant weight.

At the same time, the increase in gas prices added tension to the electricity generation markets. Similarly, it was a bad year for wind power and hydropower, which was only made worse by the increase in the cost of coal and CO2 vouchers. The conjunction of all these factors has led to a global trend of increasing inflationary pressure, which it seems will continue to accompany economic recovery for the coming months.

As for the pandemic, with the advances in the vaccination process, economies have reopened to a greater or lesser degree. However, normality has not entirely returned due to new waves of contagion and the appearance of variants that could limit vaccine effectiveness.

³ Source: S&P Global Ratings

In this context, the global economy has recovered in 2021, growing 5.8 percent (estimated), with developed economies growing 5.1 percent and emerging economies by 6.3 percent. The United States grew 5.7 percent, recovering pre-pandemic levels in the last quarter of 2021, while the Eurozone, which grew 5.1 percent, will reach this in the second quarter next year. Emerging economies also showed significant recovery, with Mexico growing an estimated 5.2 percent and Brazil 4.6 percent. Turkey stands out, with solid growth in 2021 (10.0 percent), despite being one of the few economies that did not contract in 2020 (+1.8 percent in 2020).

However, while economic activity in the fourth quarter of 2021 continued to recover, it was less than expected a few months ago, precisely because of the supply chain difficulties and the higher energy costs. The aid packages set up in the European Union and the United States will be an important part of the key to a continued global recovery. In the case of the European Union, 2022 will be the year when their true impact is noted, since the application of the funds is not going to be integral in 2021 because of their complexity and delays in the process.

On the other hand, with the uptick in inflation, the majority of emerging countries' central banks have begun hardening their monetary posture with interest rate hikes, while developed economies' central banks prepare to withdraw stimulus plans, beginning with the Federal Reserve which, at its meeting in November, announced a 15 billion dollar a month reduction of the asset purchases. As for interest rate levels, both the European Central Bank (ECB) and the Federal Reserve are maintaining them for now, but the acceleration of inflation could force them to move up hikes.

The debate about the nature of this inflation is quickly shifting from it being a transitory phenomenon to one that begins to lean toward the presence of more structural factors that will require more resolute monetary policy action. In order to return to a more transitory view of inflation, energy and raw material prices would have to drop quickly, which does not seem to be likely and which could quickly lead to second round effects with salary increases.

The following is a more detailed analysis of the most relevant markets in which MAPFRE operates:

Eurozone

The Eurozone GDP is estimated to have grown 5.1 percent in 2021. Inflation closed the year at 5.0 percent, due in part to the increase in energy prices, especially gas, electricity and petroleum, as well as to supply chain disruptions that are causing inflation to extend to other products.

The ECB, at its last meeting, left interest rates untouched (main refinancing operations rate at 0 percent), arguing that it is still trying to keep inflation levels at 2 percent and that it will tolerate a higher rate for a certain period of time, with the idea of it being considered an essentially transitory phenomenon for now. However, seeing as many products are already incorporating the effect of higher energy costs in their prices, and that the inflation-linked salary review is activated with the new year, it is going to be difficult to escape the second round effects, in which case prices will only go back if there is deflation. Either way, it seems clear that both governments and the central bank will do whatever is necessary to avoid that scenario, in virtue of the effect it would have on the real value of countries' debt.

The Euro Stoxx 50 index closed the year with a 21 percent increase, reaching 4,298 points.

Spain

The Spanish economy recovered in 2021, closing the year with estimated growth of 4.9 percent. Factors contributing to this recovery were an uptick in spending, in part due to households having been able to spend what they saved in 2020, fiscal support, and investment.

Growth of 5.5 percent of expected for 2022, which will allow the economy to recover to 2019 levels. Spending and exports are expected to continue strong, but losing steam from the supply chain problems. Other sectors are similarly affected by both higher international freight and energy rates (the steel industry, metalworking, fertilizers).

Inflation in 2021 has gradually gone up, pushed by energy costs, closing December at 6.5 percent. The unemployment rate has gradually gone down, reaching 13.3 percent in December.

The IBEX 35 index recovered 7.9 percent in the year, closing at 8,714 points.

United States

The United States economy recovered, reaching growth of 5.7 percent in 2021. The enormous stimulus program activated by the government with personal checks to households and the reactivation of the majority of activity have been a strong push for the economy, although in the second half of the year stock problems in stores and industry began to slow the economy down.

Looking ahead to 2022, the US economy will face higher inflation, which stood at 7.0 percent at the end of 2021, and threatens to limit household purchasing power and disincentivize investment in certain industries. Additionally, inflation and supply chain problems will continue in 2022, along with issues associated with the persistence of the pandemic.

Despite inflationary pressure, at its last meeting, the Federal Reserve left interest rates stable at 0-0.25 percent, but both the Federal Reserve as well as the market already assume two rate hikes in 2022. Likewise, tapering has already begun. As such, economic agents are looking at 2022 with lower growth, more inflation and higher interest rates.

The dollar closed the year at 0.8793 euros, appreciating 7.4 percent. The S&P500 index closed the year with a 27 percent increase, reaching 4,766 points, driven by tech companies.

Brazil

The Brazilian economy grew an estimated 4.6 percent in 2021. It is worth highlighting that at the beginning of the year, a more vigorous recovery was expected, but certain indicators began to lag below expectations in the second quarter. As the year advanced, private consumption slowed down and inflation grew, especially in energy, transport and food. Additionally, the hydro crisis worsened the energy crisis, forcing the country to import more expensive energy from neighboring countries. However, at the end of the year there was a recovery of key activities and less worry about the pandemic.

Inflation reached 10.1 percent, due to higher energy costs. The Brazilian real appreciated 0.1 percent against the euro in 2021, closing the year at 0.1578 euros.

On the stock market, the BOVESPA index closed the year at 104,822 points, falling 12 percent.

Mexico

The Mexican economy grew an estimated 5.2 percent in 2021, after having fallen 8.4 percent the previous year. Recovery has extended to practically all sectors of activity. Services performed well, with retail sales stronger starting in the second quarter, when pandemic-related restrictions began to relax. However, even though industries are recovering, they are still dealing with supply chain problems, especially the auto industry, which has suffered from the semiconductor shortage.

Inflation experienced a sharp rise, primarily starting in the second quarter of the year with the reopening of activities, reaching 7.4 percent in December. The Bank of Mexico has raised interest rates 150 basis points since June 2021, closing the year at 5.50 percent in response to the rise in inflation and monetary normalization that is occurring in many emerging countries.

The exchange rate reached 0.0429 euros, 4.5 percent higher than the previous year. The Mexican Stock Exchange grew 21 percent in the year, closing at 53,272 points.

Turkey

The Turkish economy has grown an estimated 10 percent in 2021, after having grown 1.8 percent in 2020. There has been a general recovery of activity. Consumption recovered compared to the previous year, although at the end of the year it weakened due to the high inflation and the currency's loss of purchasing power. On the other hand, exports were strongly supported by the weakness of the currency.

Inflation shot up at the end of the year, in large part driven by currency depreciation, reaching 36.1 percent. The Central Bank of Turkey lowered interest rates 100 basis points, to 14.0 percent, testing the markets' limits, and surely leading to additional depreciations for the Turkish lira.

The exchange rate stood at 0.0661 euros, 39.8 percent less than the previous year. The BIST30 index in Istanbul went up 25.8 percent, closing at 1,858 points.

Development of Insurance Markets

Spanish market⁴

After a steep decline in GDP in 2020 (-10.8 percent), the Spanish economy's partial recovery favored the growth of the insurance industry, which reached a premium volume of 61.8 billion euros in December 2021. This represents a 5 percent increase compared to 2020 but is still 3.7 percent below the result recorded in December 2020. The largest increase was observed in the Life insurance business, which grew 7.9 percent, and Non-Life also performed positively, rising 3.3 percent.

⁴ Source: ICEA

MAPFRE AND SUBSIDIARIES

Since April 2021, Life insurance has returned to its growth track after a decline that started in the second half of 2017 and continued uninterruptedly until that date, due first to a context of low interest rates and then to the pandemic. Both modalities of this line of insurance have grown, with a slight advantage for Life Savings, which increased by 9.1 percent versus Life Protection's 3.5 percent growth. Among the savings modalities, the main boost came from unit-linked products, which saw a sharp 32.5 percent increase in September. Equity is starting to be perceived as an alternative for protection in the context of low interest rates and rising inflation, which is improving the performance of these products. In terms of managed savings, the technical provisions reached 195.7 billion euros, which represents year-on-year growth of 0.8 percent compared to 2020 and 0.5 percent compared to 2019.

Item	2021	2020	% Var. 21/20
Life	23,558	21,837	7.9%
Non-Life	38,277	37,054	3.3%
TOTAL Direct Insurance	61,835	58,892	5.0%

Figures in million euros

Growth of Non-Life premiums recovered year-on-year in 2021, with a volume of 38.3 billion euros, a 3.3 percent increase from the previous year (+4.4 percent compared to 2019). The Health division has seen growth of 4.9 percent (+10.2 percent compared to 2019), as has Multirisk, with Homeowners up by 4.9 percent (+7.7 percent compared to 2019) and homeowners associations up by 3.2 percent (+6.2 percent compared to 2019). Also worth significant note is the strong recovery of industry Multirisk premiums, up by 5.8 percent (+11.8 percent compared to 2019). However, Automobile insurance continues to be one of the areas most impacted by the economic crisis, dropping 0.9 percent. It has also been affected by other exogenous factors, such as the lack of chips for new vehicle production and the increase in tax pressure, that negatively affect new registrations.

Item	2021	2020	% Var. 21/20
Automobile	10,990	11,086	-0.9%
Health	9,849	9,387	4.9%
Multirisk	8,117	7,753	4.7%
Other Non-Life lines	9,320	8,829	5.6%
TOTAL NON-LIFE	38,277	37,054	3.3%

Figures in million euros

The recovery of economic activity has also had an effect on an increase in the loss ratio for Non-Life business lines, which as of September 2021 has risen 2.1 percentage points (pp) compared to the same period in 2020, which has influenced a worsening of the combined ratio by 1.8 pp. The expense ratio has improved slightly by 0.3 pp. The combined ratio has increased in the main Non-Life lines as a result of the increase in claims: 10.4 pp in Automobiles, 2.4 pp in Multirisk and 2.6 pp in Health. This worsening of the technical result of the main Non-Life lines was offset by a 20.9 percent rise in the technical result of the Life line and 37.5 percent in the rest of the Non-Life lines. Finally, the Spanish insurance sector has produced an aggregate profit of close to 4.0 billion euros, which represents an increase of 6 percent over the previous year.

Pension plan asset volume reached just under 128 billion euros as of December 2021, which represents an increase of 8 percent compared to the same date of the previous year. The individual system, which accumulates a greater wealth, has grown by 8.9 percent, while the employment and associated systems have increased by 5.9 percent and 6.7 percent, respectively. Regarding profitability, all systems present positive returns at all terms. The accumulated return at 1 year reaches 8.5 percent for all systems, and in the long and medium term it is also very positive, with an average annual return of 3.3 percent at 25 years and 4.6 percent at 10 years.

Item	TOTAL NON-LIFE		AUTOMOBILE		MULTIRISK		HEALTH	
	Sep 2021	Sep 2020	Sep 2021	Sep 2020	Sep 2021	Sep 2020	Sep 2021	Sep 2020
Loss ratio	68.6%	66.5%	75.8%	65.4%	65.0%	62.6%	78.2%	75.6%
Expense ratio	23.1%	23.4%	19.0%	22.2%	32.7%	32.0%	13.0%	13.0%
Combined ratio	91.7%	89.9%	94.8%	87.6%	97.7%	94.6%	91.3%	88.5%

MAPFRE AND SUBSIDIARIES

With regard to mutual funds, assets stood at 317.6 billion euros in December 2021, a 15.7 percent increase. In 2021, mutual funds enjoyed an average return of 6.3 percent, and all categories show positive returns except guaranteed funds and some fixed income funds.

Item	2021	2020	% Var. 21/20
Life insurance	195,707	194,110	0.8%
Mutual funds	317,545	274,355	15.7%
Pension funds	127,998	118,523	8.0%
TOTAL	641,251	586,987	9.2%

Figures in million euros

Latin American markets

The reactivation of some of Latin America's main economies is having a favorable impact on the primary insurance markets in the region. All the markets for which data is available for 2021 are showing premium growth in the local currency at current prices and in both market segments. The sole exception is Ecuador, where premiums dropped 2.6 percent as of September, caused by a 5.5 percent decline in Non-Life. The main Non-Life lines of business showed strong performance, with double-digit increases in some markets, and Automobiles returned to the path of growth in almost all countries except Ecuador, where premiums fell by 1.1 percent. Also, private health insurance premiums continue to rise in all countries where insurance companies offer this coverage.

COUNTRY	DATE	NON-LIFE	LIFE	TOTAL
Argentina	June-21	50.4%	44.2%	49.7%
Brazil	Nov-21	14.2%	15.2%	14.8%
Chile	Sept-21	10.9%	3.5%	7.1%
Colombia	Sept-21	14.6%	17.4%	15.4%
Mexico	Sept-21	11.8%	11.3%	11.6%
Peru	Nov-21	14.5%	40.5%	26.0%
Puerto Rico	Dec-20	8.2%	-0.1%	7.4%

Source: MAPFRE Economic Research, using data from the supervisors in each country.

Premiums in the Brazilian insurance industry increased by 14.8 percent of November 2021, with growth of 15.2 percent in the Life segment and 14.2 percent in Non-Life. Agricultural insurance, Transport insurance (both hulls and goods), and Third-Party Liability insurance performed extremely well, with 39 percent, 26.3 percent, and 33.8 percent increases, respectively. Automobile insurance increased less than other lines in the Non-Life segment, but the result was positive (7.4 percent). Vida Gerador de Benefícios Livres (VGBL) insurance, which accounts for 74 percent of Life premiums in the Brazilian market, added 16 percent more premiums than in November 2020, when it fell 5.1 percent compared to 2019.

Mexico, the second-largest market in the region, also had very strong performance in 2021, with 11.6 percent growth in direct insurance premiums in the third quarter of the year, driven by both Non-Life (11.8 percent) and Life (11.3 percent) lines. However, it should be noted that Non-Life was influenced by the renewal of an important two-year policy in 2021.

The rest of the large insurance markets in Latin America showed very positive revenue data in 2021, recovering from the falls sustained in 2020, mainly in the Life insurance business, after lockdowns and social distancing measures implemented by the governments amid the pandemic caused the economy to contract. This was particularly noticeable in Chile, where social security insurance (a fundamental segment of the Life insurance business in that country) plunged 35.9 percent, a situation that has been mitigated in 2021, when premiums dropped just 0.4 percent.

Other markets
United States⁵

The favorable effects of economic recovery in the United States are reflected in the insurance industry, where segments showed robust growth in the first half of 2021. In this period, premiums and direct deposits issued for Life insurance registered an 8 percent increase, up to 553 billion dollars, with a significant increase of 16 percent in annuities. The Property & Casualty segment also performed positively, with a 9 percent increase in premiums, reaching 394.8 billion dollars, and growth in the personal, commercial and combined lines. Regarding Automobile insurance, premium revenue in Third-Party Liability increased (+2.8 percent), representing an upturn compared to the same period in 2020, and in the own damage modality (+6.8 percent). The commercial lines market rose by 12.0 percent, strongly influenced by the increase in prices in all the main lines. The combined lines market, whose main divisions are allied lines, fire and internal maritime transport insurance, saw a 14.7 percent increase. Finally, premiums in the Health insurance segment grew by 8 percent, receiving a boost from Medicare and Medicaid, with premium volume of 443 billion dollars.

Therefore, all three segments produced positive results, with significant increases in Life and Property & Casualty, the latter due to higher investment yields and a moderate reduction in technical results due to higher claims, whereas increased medical and hospital expenses lowered the technical result in Health.

Turkey

According to data from the Turkish Insurance Association, total direct insurance premiums in the first nine months of 2021 amounted to 63.2 billion Turkish lira, an 18.3 percent increase compared to the same period of 2020. The main boost came from Non-Life insurance, which, with an 81 percent market share, rose 21 percent, while Life grew by 8.4 percent. The main Non-Life lines showed positive performance, while Automobile insurance, a line that represents 42 percent of premiums in this segment, increased 14.6 percent. It should be noted that the average inflation in the first nine months of the year in Turkey was 17.5 percent.

BUSINESS PERFORMANCE
Revenues on operations

ITEM	DECEMBER 2021	DECEMBER 2020	Δ %
Total written and accepted premiums	22,154.6	20,482.2	8.2%
Financial income from investments	2,763.9	2,437.3	13.4%
Revenue from non-insurance entities and other revenue	2,338.8	2,499.7	-6.4%
Total consolidated revenues	27,257.2	25,419.1	7.2%

Figures in million euros

The Group's consolidated revenue reached nearly 27.3 billion euros, with a 7.2 percent increase.

Premiums from direct insurance and accepted reinsurance, which represent a fundamental part of revenue, reached almost 22.2 billion euros, with an 8.2 percent increase. The majority of the countries show significant growth in local currency as well as in euros. Further, premium growth was specifically strengthened by the issuing of a multi-year policy in Mexico for the amount of 563 million dollars (477.3 million euros), the favorable development of issuing in the reinsurance business, and the positive commercial performance of Life Savings products in Spain. At constant exchange rates, premiums would have grown 10.7 percent, and if the extraordinary effect of the the multi-year policy is also excluded on top of this, growth would have reached 8.3 percent.

Non-Life premiums grew 6.8 percent, primarily from improved issuing in the General P&C and Health & Accident lines, which went up to December 18.2 percent (9.6 percent excluding the multi-year policy) and 7.3 percent, respectively, thanks to the positive performance of General P&C in Mexico, Brazil, Spain, and Colombia and of Health & Accident in Spain and Mexico. On the other hand, the 3.8 percent reduction in issuing in the Auto line comes primarily from Italy, the United States and Turkey, countries in which MAPFRE has decided to reduce its risks in this line.

Life insurance premiums grew 11.5 percent thanks to improved Life Savings business, which was supported by higher sales of Unit-Linked products to cover product maturities in the period and by relevant group Life insurance policies in Spain. Life Protection grew 3.0 percent, primarily from improved business in Mexico and Colombia.

⁵ Information obtained from the semi-annual reports of the National Association of Insurance Commissioners (NAIC) for the Property & Casualty, Life and Accident, and Health segments

MAPFRE AND SUBSIDIARIES

Financial income from investments reached nearly 2.8 billion euros, 13.4 percent more than the same period the previous year. This improvement comes primarily from Spain with 239.2 million euros and Malta with 42.5 million euros from the revaluation of investments tied to Unit-Linked and similar products, with practically no impact on the Group result. Additionally, the realized gains on the investment portfolio in IBERIA and MAPFRE RE are noteworthy. Finally, other revenue, which mostly includes non-insurance activity and non-technical revenue, went down 6.4 percent.

Earnings

The chart below gives a summary of the consolidated income statement as on December 2021, showing the various elements of MAPFRE's earnings and the comparison with the same period of the previous year.

ITEM	DECEMBER 2021	DECEMBER 2020	Δ %
I. REVENUE FROM INSURANCE BUSINESS	22,148.3	21,271.0	4.1%
1. Premiums earned, net	17,464.3	16,701.6	
2. Revenue from investments	2,671.0	2,370.9	
3. Positive currency differences	1,628.2	2,042.9	
technical revenues and	384.8	155.5	
II. INSURANCE BUSINESS EXPENSES	(20,664.5)	(19,934.2)	-3.7%
1. Incurred claims for the year, net	(12,865.4)	(11,604.7)	
2. Net operating expenses	(4,655.4)	(4,687.1)	
3. Investment expenses	(1,035.1)	(1,062.3)	
4. Negative currency differences	(1,574.2)	(2,018.5)	
5. Other technical and non-	(534.4)	(561.6)	
RESULT FROM THE INSURANCE BUSINESS	1,483.9	1,336.8	11.0%
III. OTHER ACTIVITIES	(115.6)	(204.5)	
IV. RESULT ON RESTATEMENT OF FINANCIAL ACCOUNTS	(13.2)	(13.9)	
V. RESULT BEFORE TAXES	1,355.1	1,118.4	21.2%
VI. TAX ON PROFITS	(319.5)	(297.7)	
VII. RESULT AFTER TAX	1,035.6	820.7	26.2%
VIII. RESULT AFTER TAX FROM DISCONTINUED OPERATIONS	—	—	
IX. RESULT FOR THE FINANCIAL YEAR	1,035.6	820.7	26.2%
1. Attributable to non-controlling interests	270.4	294.1	
2. Attributable to the controlling company	765.2	526.5	45.3%

Figures in million euros

Revenue from MAPFRE Group insurance business improved 4.1 percent. On the one hand, earned premiums and revenue from investments grew considerably compared to the the previous year. Additionally, other technical and non-technical revenue improved notably, primarily due to the extraordinary result from the resolution of the distribution agreements between MAPFRE Group and BANKIA, mentioned above. On the other hand, the fall in positive currency differences slightly reduced this improvement in revenue.

The decrease in the heading for positive exchange differences has an almost parallel movement in the heading for negative exchange differences.

The heading for other technical and non-technical expenses in 2021 includes 175 million euros for the voluntary early retirement plan in IBERIA, while in 2020 it included 131.6 million euros net for goodwill and intangible asset writedowns.

The insurance business result reached 1.5 billion euros, which is a relevant 11.0 percent improvement compared to the same period the previous year.

Non-Life insurance business results reached 1.1 billion euros (Appendix 13.5), with a 22.7 percent increase compared to the same period the previous year. The Life insurance result, including the Life financial result, reached 412.1 million euros (Appendix 13.5), an 11.1 percent decrease compared to the same period the previous year.

IBERIA continues to be the largest contributor to Group profits. It is important to point out that IBERIA's includes expenses from the voluntary early retirement plan (June and December) and extraordinary net income from the resolution of the distribution agreement with BANKIA. Further, the positive rate of contribution to earnings from Non-Life businesses in BRAZIL, NORTH AMERICA and LATAM SOUTH is noteworthy, as is MAPFRE RE.

The lower Life Protection business results from the negative development of the COVID-19 pandemic, mainly in Latin American regions as well as in Reinsurance business, is relevant. To December 31, 2021, the impact for COVID-19 losses in the Life Protection business has implied a 143.9 million euro reduction in net profit for the Group. Details are provided in the chart below:

Region	Amount
BRAZIL	41.5
LATAM NORTH	38.7
LATAM SOUTH	26.7
LATAM	106.9
MAPFRE RE	37.0
TOTAL	143.9

Figures in million euros

In investments, there are noteworthy realized gains in the Non-Life actively managed portfolio in IBERIA, NORTH AMERICA and MAPFRE RE, which have had a 142.7 million euro positive impact on the attributable result.

The accumulated attributable result to December 2021 reached 765.2 million euros, increasing 45.3 percent.

Balance sheet

ITEM	DECEMBER 2021	DECEMBER 2020	Δ %
Goodwill	1,472.5	1,409.8	4.5%
Other intangible assets	1,438.8	1,370.3	5.0%
Other fixed assets	223.3	238.9	-6.6%
Cash	2,887.7	2,418.9	19.4%
Real estate	2,331.9	2,239.9	4.1%
Financial investments	36,243.3	36,511.1	-0.7%
Other investments	1,739.6	1,220.8	42.5%
Unit-Linked investments	2,957.3	2,502.4	18.2%
Participation of reinsurance in technical provisions	6,084.7	5,378.6	13.1%
Receivables on insurance and reinsurance operations	4,683.7	4,489.5	4.3%
Deferred taxes	299.6	221.7	35.2%
Assets held for sale	377.1	8,159.5	-95.4%
Other assets	3,114.8	2,991.2	4.1%
TOTAL ASSETS	63,854.2	69,152.6	-7.7%
Equity attributable to the Controlling company	8,463.6	8,536.0	-0.8%
Non-controlling interests	1,203.0	1,301.8	-7.6%
Equity	9,666.6	9,837.8	-1.7%
Financial debt	3,091.5	2,993.6	3.3%
Technical provisions	42,925.5	41,692.6	3.0%
Provisions for risks and expenses	653.7	582.6	12.2%
Debt due on insurance and reinsurance operations	2,167.8	2,256.9	-3.9%
Deferred taxes liabilities	537.8	670.6	-19.8%
Liabilities held for sale	123.8	7,263.9	-98.3%
Other liabilities	4,687.4	3,854.7	21.6%
TOTAL LIABILITIES	63,854.2	69,152.6	-7.7%

Figures in million euros

Total consolidated assets reached almost 63.9 billion euros at December 2021 and went down 7.7 percent compared to the close of the previous year, due mainly to exiting the bancassurance business with BANKIA, which as of December 2020 held related assets amounting to 7.8 billion euros. There follows an analysis of the rest of the most relevant fluctuations.

1. The increase in the heading for other investments is mainly from the increase in investments booked using the equity method as a result of the Co-investment operation with Swiss Life, as well as from the increase in deposits from accepted reinsurance from MAPFRE RE, from new business that was brought in.

2. The increase in Unit-Linked investments originates in IBERIA, due to the good commercial performance of Life Savings products

3. The 4.3 percent increase in receivables on insurance and reinsurance operations primarily comes from recording a multi-year policy in Mexico, which includes payment of 50 percent of the premium from this policy in June 2022.

4. Increase in the cash balance from receiving payment from the resolution of the agreement with BANKIA for the amount of 570.8 million euros.

5. The rest of the changes in the headings for Assets and Liabilities from insurance and reinsurance operations are a result of the business management process itself.

The current balance of the heading for assets held for sale is primarily explained by the following operations:

- 94.3 million euros corresponding to MAPFRE INMUEBLE's land for sale, some operations of which were already held for sale at December 31, 2020.
- 247.7 million euros from ASISTENCIA and direct insurance entities and operations in Europe and Asia and which have been reclassified under this heading in the current year, and which are in various degrees of completing the sale process.

Managed funds

The following charts show the performance of managed savings, including both technical provisions of Life companies, and the Life provisions of multiline companies, which are presented in the Group's consolidated balance sheet. In addition to the Life insurance operations, MAPFRE manages its clients' savings through pension and mutual funds.

Managed savings

The following chart shows the details of and changes in managed savings, which includes both concepts:

ITEM	DECEMBER 2021	DECEMBER 2020	Δ %
Life technical provisions	22,476.1	22,500.7	-0.1%
Pension funds	6,431.3	5,754.9	11.8%
Mutual funds and other	5,403.3	4,533.8	19.2%
Subtotal	34,310.7	32,789.3	4.6%

Figures in million euros

The growth in pension funds and mutual funds to December 2021 is noteworthy, up 11.8 and 19.2 percent, respectively, compared to the close of the previous year.

In pension funds, contributions and external inflows surpassed withdrawals and external outflows at the close of the year for the amount of 213.2 million euros. Additionally, mutual funds also had positive net contributions for the amount of 384.3 million euros.

Assets under management

The following chart reflects the development of assets under management, which include the total Group investment portfolio as well as pension and mutual funds:

ITEM	DECEMBER 2021	DECEMBER 2020	Δ %
Investment portfolio	46,159.7	44,893.2	2.8%
Pension funds	6,431.3	5,754.9	11.8%
Mutual funds and other	5,403.3	4,533.8	19.2%
TOTAL	57,994.3	55,181.8	5.1%

Figures in million euros

Key indicators

Return on shareholders' equity (ROE)

Return on equity (ROE), which represents the relationship between net profit attributable to the parent company (deducting the share of non-controlling interests) and average shareholders' equity, was 9 percent (6.1 percent in 2020).

Management ratios

The combined ratio measures the impact on premiums of management costs and the loss ratio for the period. In 2021 and 2020 this ratio stood at 97.5 percent and 94.8 percent, respectively. The accompanying table shows the evolution of the main management ratios by business unit.

	EXPENSE RATIO(1)		LOSS RATIO(2)		COMBINED RATIO(3)	
	2021	2020	2021	2020	2021	2020
IBERIA	25.5%	22.8%	72.6%	69.1%	98.1%	92.0%
LATAM NORTH	22.9%	26.6%	73.0%	63.8%	95.9%	90.5%
LATAM SOUTH	35.1%	38.4%	61.5%	55.5%	96.6%	93.9%
BRAZIL	35.8%	36.6%	52.0%	51.1%	87.7%	87.6%
NORTH AMERICA	30.4%	32.6%	68.4%	65.1%	98.9%	97.7%
EURASIA	32.2%	27.0%	77.3%	71.9%	109.5%	98.9%
MAPFRE RE	29.0%	30.5%	68.1%	70.1%	97.1%	100.6%
Reinsurance	29.9%	31.2%	68.3%	70.0%	98.2%	101.2%
Global Risks	17.3%	22.5%	65.8%	70.8%	83.1%	93.3%
MAPFRE ASISTENCIA	48.1%	44.7%	54.0%	53.7%	102.0%	98.4%
MAPFRE S.A.	29.3%	29.1%	68.2%	65.6%	97.5%	94.8%

1. (Operating expenses, net of reinsurance – other technical revenues + other technical expenses) / Allocated premiums, net of reinsurance. Figures refer to Non-Life insurance.
2. (Incurred claims for the period, net of reinsurance + variation in other technical provisions + profit sharing and returned premiums) / Allocated premiums, net of reinsurance. Figures refer to Non-Life insurance.
3. Combined ratio = expense ratio + loss ratio. Figures refer to Non-Life insurance.

Information by Business Unit

MAPFRE structures its business through the following Business Units: Insurance, Reinsurance, Global Risks and Assistance. The Reinsurance and Global Risks Units are integrated into MAPFRE RE.

The accompanying chart shows the premiums, attributable result, and Non-Life combined ratio for each Business Unit:

AREA / BUSINESS UNIT	Premiums			Attributable result			Combined ratio	
	2021	2020	Δ %	2021	2020	Δ %	2021	2020
IBERIA	7,596.4	6,998.9	8.5%	540.7	453.3	19.3%	98.1%	92.0%
BRAZIL	3,340.1	3,085.4	8.3%	74.3	101.5	-26.8%	87.7%	87.6%
LATAM NORTH	2,187.7	1,574.6	38.9%	26.8	69.7	-61.6%	95.9%	90.5%
LATAM SOUTH	1,617.8	1,450.5	11.5%	54.1	58.5	-7.5%	96.6%	93.9%
NORTH AMERICA	2,073.1	2,097.9	-1.2%	88.8	76.3	16.3%	98.9%	97.7%
EURASIA	1,360.8	1,483.4	-8.3%	0.9	31.1	-97.0%	109.5%	98.9%
TOTAL INSURANCE	18,175.8	16,690.7	8.9%	785.6	790.5	-0.6%	97.4%	92.9%
REINSURANCE	4,991.6	4,430.7	12.7%	117.8	1.7	0.0%	98.2%	101.2%
GLOBAL RISKS	1,283.0	1,255.8	2.2%	33.9	15.1	123.9%	83.1%	93.3%
ASSISTANCE	486.4	618.9	-21.4%	0.6	(20,6)	102.9%	102.0%	98.4%
Holdings and consolidation adjustments	(2,782.3)	(2,513.9)	-10.7%	(172.9)	(260.2)	33.6%	---	---
MAPFRE S.A.	22,154.6	20,482.2	8.2%	765.2	526.5	45.3%	97.5%	94.8%

Figures in million euros

Insurance companies

IBERIA

IBERIA encompasses the business activities of MAPFRE ESPAÑA and its subsidiary in Portugal, as well as the Life business managed by MAPFRE VIDA and its bancassurance subsidiaries.

Information by country

REGION / COUNTRY	Premiums			Attributable result			Combined ratio	
	DECEMBER 2021	DECEMBER 2020	Δ %	DECEMBER 2021	DECEMBER 2020	Δ %	DECEMBER 2021	DECEMBER 2020
IBERIA	7,596.4	6,998.9	8.5%	540.7	453.3	19.3%	98.1%	92.0%
SPAIN*	7,466.0	6,862.1	8.8%	534.0	445.2	20.0%	98.1%	91.9%
PORTUGAL	130.4	136.8	-4.7%	6.6	8.1	-18.4%	98.0%	95.4%

Figures in million euros

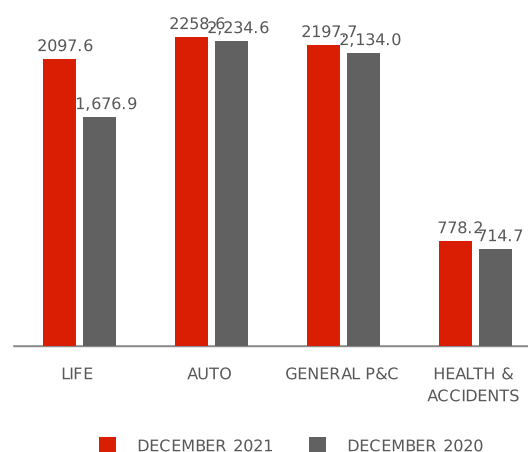
*Verti Spain's premiums totaled 84.4 million euros (+ 6 percent). The net result amounts to 9.1 million euros (against -1.6 million euros in 2019).

Premiums in IBERIA grew 8.5 percent. Non-Life premiums grew 3.8 percent and reflect the positive development of the Auto, Health, Condominiums, Commercial and Homeowners business.

Life premiums went up 25.1 percent, due to the positive commercial performance of Life Savings products (Unit-Linked) as well as relevant group Life policies in Spain.

Regarding the SANTANDER MAPFRE operation, written premiums reached 49.8 million euros at the close of December 2021.

Written premiums in key lines



Figures in million euros

Earnings

IBERIA's attributable result reached 540.7 million euros with a 19.3 percent increase compared to the same period the previous year, primarily as a result of recording, in the last quarter of the year, 167.1 million euros from the resolution of the agreements with BANKIA.

The breakdown of the extraordinary net income is as follows:

Non-Life Business	140.4
Non-Life distrib. agreement resolution	141.4
Professional expenses (fees)	(1.0)
Life Business	26.7
BANKIA Vida exit realized loss	(2.2)
Recycling of unrealized gains from Financial Assets AFS in income statement	31.1
Professional expenses (fees)	(2.2)
Total Life and Non-Life Business	167.1

Figures in million euros

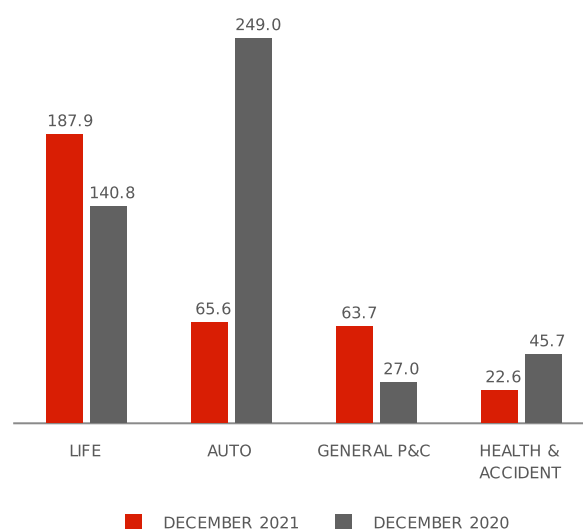
Additionally, and related to the above transaction, the fourth quarter of 2021 includes a negative impact of 75 million euros in the net result, for restructuring costs. This comes from the expansion of the voluntary early retirement plan announced in June this year, and which had a 56.2 million euro negative impact on the net result in the second quarter.

The Non-Life combined ratio stands at 98.1 percent, a relevant increase derived from restructuring expenses for the voluntary early retirement plan and the increase in claims affecting the Auto line. Excluding the effect of the voluntary early retirement plan, the IBERIA combined ratio would stand at 94.9 percent.

Additionally, the Life business includes a positive extraordinary from the reduction of the contingent payments for fulfilling objectives in the bancassurance channel for 27 million euros net, recorded in the second quarter of the year.

Additionally, extraordinary gains were recorded for the sale of Rastreator and the joint investment with Swiss Life for 12.1 and 30.3 million euros gross, respectively.

At the close of December 2021, 79.5 million euros in financial gains, net of losses, were recorded in the actively managed Non-Life portfolio (57.8 million as of December 2020).



Figures in million euros

The market shares in Spain* and Portugal as at December and September of 2021, respectively, are shown here:

SPAIN	Dec-21	Dec-20
Automobile	20.0%	19.6%
Health	6.8%	6.5%
Other Non-Life	14.2%	14.4%
Total Non-Life	14.0%	13.9%
Total Life	8.5%	6.9%
TOTAL	11.9%	11.3%

* Estimated market shares, using data published by ICEA, which only takes into account direct insurance written premiums.

PORTUGAL	Sept-2021	Sept-2020
Automobile	2.3%	2.2%
Total Non-Life	2.0%	1.9%
Total Life	0.6%	0.8%
TOTAL	1.2%	1.5%

Source: Portuguese Association of Insurance Companies

BRAZIL

This regional area encompasses the insurance activity in Brazil.

REGION	Premiums			Attributable result			Combined ratio	
	DECEMBER 2021	DECEMBER 2020	Δ %	DECEMBER 2021	DECEMBER 2020	Δ %	DECEMBER 2021	DECEMBER 2020
BRAZIL	3,340.1	3,085.4	8.3%	74.3	101.5	-26.8%	87.7%	87.6%

Figures in million euros

Premiums

Written premiums grew 8.3 percent in euros, and in Brazilian reals they showed 15.2 percent growth. The improvement in issuing is mainly due to the positive development of the Agro business, which grew 27.8 percent in euros compared to the same period the previous year, despite the 6.1 percent depreciation of the real.

In Brazilian reals, the bancassurance channel (Banco do Brasil) grew 16.2 percent. The MAPFRE channel grew 14.1 percent. The positive growth in reals in the Agro and Mass Market Multi-Peril business in the bancassurance channel, and the Auto, Transport, Agro, and Industrial Risk lines in the MAPFRE channel is noteworthy.

Result

The development of the attributable result in Brazil at the close of December 2021 fell 26.8 percent, reaching 74.3 million euros. This reduction is partly explained by the depreciation of the Brazilian real (in local currency, the reduction would have been 22.1 percent) and from the unfavorable development of the Life Protection line as a result of the increase in mortality in the country due to the COVID-19 pandemic, with high numbers of infections and deaths. The impact of COVID-19 losses incurred in this region to December 31, 2021, reached 188.7 million euros.

Additionally, the population's return to relative normality has caused an adverse effect on claims in the Auto line, raising the combined ratio in this line to 108.8 percent.

LATAM NORTH

This regional area includes Mexico and the subregion of Central America and Dominican Republic, which includes operations in Panama, the Dominican Republic, Honduras, Guatemala, Costa Rica, El Salvador and Nicaragua.

REGION	Premiums			Attributable result			Combined ratio	
	DECEMBER 2021	DECEMBER 2020	Δ %	DECEMBER 2021	DECEMBER 2020	Δ %	DECEMBER 2021	DECEMBER 2020
LATAM NORTH	2,187.7	1,574.6	38.9%	26.8	69.7	-61.6%	95.9%	90.5%

Figures in million euros

Premiums

Premiums in the region grew 38.9 percent compared to the same period the previous year, due primarily to recording a multi-year policy in Mexico in the second quarter for the amount of 563 million dollars (477.3 million euros). Excluding the extraordinary effect of this policy, premiums would have gone up 8.6 percent in the region, mainly as a result of currency depreciation in the region.

Issuing in local currency grew well in all countries in the region compared to the previous year.

The Auto line grew 5.8 percent and Health was up 8.2 percent. The General P&C line, eliminating the effect of the multi-year policy, would have grown 20.0 percent.

Result

The results in the LATAM NORTH region to December 2021 were affected by the negative development of the COVID-19 pandemic, which has primarily affected the Life Protection and Health lines, businesses with relevant weight in the insurance portfolio in the region, with COVID-19-related losses reaching 130.1 million euros in these lines to December 2021, which has caused the result to be 61.6 percent lower than the same period the previous year.

By line, Life Protection has 14.0 million euros in losses compared to 3.6 million euros in earnings the previous year, due to the already mentioned negative development of the pandemic in the region in the year. The result of the Health line, also affected by COVID-19, is reporting losses for the amount of 0.1 million euros.

The Auto line is down as a result of higher losses in the region in this line due to the return to mobility.

LATAM SOUTH

This regional area encompasses the business activities in Peru, Colombia, Argentina, Chile, Uruguay, Paraguay and Ecuador.

REGION	Premiums			Attributable result			Combined ratio	
	DECEMBER 2021	DECEMBER 2020	Δ %	DECEMBER 2021	DECEMBER 2020	Δ %	DECEMBER 2021	DECEMBER 2020
LATAM SOUTH	1,617.8	1,450.5	11.5%	54.1	58.5	-7.5%	96.6%	93.9%

Figures in million euros

Premiums

By line of business, all lines improved issuing in euros compared to the same period the previous year, highlighting Life Savings (43.8 percent), Health & Accident (11.1 percent) and General P&C (10.8 percent) and Auto (12.5 percent).

In general, issuing in local currency grew at a good rate in all countries in the region, highlighting: Argentina (48.4 percent), Colombia (30.9 percent), Peru (16.3 percent), Uruguay (11.4 percent), Paraguay (6.8 percent) and Chile (8.9 percent).

Result

To the close of December 2021, LATAM SOUTH had an attributable result of 54.1 million euros, falling 7.5 percent. The Non-Life combined ratio stands at 96.6 percent, a 2.7 percentage point deterioration versus the same period the previous year, due to negative development of the loss ratio that has worsened 6.0 percentage points compared to the same period the previous year, partially compensated by a reduction in the expense ratio.

By country, Peru is the highest contributor to results in the region, with 20.9 million euros, followed by Argentina, with an attributable result of 9.0 million euros, and Colombia, which closed the year with earnings of 8.7 million euros. Chile shows a significant 72.1 percent improvement in net results, reaching 7.0 million euros.

By line of Non-Life business, the improvement in the General P&C line stands out, up 89.4 percent, while the Auto line fell 34.6 percent. In the Life business, Life Savings improved notably thanks to the positive development of business in Colombia and Peru compared to the same period the previous year. As with the other regions of Latin America, the Life Protection line is also affected by an increase in losses from the higher mortality from the pandemic. The impact of COVID-19 losses in this region to December 31, 2021 reached 42.7 million euros.

MARKET SHARES IN THE MAIN LATINAMERICAN COUNTRIES

The following table shows market shares for direct Non-Life insurance in the main countries in the region:

COUNTRY	Ranking (at Dec-2020)	Market share (1)	Market share date
Argentina	16	2.00%	jun-21
Brazil	2	13.80%	sep-21
Chile	5	6.10%	sep-21
Colombia	8	5.60%	sep-21
Honduras	3	15.90%	sep-21
Mexico	8	8.70%	sep-21
Panama	2	17.90%	sep-21
Peru	3	17.70%	sep-21
Dominican Republic	4	10.70%	sep-21

(1) Figures according to the latest available information for each market.

Source: MAPFRE Economic Research, using data from the supervisors in each country.

NORTH AMERICA

This regional area has its headquarters in Webster, MA (USA) and encompasses operations in United States and Puerto Rico.

REGION	Premiums			Attributable result			Combined ratio	
	DECEMBER 2021	DECEMBER 2020	Δ %	DECEMBER 2021	DECEMBER 2020	Δ %	DECEMBER 2021	DECEMBER 2020
NORTH AMERICA	2,073.1	2,097.9	-1.2%	88.8	76.3	16.3%	98.9%	97.7%

Figures in million euros

In the state of Massachusetts (USA), the market shares were as follows:

LINE	MASSACHUSETTS	
	Dec-20	Dec-19
Automobile	17.9%	20.6%
Total Non-Life	9.9%	10.8%
Total Life	0.0%	0.0%
TOTAL	3.0%	3.1%

Source: MAPFRE Economics, using data from the supervisors in each country

Premiums

At the close of December, premiums in NORTH AMERICA registered a 1.2 percent decrease in euros, while in dollars they are 1.8 percent higher compared to the same period the previous year.

Improved issuing in the last quarter of 2021 is due in part to the acquisition of MAPFRE ASISTENCIA USA by MAPFRE USA, incorporating 62.4 million euros in premiums from the former starting in October this year.

Even so, the fall in issuing is partially due to the depreciation of the dollar and to the strict measures of technical control implemented in the last two years, as well as the impact of the measures restricting personal movement from the COVID-19 crisis.

The supervisors in the United States have been notified of the exit of Verti USA operations in Pennsylvania. This decision was made as a result of the project not reaching the expected business volume and returns in the established period. The digital know-how acquired during the time Verti USA was operating will help to accelerate the digital transformation of MAPFRE USA business, strengthening its virtual sales channel in the United States. Additionally, at the end of 2021, the Florida supervisor was informed of the non-renewal of policies in 2022, initiating the run-off process for this operation.

Puerto Rico has 5.5 percent lower issuing in euros than the previous year, although in local currency there is only a 2.6 percent reduction.

In Puerto Rico:

LINE	PUERTO RICO	
	Dec-20	Dec-19
Automobile	10.7%	12.5%
Non-Life (w/o Health)	14.8%	15.7%
Total Non-Life	2.8%	3.1%
Total Life	0.3%	0.3%
TOTAL	2.5%	2.8%

Source: MAPFRE Economics, using data from the supervisors in each country.

Results

The result in NORTH AMERICA to December 31, 2021 stands at 88.8 million euros, 16.3 percent higher than the same date the previous year.

The result in the United States fell 7.0 percent compared to the same period the previous year, reaching 72.6 million euros at December 2021. There has been an increase in the Auto combined ratio mainly due to the impact of the confinement measures from the COVID-19 pandemic that led to an improvement in the combined ratio in 2020, and a reduction in the General P&C combined ratio.

Throughout 2021, 42.7 million euros in gains were realized on financial investments, following the positive context of the markets. 2020 had a positive impact of an extraordinary gain of 19.6 million dollars recorded from the sale of a building in Boston.

Puerto Rico improved results, reaching 16.1 million euros in revenue, as its 2020 results were impacted by the earthquakes.

EURASIA

This regional area encompasses the insurance operations in Italy, Germany, Turkey, Malta, Indonesia and the Philippines.

REGION	Premiums			Attributable result			Combined ratio	
	DECEMBER 2021	DECEMBER 2020	Δ %	DECEMBER 2021	DECEMBER 2020	Δ %	DECEMBER 2021	DECEMBER 2020
EURASIA	1,360.8	1,483.4	-8.3%	0.9	31.1	-97.0%	109.5%	98.9%

Figures in million euros

Market shares in EURASIA were as follows:

LINE	GERMANY		ITALY		MALTA		TURKEY	
	Dec-20	Dec-19	Dec-20	Dec-19	Dec-20	Dec-19	Sept-21	Sept-20
Automobile	1.2%	1.2%	2.4%	2.9%	34.4%	35.8%	2.3%	2.6%
Total Non-Life	0.3%	0.3%	1.2%	1.4%	33.2%	33.1%	4.0%	4.1%
Total Life	—%	—%	—%	—%	76.4%	76.1%	0.5%	0.4%
TOTAL	0.2%	0.2%	0.3%	0.3%	60.1%	60.4%	3.3%	3.3%

Source: MAPFRE Economic Research, using data from the supervisors in each country.

Premiums

At the close of December, premiums in EURASIA registered a fall of 8.3 percent with a decline in Turkey (-6.5 percent), Italy (-44.4 percent), and Philippines (-1.7 percent). On the other hand, issuing improved in Germany (3.2 percent), Malta (17.6 percent) and Indonesia (3.9 percent).

Issuing in Turkey is affected by a notable fall in Auto business, from the rigorous technical underwriting and by the strong depreciation of the Turkish lira (-26.0 percent).

The fall in issuing in Italy is tied to the restrictions for new business in the car dealership channel. This distribution channel has been considered non-strategic for the country.

There has been a very positive performance in Germany, with growth from a very good sales campaign and an excellent renewal ratio.

The improvement in premium issuing in Malta is due to the increase in the Life Savings business, which grew 21 percent compared to the same date the previous year.

Finally, lower issuing in Philippines is due to the fall in the Auto business.

Result

At the close of December 2021, EURASIA presents an attributable result of 0.9 million euros, which is a 97.0 percent reduction compared to the previous year.

A large part of the lower results comes from the the same in Italy and Turkey.

The result in Italy was impacted by reduction of the dealership channel and the subsequent fall in issuing, from the high level of expenses and the high claims from the hail storms in the third quarter of the year. Additionally, in the last quarter of the year, a restructuring plan was rolled out, based on a wide organizational change. This plan is based on the digitalization, automation, and optimization of the company's processes, and adjusting the organizational structure to the company's new size after the exit of some loss-making business. The net cost of this plan reaches 19.9 million euros. Excluding this effect, the combined ratio for Italy would reach 109.1 percent.

The result in Turkey reached 7.7 million euros, which is a 52.2 percent decline compared to the previous year, as a result of the depreciation of the Turkish lira and the increase in the loss ratio in Auto and Health.

Germany, the Philippines and Indonesia performed positively, in line expectations, while Malta deteriorated slightly compared to the same period the previous year, due to the negative development of Auto claims.

MAPFRE RE

MAPFRE RE is a global reinsurer and is the professional reinsurer of the MAPFRE Group.

MAPFRE RE offers reinsurance services and capacities, providing all kinds of solutions for reinsurance treaties and facultative reinsurance, in all Life and Non-Life lines.

MAPFRE RE also encompasses the Global Risks Unit, which is the specialized unit within the MAPFRE Group for managing global insurance programs for large multinationals (policies that cover aviation, nuclear power, energy, civil liability, fire, engineering and transport for example).

The key data relating to MAPFRE RE is presented here.

Key figures

ITEM	DECEMBER 2021	DECEMBER 2020	Δ %
Gross written and accepted premiums	6,274.58	5,686.52	10.3%
- Non-Life	5,644.57	5,132.87	10.0%
- Life	630.01	553.65	13.8%
Net premiums earned	3,432.56	3,171.58	8.2%
Gross result	193.77	22.51	760.6%
Tax on profits	(42.11)	(5.66)	
Attributable net result	151.65	16.85	799.8%
Combined ratio	97.1%	100.6%	-3.5p.p.
Expense ratio	29.0%	30.5%	-1.5p.p.
Loss ratio	68.1%	70.1%	-2.0p.p.

Figures in million euros

ITEM	DECEMBER 2021	DECEMBER 2020	Δ %
Gross written and accepted premiums	6,274.6	5,686.5	10.3%
Reinsurance Business	4,991.6	4,430.7	12.7%
Global Risks Business	1,283.0	1,255.8	2.2%
Attributable net result	151.7	16.9	799.8%
Reinsurance Business	117.8	1.7	—%
Global Risks Business	33.9	15.1	123.9%
Combined ratio	97.1%	100.6%	-3.5p.p.
Reinsurance Business	98.2%	101.2%	-3.1p.p.
Global Risks Business	83.1%	93.3%	-10.1p.p.
Expense ratio	29.0%	30.5%	-1.5p.p.
Reinsurance Business	29.9%	31.2%	-1.3p.p.
Global Risks Business	17.3%	22.5%	-5.2p.p.
Loss ratio	68.1%	70.1%	-2.0p.p.
Reinsurance Business	68.3%	70.0%	-1.8p.p.
Global Risks Business	65.8%	70.8%	-5.0p.p.

Figures in million euros

(*2018 Global Risks data restated for comparison effect.

Premiums

Total written premiums in MAPFRE RE went up 10.3 percent compared to the same period the previous year. Total net earned premiums grew 8.2 percent.

Written premiums from the Reinsurance business reached almost 5.0 billion euros, which is a 12.7 percent increase compared to the same period the previous year, essentially as a result of the increase in participations in cedent programs and higher tariffs in certain lines after several years of high frequency in CAT claims.

Written premiums from the Global Risks Unit, integrated in MAPFRE RE, reached almost 1.3 billion euros, representing 2.2 percent more than the previous period.

Composition of premiums

The breakdown of premium weight distribution to December 2021 is as follows:

ITEM	%	ITEM	%
By Type of business:		By Ceding company:	
Proportional	63.6%	MAPFRE	47.7%
Non-proportional	12.9%	Other	52.3%
Facultative	23.6%		
By Region:		By Insurance Lines:	
IBERIA	17.9%	Property	42.8%
EURASIA	42.8%	Life & Accident	13.8%
LATAM	25.6%	Motor	16.3%
NORTH AMERICA	13.7%	Global Risks business	20.4%
		Transport	2.9%
		Other	3.7%

Result

MAPFRE RE's attributable net result at the close of December 2021 had a profit of 151.7 million euros, versus profits of 16.9 million euros in the same period of 2020. Despite the occurrence of various CAT events, there was a very positive result for the year, primarily due to the improved attritional losses in the reinsurance business, and a reduction in large losses particularly in the Global Risks unit. To December 2021, MAPFRE RE was affected by several CAT claims, like the storms Uri, Volker and Bernd, as well as hurricane Ida, with the most relevant being storm Bernd in Europe in July, which has had an attributable net impact of 92.8 million euros on the result. In 2020, the most relevant Cat effect was the earthquakes in Puerto Rico, with an impact of 39.3 million euro in the Group attributable net result.

Direct incurred COVID-19 claims for the reinsurance business in the year reached 52.1 million euros. The majority is attributable to the Life / Health line, from the claims filed by cedents occurring in 2021 and including an estimate for those that are currently in the process of negotiation or litigation.

The accumulated attributable impact for 2020 and 2021 for COVID-19 claims to December 31, 2021 reached 116.8 million euros (79.8 million euros to December 31, 2020), the majority of which are pending liquidation and payment. The claims reported in the Property lines are concentrated in large part in certain business interruption coverage in Europe. In the immense majority of the property portfolio, business interruption coverage is dependent on the existence of material damage, and in this case, there is none. As such, this exposure only exists in exceptional cases. However, to date, there is still uncertainty about the final amount for possible claims and the results of certain claims that get taken to court or to arbitration, both with regards to the existence of coverage in original insurance policies as well as the validity of certain coverage claims in reinsurance contracts.

At the close of December 2021, 70.2 million euros of financial gains, net of financial losses and other financial extraordinaries, were recorded (21.4 million euros to December 2020).

The attributable result of the Reinsurance business reached 117.8 million euros, benefiting from an improved attritional losses as well as lower acquisition expenses.

The attributable result of Global Risks business reports profits of 33.9 million euros.

The combined ratio of the Reinsurance business stands at 98.2 percent, while the combined ratio for the Global Risks business stands at 83.1 percent. It is important to point out the 5.2 percentage point reduction in the expense ratio in the Global Risks business, due to the increase in reinsurance commissions charged and from changes in the ceding structure.

MAPFRE ASISTENCIA

MAPFRE ASISTENCIA specializes in travel assistance, roadside assistance, and other specialty risks of the Group.

Key figures

ITEM	DECEMBER 2021	DECEMBER 2020	Δ %
Operating revenue	559.57	709.63	-21.15%
- Gross written and accepted premiums	486.44	618.94	-21.41%
- Other revenue	73.14	90.69	-19.35%
Net premiums earned	404.69	502.84	-19.52%
Result from other business activities	(4.75)	(31.30)	84.83%
Gross result	(10.12)	(22.59)	55.21%
Tax on profits	12.44	3.96	
Non-controlling interests	(1.71)	(1.97)	
Attributable net result	0.60	(20.60)	102.93%
Combined ratio	102.05%	98.44%	3.6p.p.
Expense ratio	48.08%	44.75%	3.3p.p.
Loss ratio	53.97%	53.69%	0.3p.p.

Figures in million euros

Premiums

Premiums reached 486.4 million euros in MAPFRE ASISTENCIA, a 21.4 percent decrease compared to the same period the previous year. At the close of December, revenue was strongly impacted by 1) Travel Insurance premiums from InsureandGo in the United Kingdom, Ireland and Australia, with a 38.5 percent reduction in business volume as a result of travel restrictions from COVID-19, and 2) Specialty Risk premiums in the United Kingdom and Assistance premiums in the United States as a result of the decision to discontinue these operations.

At the close of December, MAPFRE ASISTENCIA recorded a positive attributable result of 0.6 million euros. In the same period the previous year, MAPFRE ASISTENCIA recorded losses of 20.6 million euros, after the relevant impact in losses caused by COVID-19 from trip cancellation coverage resulting from mobility limitations imposed because of the pandemic.

Result

The result in 2021 was positively impacted by the sale process of InsureandGo in the United Kingdom, which was completed this past August, as well as closing of the MAPFRE ASISTENCIA insurance branch in this country in the fourth quarter of the year. Both operations (the sale of InsureandGo and the close of the insurance branch) have generated a positive result of 4.5 million euros. This amount includes a pre-tax expense of 14.2 million euros for the closing of the MAPFRE ASISTENCIA insurance branch in the United Kingdom, and revenue of 18.0 million euros for recording tax credits from the accumulated losses in the branch.

The following chart provides a breakdown of MAPFRE ASISTENCIA's result before taxes, by region and business line at the close of December 2021:

REGION	ASSISTANCE	TRAVEL INSURANCE	SPECIALTY RISKS	2021	2020
EURASIA	(5.1)	0.4	6.7	2.0	(5.4)
LATAM	0.6	0.4	1.5	2.5	(2.2)
NORTH AMERICA	0.2	0.5	0.0	0.7	1.1
DISCONT. OPERATIONS	3.5	(21.9)	3.1	(15.3)	(16.1)
TOTAL	(0.8)	(20.6)	11.3	(10.1)	(22.6)

Figures in million euros

MAPFRE ASISTENCIA, as part of the geographic realignment process initiated at the end of 2015, has completed to date the exit from a total of 14 countries.

At the close of December, MAPFRE ASISTENCIA maintains a total of 12.5 million euros reclassified under the heading assets held for sale for assets from operations in Europe and Asia. The majority of operations are expected to be finalized during the first quarter of 2022, once the formalities are completed and the necessary authorizations are obtained in each market.

SIGNIFICANT ECONOMIC AND CORPORATE EVENTS
Coronavirus crisis (COVID-19)
Evolution of COVID-19 impacts
Current status of MAPFRE operations

MAPFRE's activity during the COVID-19 crisis has focused on two main priorities:

- Guaranteeing the health and safety of all employees and collaborators.
- Ensuring business continuity in order to continue providing the highest level of service to our clients.

MAPFRE AND SUBSIDIARIES

From the perspective of managing the crisis provoked by the pandemic, despite its impact and the mobility restrictions imposed in many countries, MAPFRE Group has maintained the continuity of its operations and has continued providing service to clients everywhere the Group operates, always complying with our commitment to our clients, as well as with the relevant legislation in force in each country at all times.

At the close of December, the percent of personnel who were working on the premises in the key markets where MAPFRE operates was the following: Spain, 95.9 percent of employees on a rotating basis; United States, 78.0 percent of employees on regular schedule with flexibility to work remotely; and Brazil, 100.0 percent of employees on a hybrid mobility model.

In the last quarter of the year, the COVID-19 pandemic situation improved progressively, thanks to advances in the vaccination process. This made it possible to be moderately optimistic about the development of the pandemic situation, with more and more countries slowly getting closer to normality, although new waves and new variants could limit the return to the total normalization of economic activity.

Most relevant economic impacts on MAPFRE's Income Statement

The following is a breakdown of the most relevant impacts on Group results, at the close of December 2021, as a result of the coronavirus (COVID-19) crisis:

Loss experience

Losses incurred as a result of claims directly allocated to COVID-19, by line of business, are as follows:

Lines	December 2020	December 2021
LIFE PROTECTION	83.5	278.8
HEALTH	58.8	88.7
BURIAL	30.0	15.0
TRAVEL ASSISTANCE (Travel Insurance)	23.2	8.0
OTHER	13.7	17.7
TOTAL INSURANCE	209.2	408.3
ACCEPTED REINSURANCE	113.4	52.1
TOTAL ACCUMULATED	322.6	460.4

Figures in million euros

By region and business unit, the breakdown of losses is as follows:

Regions and Units	December 2020	December 2021
IBERIA	39.1	32.7
LATAM NORTH	63.3	130.1
LATAM SOUTH	33.5	42.7
BRAZIL	46.2	188.7
NORTH AMERICA	0.8	2.7
EURASIA	3.1	3.3
TOTAL INSURANCE	186.0	400.2
MAPFRE RE	113.4	52.1
MAPFRE ASISTENCIA	23.2	8.0
TOTAL ACCUMULATED	322.6	460.4

Figures in million euros

Combined Ratio

The combined ratio to December by line of business during the last three years is broken down below:

Lines	Combined Ratio		
	December 2019	December 2020	December 2021
AUTO	100.5%	91.7%	100.8%
HEALTH & ACCIDENT	98.5%	94.1%	100.1%
GENERAL P&C	88.0%	92.5%	90.8%
BURIAL	96.3%	112.1%	100.5%
TRAVEL ASSISTANCE	102.9%	102.3%	107.4%
LIFE PROTECTION	84.2%	85.4%	94.6%

At December 31, 2021, there has been a relevant deterioration of the Auto combined ratio compared to the same period the previous year, from the elimination of mobility restrictions and the return to a certain normality. On the other hand, an improvement can be seen in the General P&C and Burial lines. The combined ratios in the Life Protection and Health lines have gone up significantly, primarily as a result of the high COVID-19 claims in Latin America.

Voluntary early retirement plan in Spain

The Group has established a voluntary early retirement plan aimed at employees of its insurance operations in Spain.

The plan is voluntary and there are certain age and length-of-service requirements in order to be able to opt into the plan. The plan aims to improve the efficiency of sales and administrative processes as a result of a new operating structure, as well as adapting resources to new advances in digitalization.

The plan was structured and communicated at two separate dates during the current year. As such, the Group recorded, at June 30, a provision for this concept in the IBERIA region for approximately 75 million euros. 274 employees signed up for this first phase of the voluntary early retirement plan. Additionally, in December, the voluntary early retirement plan was expanded by 100 million euros, in order to accelerate the transformation of MAPFRE's operating model in IBERIA. 300 additional employees are expected to sign up for this expansion.

This total extraordinary expense implies 1.2 percentage points on the Group Non-Life combined ratio.

Verti Italy restructuring plan

In the last quarter of 2021, Verti Italy initiated a restructuring plan based on a broad organizational change. This plan is based on two fundamental pillars, a) the digitalization and automation of the company's processes, using previously-made technological investments, which drive profitable growth, making the digital-direct business its main activity, and b) adjusting the organizational structure to the company's new size, after the exit of some loss-making business.

This plan is in the final stages of definition and could imply a significant reduction of the personnel structure in the different areas of the company, which will be done by relocating employees in service providers, voluntary layoffs and other methods of the work relationship.

The net cost will reach 19.9 million euros. This extraordinary expense will imply 0.2 percentage points on the Group Non-Life combined ratio.

Group security debt buyback

On December 1, 2021 MAPFRE announced that it was carrying out a tender offer in cash intended for holders of the securities issued by MAPFRE corresponding to the issuance "MAPFRE S.A. SENIOR UNSECURED NOTES ISSUANCE 1 – 2016", with an outstanding balance of one billion euros, comprising 10,000 securities with denominations of 100,000 euros due May 19, 2026.

The objective of the tender offer was to proactively manage MAPFRE's debt profile, as well as provide liquidity to the securityholders that are accepted in the offer.

The final results of the tender offer have implied MAPFRE acquiring 142.7 million euros in securities from holders and their immediate cancellation, which implies a net expense of 9.6 million euros for the Group.

Significant Corporate Events

Disposals

Bankia agreement termination

On March 26, 2021, the merger carried out via BANKIA S.A.'s absorption by CAIXABANK S.A. was executed.

Prior to this, CAIXABANK had informed MAPFRE of its decision to not terminate its exclusive distribution agreements with other insurance entities, which were incompatible with maintaining, after the merger, the agreements signed between MAPFRE and BANKIA.

In light of this situation, MAPFRE formally announced that it exercised its right to terminate the agreements, leading to the business valuations carried out by an independent expert in order to determine, following the contractually established procedures, the amounts to be received for the price of its 51 percent stake in BANKIA VIDA and for compensation for the termination of its Non-Life distribution agreement.

On December 29, MAPFRE and CAIXABANK formalized, based on the valuations made by the independent expert, the resolution of said agreements in the following terms:

- CAIXABANK's acquisition from MAPFRE of its 51 percent holding of BANKIA VIDA for 323.7 million euros, which corresponds to 110 percent of the market value of the Life business determined by an independent expert.
- Resolution of the agency contract for the distribution of Non-Life insurance, with CAIXABANK paying MAPFRE 247.1 million euros, corresponding to 110 percent of the market value of the Non-Life business determined by the independent expert.
- Initiation of an arbitration process regarding MAPFRE'S right to receive from CAIXABANK, as set out in the terms of the contract, an additional 10 percent equivalent to 52.0 million euros.

This agreement has implied MAPFRE, in 2021, receiving 570.8 million euros, and an extraordinary result of 167.1 million euros, which could increase by 52 million euros if the arbitration process sides in favor of MAPFRE's interests.

Additionally, MAPFRE has expressed, both to the independent expert as well as to CAIXABANK, its disagreement with the value assigned to the Life business, as it was not measured in line with market methodology and criteria, in the terms of the mandate and the agreements, with the corresponding reserve of actions and rights. As a result, MAPFRE will soon be taking legal action to defend its legitimate interests.

The chart below shows the impacts on the net result of the termination of the BANKIA agreement and other operations agreed by the Group in December, which have implied a 62.6 million euro net contribution to the result.

Operations	Revenue/ Expenses
BANKIA agreement termination	167.1
IBERIA voluntary early retirement plan	(75.0)
Italy restructuring	(19.9)
Group debt buyback	(9.6)
TOTAL	62.6

Figures in million euros

Sale of Industrial RE

On December 15, 2020, the Group received a binding offer for the entity Industrial RE, a company that has not had relevant activity for several years. This transaction, in May, obtained the corresponding administrative authorizations and its execution generated a gross gain of 3.5 million euros for MAPFRE Group.

Sale of Rastreator and Preminen

In December 2020, Admiral Group Plc announced the sale of Penguin Portals Group and the comparison site Preminen to RVU. Penguin Portal Group holds control of the online price comparison site Rastreator. MAPFRE Group held 25 percent of Rastreator and 50 percent of Preminen, which were included in this transaction. These sales were formalized and fully paid up in May, generating a gross gain of 14.0 million euros for MAPFRE Group.

Sale of InsureandGo and MAPFRE ASISTENCIA branch closing in the United Kingdom

MAPFRE ASISTENCIA, the MAPFRE Group business unit specialized in travel and roadside assistance as well as other specialty risks, closed the sale of InsureandGo in the United Kingdom in August. Additionally, the collective consultation process to close the MAPFRE ASISTENCIA insurance branch in the United Kingdom was successfully finalized and the closure was carried out in the fourth quarter. Both operations - the sale of InsureandGo and the close of the insurance branch - have generated a positive result of 4.5 million euros net of taxes. These operations are part of the strategic restructuring that MAPFRE ASISTENCIA has been carrying out since 2015, and which has led to the business exiting 14 countries.

Acquisitions

Acquisition of non-controlling shareholder participations

In the second quarter of the year, MAPFRE Group acquired additional shares from non-controlling shareholders of MAPFRE Middlesea p.l.c. in Malta and MAPFRE Atlas in Ecuador, representing 1.27 and 7.66 percent of the share capital, respectively, for a total amount of 2.5 million euros.

On September 17, MAPFRE Group acquired an additional 32.46 percent of the share capital of MAPFRE PERÚ VIDA for the amount of 109.2 million euros, raising its holding in this company to 99.87 percent.

This acquisition implies a negative adjustment in MAPFRE Group's consolidated reserves, for the amount of 83.3 million euros, as a result of the excess paid over the value of MAPFRE PERÚ VIDA's consolidated shareholders' equity.

MAPFRE raises its stake in Abante

On January 22, 2021, MAPFRE and Abante agreed for MAPFRE to increase its 10 percent stake in Abante, proceeding to subscribe and pay, via capital increase, the amount of 27.4 million euros in June. With this operation, the stake in Abante capital reaches 18.77 percent.

Other Corporate Events

Co-investment with Swiss Life.

In the second quarter of the year, MAPFRE Group, through MAPFRE INMUEBLES, formalized a joint real estate investment vehicle with Swiss Life, with 50 percent participation for each company. To this end, MAPFRE INMUEBLES provided 100 percent of its shares in a company whose main asset is a building it owns in Madrid. As a result of this transaction, a 33.6 million euro gross gain was generated for MAPFRE Group.

Alliance agreement in the United States

MAPFRE USA and AAA Washington, a AAA associate - the most important emergency roadside assistance organization in the United States - have reached an agreement to form an insurance company to underwrite Auto and Homeowners insurance in Washington and northern Idaho. The new company, which is subject to regulatory approval, will be known as Auto Club MAPFRE Insurance Company. The company is expected to start operating in the fourth quarter of 2022.

Funeral service merger project cancellation

Once the National Commission on Markets and Competition issued its resolution regarding the alliance for the joint development of the funeral service business between ALBIA and FUNESPAÑA, the governing bodies of MAPFRE decided in October to maintain the current shareholding in FUNESPAÑA within Group scope and discontinue the merger project with ALBIA. As a result, assets amounting to 168.5 million euros from FUNESPAÑA were declassified from the heading "Assets held for sale".

MAPFRE ASISTENCIA USA transfer

On October 5, 2021, MAPFRE USA's acquisition of MAPFRE ASISTENCIA USA (holding company, subsidiary of MAPFRE ASISTENCIA, which includes Century Automotive, Federal Assist and MAPFRE Warranty Florida) was formalized. This operation does not have an economic impact at MAPFRE Group level, and was effective starting October 2021.

ISSUES RELATING TO THE ENVIRONMENT, SECURITY AND EMPLOYEES

Environment

In 2021, COP26 was held in Glasgow, closing with an emphasis on the need to define and execute tangible, measurable, and above all, urgent actions to prevent the planet's temperature from increasing by 1.5°C. In this context, MAPFRE launched its new 2021-2030 Corporate Environmental Footprint Plan, the targets of which include a 50% reduction in its greenhouse gas emissions by 2030, committing to make the entire Group carbon-neutral from that year.

Additionally, intermediate targets have been set for 2024, and it will be essential to monitor and fulfill them in order to ensure compliance with the Environmental Footprint Plan. These objectives, as well as the actions necessary to achieve them, are included in the new Sustainability Plan 2022-2024, which aims to guarantee the aligned and coordinated action of all MAPFRE Group companies in this area.

As a first step in the Group's climate neutrality strategy, from 2021 onward, the carbon footprint of MAPFRE ESPAÑA and MAPFRE PORTUGAL will be offset. Another intermediate milestone will be established in 2024, the year in which MAPFRE will also become carbon-neutral in Brazil, the United States, Mexico, Puerto Rico, Peru, Italy, Germany, and Turkey.

The Environmental Policy has been updated this year to include new key aspects, such as the circular economy and natural capital, in the Group's environmental management strategy. MAPFRE has a strategic model based on an integrated management system, certifiable under various ISO standards, to include all aspects associated with environmental, energy, greenhouse-gas emissions, and circular economy sustainability. The model enables plans and programs to be defined, minimizing the risks identified and paving the way to exploiting the opportunities that arise.

Also in 2021, MAPFRE approved the Corporate Greenhouse Gas Offsetting Strategy, which defines the internal criteria used to assess the best offsetting proposals. These criteria go a step beyond the creation of carbon sinks and also aim to encourage biodiversity recovery and ensure ecosystem services and natural capital.

To date, on the environmental side, MAPFRE has continued to expand its certifications in this area, and 44 Group company headquarters in Spain, Brazil, the United States, Mexico, Puerto Rico, Turkey, Peru, Italy, Germany, Colombia, Chile, Paraguay, Portugal and Argentina already have ISO 14001 certification. In addition, 25 headquarters buildings located in Spain, Mexico and Puerto Rico hold the ISO 50001 energy management certification.

Regarding the carbon footprint, the scope of ISO 14064 also continues to be expanded as planned. The carbon footprint inventories of MAPFRE companies located in Spain, Brazil, the United States, Mexico, Italy, Puerto Rico, Colombia, Portugal, Turkey, Chile, Peru and Germany.

In addition, and in the current context, the circular economy is proving to be a necessary solution to the economic and climate crisis, making companies more competitive and resilient. In this area, MAPFRE was the first insurer in Spain to sign the Pact for a Circular Economy in 2020. This year, the first progress report was drafted to fulfill the commitments provided for in this initiative, which seek to drive, support, promote and disseminate the transition to a circular economy.

The Group's headquarters, located in Majadahonda (Madrid), a complex of four buildings that house more than 2,500 employees, was also certified in accordance with the AENOR Zero Waste Regulations.

In addition, MAPFRE has launched its first project to quantify our activity's impact on natural capital in Spain and Portugal using the LIFE (Lasting Initiative for Earth) methodology. MAPFRE participates in the Natural Capital Working Group of the Grupo Español de Crecimiento Verde and the Fundación Biodiversidad to seek solutions for integrating natural capital into business; it was also included on the LIFE Institute's European Technical Committee with the aim of adapting the LIFE methodology to Europe and the business needs in various sectors.

Security

Work continued throughout 2021 on achieving a secure environment in which MAPFRE can pursue its everyday activities through the protection of tangible and intangible assets, including services offered to clients in accordance with the provisions of the Corporate Security and Privacy Policy approved by the MAPFRE S.A. Board of Directors on December 13, 2018.

In relation to protection against cyber threats, the MAPFRE Group's Cyber Resilience Plan (CRP) was launched in 2021. It will be executed over a three-year period, serving as the master plan that directs MAPFRE's progress on Cybersecurity, Privacy, Data Protection and Digital Operational Resilience.

The CRP has 11 major activity areas that generate more than 120 lines of action. A large number of these lines of action are identified as recurring, as they will generate new functions or expand and develop existing functions, thus requiring a continued effort once the plan's execution period is over. In this regard, the CRP includes the financial resources required for its implementation and the reinforcement of the specialized internal staff as needed, with the aim of guaranteeing the internal talent and know-how to implement the plan and maintain the level of protection it achieves.

Additionally, the increase in remote work and the emergence of new cyberattack mechanisms that exploit weaknesses in knowledge and/or awareness have required us to step up our efforts to develop and promote a culture of cybersecurity. We are therefore developing more impactful and permanent initiatives, as well as actions aimed at specific groups with an especially critical role, implemented through the Corporate Training and Awareness Plan. The latter will be developed over the course of the next three years and will extend to the whole MAPFRE Group.

In addition to the aforementioned actions, MAPFRE has continued to strengthen its collaboration with external entities, joining specialized cybersecurity groups, such as the EFR Cybersecurity Working Group, the Ransomware Working Group of the CRO Forum and the National Meeting of SOC (Security Operations Centers), organized by the National Cryptological Center in Spain. With this, MAPFRE hopes to continue improving its position and knowledge of techniques, tactics, tools, and procedures used by organized groups of cyber criminals.

Work is also being done in this field to adapt to the various cybersecurity regulations that are emerging in the different regions where the Group is present. This year saw the introduction of the Guidelines on Information and Communication Technology Security and Governance of the European Insurance and Occupational Pensions Authority (EIOPA) and the regulations enacted in this area in Chile and Peru, joining those existing in other countries where we operate.

On the subject of Operations Resilience and Continuity, AENOR granted in 2021 the ISO22301 Business Continuity Management System Certification to MAPFRE Mexico, MAPFRE Turkey, MAPFRE Puerto Rico, MAPFRE BHD (Dominican Republic), MAPFRE Honduras, and SOLUNION.

In addition to the aforementioned new ISO22301 certifications, MAPFRE ESPAÑA, MAPFRE RE, MAPFRE GLOBAL RISKS, MAPFRE PORTUGAL, MAPFRE INVERSIÓN, and the Global SOC of the MAPFRE Group maintained the certifications obtained in previous years.

These certifications provide a framework to improve the organization's resilience, enabling an effective response to crisis situations that safeguards its main processes and critical activities and the interests of its main stakeholders. Such capabilities have been tested and proven effective in real-life situations.

On the topic of Privacy and Data Protection, throughout 2021 we have worked to automate and optimize the processes for compliance with the different laws in force while continuing to guarantee the most timely, comprehensive response when interested parties exercise their rights.

We therefore continue to analyze the various rulings on data protection issued by different regulators, especially the European ones, in order to incorporate them into the affected processes if necessary. Likewise, special work has been done to adapt the different Group companies' internal processes to new laws on personal data protection that have been enacted, such as those of Panama and Ecuador.

In terms of protecting people and facilities, 2021 has been a year characterized by periods of gradual return to normality and restricted international mobility, marked by a heterogeneous situation and the control measures in different countries. Keeping people safe at their usual location and when they travel has therefore required more effort and constant adaptation to the ongoing changes in the situation in order to guarantee adequate protection for our staff at all times.

Additionally, to help people to feel safer when they visit our facilities, MAPFRE has maintained its AENOR certification of the protocols against COVID-19 at its sites in Spain and Portugal, and has also expanded this certification to companies located in Venezuela, Chile, Colombia, Peru, Ecuador and Uruguay.

Finally, MAPFRE remains committed to talent and to delivering continuously more specialized training to its workforce. Consequently, the number of professional certifications in security- and privacy-related areas held by personnel working in these fields in MAPFRE surpassed 450 in 2021.

Employees

The accompanying chart shows the headcount at the end of 2021, compared with the headcount for the previous fiscal year.

CATEGORIES	TOTAL NUMBER	
	2021	2020
BOARD DIRECTORS (*)	18	18
EXECUTIVES	48	45
SENIOR MANAGEMENT	1,628	1,622
MANAGERS	4,602	4,251
ADVISORS	16,500	16,919
ASSOCIATES	9,545	10,875
TOTAL	32,341	33,730

Executive board directors of Spanish companies.

The Corporate People and Organization Area supports the business in its transformation and is in charge of adapting the organization to new social requirements, utilizing new technologies and digital solutions to do so. It is also responsible for identifying and retaining the talent required by the company, as well as the development of employee knowledge, skills, and careers. It performs all those tasks in a flexible, inclusive, and diverse work environment that promotes collaboration and innovation and encourages well-being and health.

People management at MAPFRE is based on three pillars: talent development, the organization's transformation, and promotion of the employee experience as well as channels for communication and transparency towards the employee.

Development of all people who make up our company is key, and it focuses on:

- Identifying and planning the knowledge and abilities that the business requires.
- Establishing internal talent processes for mobility and employee development and promotion.
- Providing employees with tools to design their own career through self-development and self-learning.

MAPFRE has an internal program for the identification and development of strategic talent, MAPFRE Global Talent Network, which includes more than 4,658 employees around the world.

All countries have a succession plan for their management roles, with a common methodology that defines immediate replacement and short and medium-term options

In 2021, 4,177 employees had internal opportunities for mobility, of which 72 were geographical. A total of 17 countries received employees and 20 countries offered employees.

A total of 36.4 percent of selection processes was covered by internal mobility.

The situation created by the pandemic led to the adaptation of training plans to digital and mixed modes. Technical training is key to MAPFRE. As such, the deployment of technical knowledge continued to develop and was reinforced in 2021 by leader experts in each area and function, and 991,210 hours of training were delivered, encompassing 384.095 participations.

MAPFRE continues to develop its leaders, helping them adapt to a new digital, transparent, strategic, and knowledge-based leadership model founded on strong ethics and values.

Our knowledge platform, Eureka, already has 2,000 pieces of knowledge, and 1,404 leaders across all countries have been identified.

The Remuneration Policy is intended to set appropriate remuneration levels for each function and job position and for performance by professionals, and it serves as a source of motivation for staff, encouraging them to reach their objectives and deliver on MAPFRE's strategy. The policy guarantees internal equality and external competitiveness in each market and is part of the in-house development of employees.

In 2021, MAPFRE launched a stock-based remuneration plan for employees in Spain with the aim of strengthening their bond to the company's strategy and future profit. The plan allows them to voluntarily allocate a portion of their remuneration annually to MAPFRE S.A. shares, which will be delivered to them on a monthly basis throughout 2022. In total, 4,704 employees have joined this plan, representing 43 percent of the total headcount at companies in Spain.

MAPFRE has a Diversity and Equal Opportunity Policy at a global level that is based on respect for people's individuality, on the recognition of their heterogeneity and on the elimination of any discriminatory exclusionary behavior.

With regard to gender diversity, MAPFRE has undertaken to ensure that 45% of the managerial vacancies that arise in the company annually are filled by women. As such, the company has started to take steps to ensure that all selection and mobility processes for managerial positions require action to promote the representation of women. In 2021, 49.1 percent of managerial vacancies were filled by women.

To promote its positioning as an inclusive company, since February 2020 MAPFRE has been a signatory of the United Nations Women's Empowerment Principles. In 2021, MAPFRE 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.

MAPFRE promotes the integration of people with disabilities into the workforce and committed to ensuring that 3 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 2021, 3.5 percent of the workforce has some form of disability.

Since October 2021, MAPFRE 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.

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.

MAPFRE is present on five continents with employees of 86 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.

During 2021, the Corporate People and Organization Area finished implementing the DIGITAL CHALLENGE, a global strategic initiative to manage the change required by the organization so that employees could develop their skills, adapt to a new digital environment, and work in more flexible, agile and productive organizations. Another of its aims is to continue building a transparent and more personalized relationship with the employee.

Now that the necessary foundations have been laid to work in such a changing, digital world, further steps are being taken to enable the organization to manage resources agilely and efficiently, focusing on productivity, adopting more flexible structures, project execution, knowledge management, collaborative environments and a more personalized employee experience.

This year, work was done on the following deliverables:

- An Onboarding and Inboarding process backed by a specific module in the people management tool that will improve the employee experience for both new hires and internal mobility processes while measuring and optimizing the learning curve.

- Deployment of personal productivity scenarios in a digital workplace environment.
- We have defined the criteria for technical career progression to promote the role of the expert as well as a matrix for versatility between job positions that helps to orient our transformation plans.
- We have developed a project management work model suitable for the different types of projects conducted at the company.

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

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

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

- Relational eNPS®: Employee net promoter score measures the likelihood that employees will recommend MAPFRE as a company to work for. In 2021, this was measured in 19 countries, and in 85 percent of the workforce in which the measurement was taken the results were 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 71 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 12,605 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, sign up for volunteer activities, reserve space and activate a COVID radar feature to ensure social distancing and tracking.

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 complied with in all relationships between employees, and in those relationships between employees and providers, customers, collaborators, and other stakeholders, and it also extends to all the organizations with which MAPFRE works.

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 in and outside the workplace. To this end, MAPFRE has a healthy company model implemented worldwide that includes five areas of action: labor environment, health promotion, physical activity and nutrition, and mental well-being and work environment.

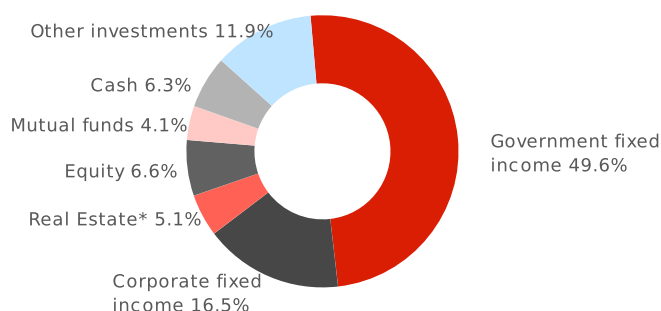
To facilitate well-being and a healthy work-life balance, MAPFRE offers its employees a wide range of company benefits, which accounted for an investment of 156.9 million euros in 2021.

From the outset in 2020, MAPFRE was aware of the impact that COVID-19 could generate, and under the governance of the Corporate Crisis Committee it quickly deployed its contingency plans, making the health of employees its top priority. This is why the first step to be implemented swiftly in all countries was remote working and reducing the density of occupancy in all buildings. In 2021, the Crisis Committee has continued to monitor the situation in the countries and has been adapting its measures to continue guaranteeing employee safety and health.

LIQUIDITY AND CAPITAL RESOURCES

INVESTMENTS AND LIQUID FUNDS

Details of the investment portfolio* by type of assets, as of December 31, for the last two financial years is shown below.



ITEM	DECEMBER 2021	DECEMBER 2020	Δ %
Government fixed income	22,879.0	23,396.0	-2.2%
Corporate fixed income	7,617.4	8,135.7	-6.4%
Real Estate*	2,331.9	2,239.9	4.1%
Equity	3,051.8	2,694.9	13.2%
Mutual funds	1,877.3	1,414.6	32.7%
Cash	2,887.7	2,418.9	19.4%
Other investments	5,514.7	4,593.1	20.1%
TOTAL	46,159.7	44,893.2	2.8%

Figures in million euros

*"Real Estate" includes both investment property and real estate for proprietary use (at acquisition price).

A breakdown of the Fixed Income portfolio by geographical area and asset type follows:

ITEM	Government	Total Corporate Debt	Total
Spain	12,041.2	1,819.8	13,861.0
Rest of Europe	4,691.8	2,760.0	7,451.9
United States	1,537.8	2,058.1	3,595.9
Brazil	2,169.6	1.6	2,171.2
Latin America - Other	1,768.1	705.8	2,474.0
Other countries	670.5	272.0	942.5
TOTAL	22,879.0	7,617.4	30,496.4

Figures in million euros

Four different types of portfolios are managed within the investment portfolio:

- Those that aim for a strict immunization from the obligations derived from insurance contracts, and which minimize interest rate risk, through matching adjustments, by means of immunization techniques based on matching cash flow or duration.
- Portfolios that cover unit-linked policies composed of assets for which the risk is borne by policyholders.
- Conditioned actively management portfolios that aim to exceed the guaranteed return and achieve the highest return for the policyholders within prudential parameters, such as portfolios with profit sharing.
- Actively open-management portfolios where active management is only conditioned by legal rules and internal risk limits.

Below is a breakdown of actively managed Fixed Income portfolios:

		Market value (bn €)	Accounting yield (%)	Market yield (%)	Modified duration (%)
IBERIA NON-LIFE	12/31/2020	4.33	2.02	0.36	11.97
	12/31/2021	3.97	2.08	0.69	10.93
MAPFRE RE NON-LIFE	12/31/2020	3.06	1.24	0.20	4.58
	12/31/2021	3.18	1.28	0.69	3.78
IBERIA LIFE	12/31/2020	5.75	3.44	0.00	7.04
	12/31/2021	5.18	3.38	0.21	6.60
BRAZIL - MAPFRE SEGUROS	12/31/2020	1.40	6.16	4.81	3.09
	12/31/2021	1.13	7.05	8.73	3.07
LATAM NORTH	12/31/2020	0.84	5.93	5.23	3.60
	12/31/2021	0.99	5.48	5.39	3.48
LATAM SOUTH	12/31/2020	1.77	6.00	3.70	7.12
	12/31/2021	1.66	6.85	6.06	6.24
NORTH AMERICA	12/31/2020	1.99	2.63	1.11	5.23
	12/31/2021	1.98	2.47	1.74	5.63

As of December 31, 2021, in IBERIA, MAPFRE RE and NORTH AMERICA, the Non-Life and other non-insurance activities actively managed portfolios held unrealized capital gains in shares and mutual funds for an amount greater than 104 million euros.

Real estate

In 2021, mirroring the general market trend, the MAPFRE Group's real estate activity has gradually returned to relative normality after being strongly influenced by the COVID-19 pandemic in 2020.

The sector's recovery has been more evident from the second quarter of 2021, but it has not been uniform by geographical area or sub sector. And even though the risks to health and economic activity have lessened, we cannot take for granted that the "pre-pandemic" situation will return. The health crisis has altered many parameters in the real estate market and acted as a catalyst for change, accelerating noticeable trends for some time now. These changes are here to stay, with various consequences in the different subsectors.

In the office market, where MAPFRE's investment strategy is concentrated, rental demand has slowed compared to the pre-pandemic indicators, and although it is gradually making a partial recovery, vacancy rates are still higher than they were two years ago. However, on the investment side, and in an environment of low returns on traditional financial assets, offices remain attractive, with strong demand that cannot be covered by a modest and often medium-quality supply. As a result, rates of return have been maintained or dropped only slightly.

The rise of hybrid work models—with a teleworking component—will have a significant impact on future demand. Tenant preferences are shifting to innovative models, flexible spaces, and a user who demands services, experiences, and well-being. Polarization is observed between modern, high-quality offices that will see strong demand, compared to those that are not, which will lose value. Owners are working to differentiate their products and implement technology. Some niches, such as flex spaces, will have greater opportunities and attract more stable customers.

The logistics and distribution subsector has been in the spotlight lately, and it could be said that 2021 has been its best year. It has benefited from changes in shopping habits and the prospects for a future focused on online distribution. Strong investor interest has been generated around logistics warehouses—especially the most high-tech and sustainable ones—and last-mile distribution centers, with numerous closed transactions, rising prices and returns typical of defensive assets, perhaps exceeding the most optimistic expectations.

In other areas, the impact of the crisis has been uneven. The residential market has struggled to the extent that rental prices have been slow to recover from last year's declines. However, investment has rebounded quickly, facilitated by abundant cash flow and the limited "stock" available, a situation that seems unlikely to correct in the short term due to a shortage of land suitable for development. Home renovation continues to be a widespread alternative, and build to rent is generating increasing interest. On the other hand, rising construction costs may pose a short-term threat.

The subsector hit the hardest by the crisis has been the commercial one, especially small businesses, which have suffered both the impact of health measures and the growing boom in online distribution.

The hotel sector has also suffered tremendously, and the extent to which it returns to its original levels remains to be seen. There is an undeniable demand for hotel assets as an investment, largely explained by the loss of property value and the intervention of opportunistic players.

In this context, the MAPFRE Group's strategy for real estate investments, both directly and through investment funds, has followed similar guidelines to the previous year, focused on office buildings, on central areas of the Eurozone, on profitable assets and first-rate tenants; in short, on assets with high price stability and resilience to crisis scenarios.

To make new real estate investments, it has a growing number of agreements with international partners: the creation of a joint venture with a benchmark European institution for investment with a pan-European scope, with an estimated investment volume of 300 million; the constitution of a second fund with one of the current partners, very similar to the fund created in 2018; and negotiations for a third agreement with a large institution in the insurance world to establish a fund that initially invests in Germany and Spain, where a proposed asset swap would achieve an investment volume of 500 million euros in the first phase.

Additionally, the investment of existing funds has continued, highlighting the acquisition of an office building in Germany for 62 million euros, and another in France for 30 million euros. In Spain, another purchase was, fully covered by MAPFRE funds, for 15 million euros.

Likewise, several investments have been made in funds specialized in niches of activity in which MAPFRE wishes to be present (added value, distribution etc.), and particularly in activities of environmental interest, such as recovering industrial land for other uses.

Among its investments in various assets, it formed an alliance in 2021 with Iberdrola S.A., implemented through the investment fund Map Energías Renovables, where MAPFRE has committed 200 million euros and expects to attract an equivalent amount from third parties for the acquisition of wind farms (eight, already in operation) and solar farms (in process).

One aspect that has received special attention for several years is the adaptation of renovated properties to international sustainability standards, within the framework of MAPFRE's global policies in this area and objectives set, such as the 2030 Objective. In 2021, environmental certifications were obtained for three buildings, and two others are pending.

A plan to install solar panels in suitable buildings has also been launched, to guarantee that at least a significant part of their energy consumption comes from clean sources.

On the divestment side, different sales agreements have been reached, mainly for office buildings that have concluded their life cycle in Barcelona and Bilbao and which together will amount to 71 million euros. Land sales have continued, with various transactions approved and agreed upon. The Group has reached agreements for land sales in the municipality of Madrid, and has taken advantage of the situation in submarkets, such as the logistics one, to sell some assets that did not fit into its portfolio profile.

Regarding the performance of portfolio assets, the impact of the social and health crisis on asset valuation has been modest in general. Our exposure in European markets—Paris, Milan, Germany—has evolved favorably, and valuations have risen moderately in the year.

With regard to commercialization of spaces, the average occupancy rate of the profitable buildings is 86.6 percent, and their return on the appraised value is 3.8 percent. Despite the lower demand, tenant departures have been offset by new contracts.

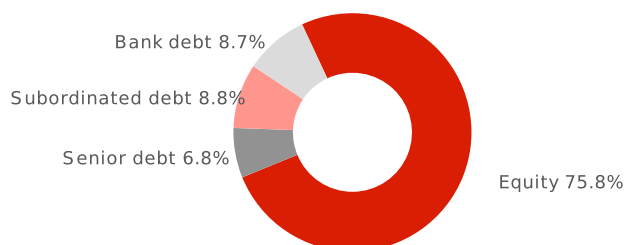
During 2021, MAPFRE continued to financially support some of its tenants affected by the health measures, although the overall economic impact is insignificant, and in any case, much lower than the cost of similar measures taken the previous year.

At the end of the 2021 fiscal year, MAPFRE's real estate investments at market value stood at 3.10 billion euros (3.11 billion euros in 2020), with a net book value that represented approximately 5.2 percent of the total investments and treasury (5.0 percent in 2020).

CAPITAL RESOURCES

Capital structure

The accompanying chart shows the composition of the capital structure at the close of 2021



Capital structure reached almost 12.8 billion euros, of which 75.8 percent corresponds to equity. The Group leverage ratio is 24.2 percent, a 0.9 percentage point increase compared to the close of 2020.

Debt instruments and leverage ratios

The following chart shows the evolution of the Group's debt instruments and leverage ratios:

ITEM	DECEMBER 2021	DECEMBER 2020
Total Equity	9,666.6	9,837.8
Total debt	3,091.5	2,993.6
- of which: senior debt - 5/2026	863.0	1,005.6
- of which: subordinated debt - 3/2047 (First Call 3/2027)	618.0	618.0
- of which: subordinated debt - 9/2048 (First Call 9/2028)	504.0	503.6
- of which: syndicated credit facility - 02/2025 (€ 1,000 M)	621.0	600.0
- of which: bank debt	485.5	266.4
Earnings before tax	1,355.1	1,118.4
Financial expenses	81.9	82.4
Earnings before tax & financial expenses	1,437.0	1,200.8
RATIOS		
Leverage	24.2%	23.3%
Equity / Debt	3.1	3.3
Earnings before tax & financial expenses / financial expenses (x)	17.5	14.6

Figures in million euros

Equity developments

Consolidated equity amounted to 9.7 billion euros at December 31, 2021, as compared to 9.8 billion euros at December 31, 2020. To December 31, 2021, the 1.2 billion euros in non-controlling interests' shares in subsidiaries corresponds primarily to financial entities in Spain and Brazil with which MAPFRE has bancassurance agreements. Consolidated equity attributable to the controlling Company per share was 2.75 euros at December 31, 2021 (2.77 euros at December 31, 2020).

The accompanying chart shows changes in equity attributable to the controlling Company in the period:

ITEM	DECEMBER 2021	DECEMBER 2020
BALANCE AT 12/31 PREVIOUS YEAR	8,536.0	8,854.3
Changes in accounting standards	—	—
Additions and deductions recognized directly in equity		
Financial assets available for sale	(1,425.3)	503.4
Shadow accounting	947.7	(228.1)
Currency conversion differences	139.4	(675.5)
Other	12.2	(8.3)
TOTAL	(326.0)	(408.5)
Result for the period	765.2	526.5
Dividends	(415.6)	(415.6)
Other changes in net equity	(95.9)	(20.7)
BALANCE AS AT PERIOD END	8,463.6	8,536.0

Figures in million euros

Equity attributable to the controlling Company at the close of December 2021 includes:

- A decrease of 1.4 billion euros in the unrealized gains from the financial assets available for sale portfolio, as a result of the increase in interest rates in the year, partially offset by shadow accounting for the positive amount of 947.7 million euros.
- An increase of 139.4 million euros from currency conversion differences, mainly due to the appreciation of the dollar.
- Earnings to December 2021.
- A reduction of 415.6 million euros, from the final 2020 dividend, and the 2021 interim dividend.
- A reduction of 96.1 million euros in Other changes in net equity as a result of a negative adjustment in reserves from the acquisition of minority shareholding in MAPFRE PERÚ VIDA for the amount of 83.3 million euros.

MAPFRE AND SUBSIDIARIES

The breakdown of equity attributable to the controlling Company is as follows:

ITEM	DECEMBER 2021	DECEMBER 2020
Capital, retained earnings and reserves	9,497.4	9,244.4
Treasury stock and other adjustments	-61.7	-74.3
Net capital gains	804.0	1,281.6
Unrealised gains (Available for sale portfolio)	2,643.3	4,068.6
Shadow accounting (Gains allocated to provisions)	-1,839.3	-2,787.0
Currency conversion differences	-1,776.3	-1,915.7
Attributable equity	8,463.6	8,536.0

Figures in million euros

The following table shows a breakdown of the currency conversion differences and variations:

CURRENCY	DECEMBER 2020	DECEMBER 2021	VARIATION
US dollar	301.2	458.9	157.8
Brazilian real	(944.6)	(940.9)	3.8
Venezuelan Bolivar	(423.3)	(419.2)	4.1
Turkish lira	(345.9)	(386.6)	-40.7
Argentine peso	(121.8)	(111.6)	10.2
Mexican peso	(140.9)	(129.4)	11.5
Colombian peso	(62.6)	(81.9)	-19.3
Indonesian rupiah	(17.4)	(13.7)	3.8
Other currencies	(160.3)	(152.1)	8.3
Total	(1,915.7)	(1,776.3)	139.4

Figures in million euros

Hyperinflationary economies' effect on Equity

The financial statements of the companies registered in countries with high inflation rates or hyperinflationary economies are adjusted or restated for the effects of the changes in prices before they are converted to euros. The Group accounting policy for recording operations in hyperinflationary economies consists of recording the accounting effects from inflation adjustments and from currency conversion differences in Equity, with both recycled in P&L.

The amounts from these effects are the following:

ITEM	DEC 2019	Var. 2020	DEC 2020	Var. 2021	DEC 2021
Restatement for inflation	564.8	17.7	582.5	20.7	603.2
Currency conversion differences	(1,102.8)	(24.8)	(1,127.6)	(6.4)	(1,134.0)
Net	(538.0)	(7.1)	(545.1)	14.3	(530.7)

Figures in million euros

The breakdown, by country, of results from accounting restatement and equity from the subsidiaries operating in hyperinflationary economies is below:

COUNTRY	Results from restatement		Attributable equity	
	DEC 2020	DEC 2021	DEC 2020	DEC 2021
Argentina	[9.2]	[12.7]	54.9	73.2
Venezuela	[4.7]	[0.5]	6.9	5.8
Total	[13.9]	[13.2]	61.8	79.0

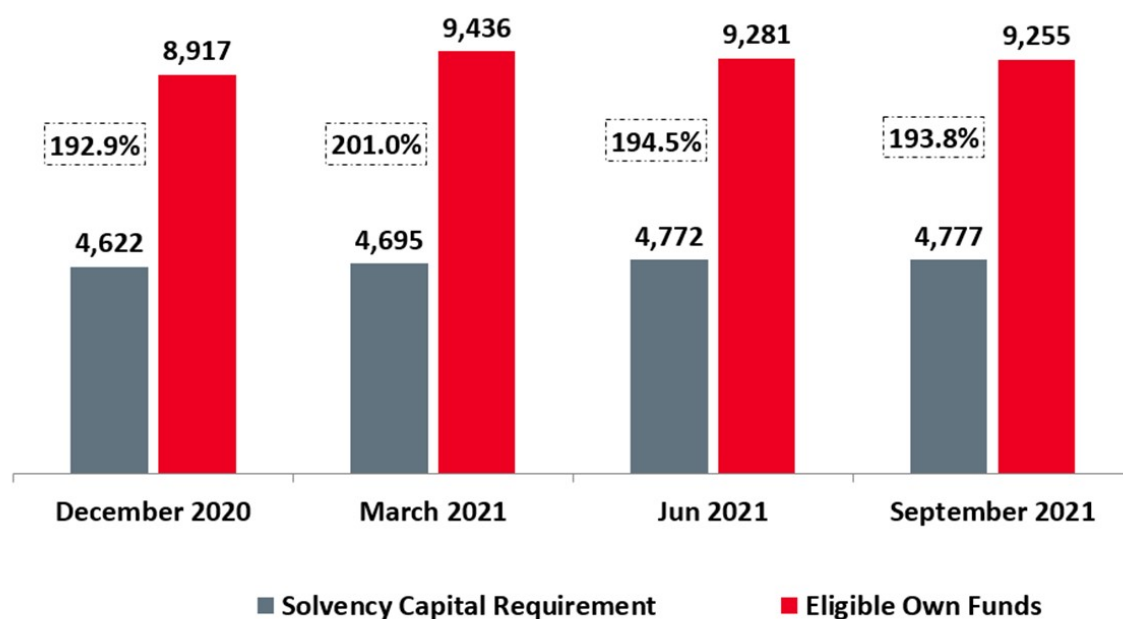
Figures in million euros

SOLVENCY II

The Solvency II ratio for the MAPFRE Group was 193.8 percent as of September 2021, compared to 192.9 percent at the close of December 2020, including transitional measures. This ratio would be 181.0 percent, excluding the effects of said measures. Eligible own funds reached 9.3 billion euros in the same period, of which 87.0 percent are high-quality funds (Tier 1).

The ratio shows a high level of solidity and stability, backed by high diversification and strict investment and asset and liability management (ALM) policies, as can be seen in the accompanying charts.

Solvency margin breakdown (Solvency II)



Figures in million euros

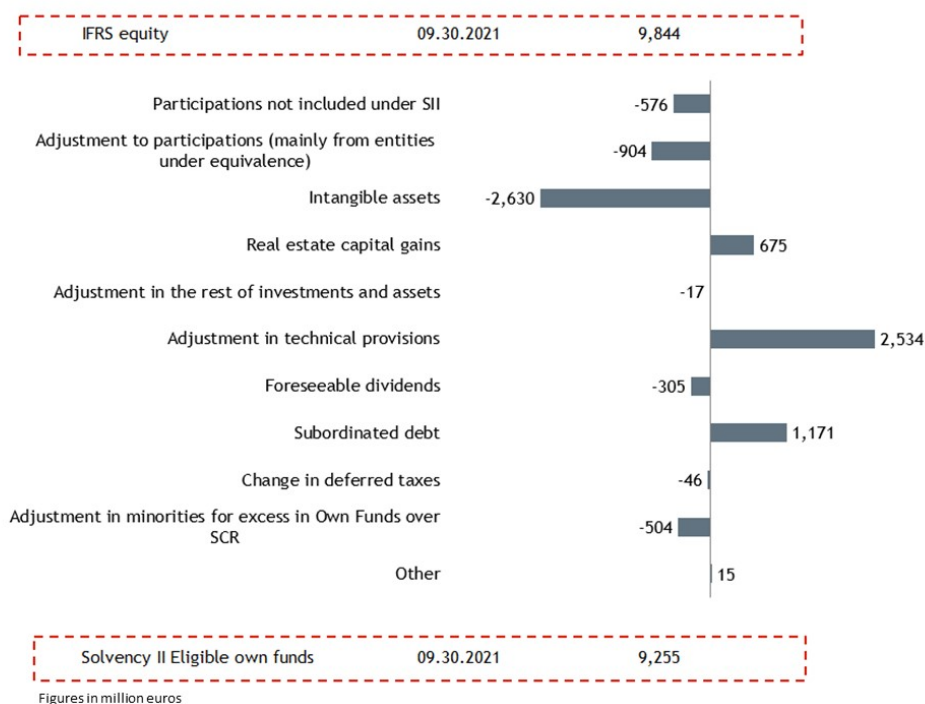
As a result of the extraordinary situation of the COVID-19 pandemic, the insurance supervisor requested a quarterly recalculation of the SCR throughout 2021, allowing estimates in the calculation.

Impact of transitional measures and matching and volatility adjustments

Ratio to 09/30/2021	193.8%
Impact of transitional for technical provisions	-12.6%
Impact of equity transitional	-0.2%
Total ratio without transitionals	181.0%

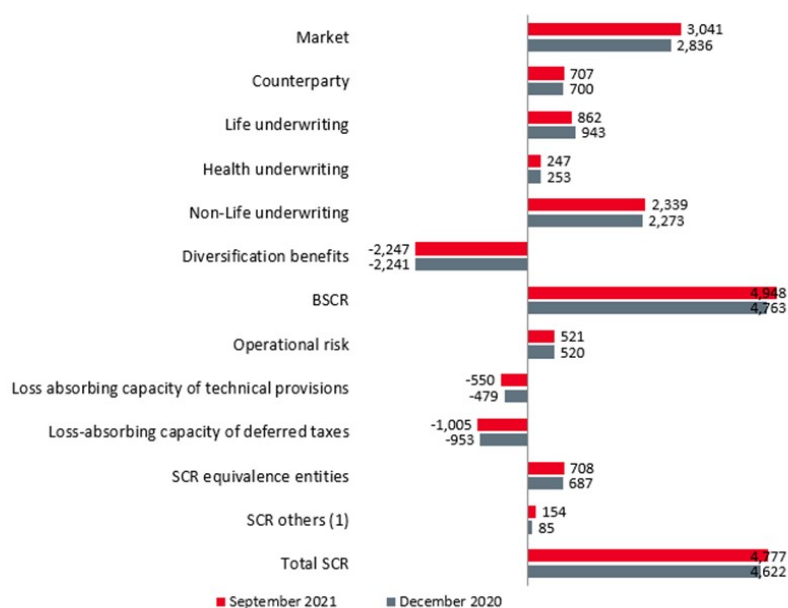
Ratio to 09/30/2021	193.8%
Impact of matching adjustment	2.4%
Impact of volatility adjustment	-0.3%
Total ratio without matching and volatility adjustments	195.8%

IFRS and Solvency II Capital Reconciliation



Breakdown of Solvency Capital Requirement (SCR)

The SCR for the last two quarters calculated for September 2021 and December 2020 is indicated below.



(1) Includes other financial sectors, non-controlling interests and other companies.

Figures in million euros

Regulatory aspects in progress

The European Commission's proposal to review the Solvency II Directive, adopted on September 22, 2021, is in line with EIOPA's position in allowing the diversification of the matching adjustment portfolios with the rest of the business. Although we must await the outcome of the negotiations with the European Parliament and the Council, the final modification is expected to allow this diversification. There is no date of entry into force of these modifications, although it is unlikely to be before the year 2024.

The following table shows the impact on the Solvency II ratio of the approval of these measures, based on figures as of Thursday, September 30, 2021.

	09/30/2021
Solvency II ratio	193.8%
Matching adjustment - diversification	5.8%
Solvency II ratio (pro-forma, combined impact)	199.6%

Effect of BANKIA VIDA agreement resolution

After the resolution of the agreement with BANKIA, there was a positive cash inflow of 570.8 million euros, which is estimated to impact the Group solvency position, improving it by between 8 and 10 percentage points.

ANALYSIS OF CONTRACTUAL OPERATIONS AND OFF-BALANCE SHEET OPERATIONS

At the fiscal year-end, MAPFRE had the following formal agreements for the development and distribution of insurance products in Spain with different companies, some of which have undergone, or are currently immersed in, processes related to the restructuring of the banking system:

- Agreement with Banco Castilla-La Mancha S.A. (as the successor to the banking and para-banking activity of Caja Castilla-La Mancha) for the exclusive distribution of personal insurance and pension schemes of the jointly owned company CCM VIDA Y PENSIONES (of which MAPFRE owns 50%) through the company's network.

The acquisition price for the shares was 112 million euros in cash, plus additional payments to be made in 2012 and 2021. In 2012, the sum of 4.5 million euros was paid to Caja de Ahorros Castilla-La Mancha (now Banco Castilla-La Mancha).

On July 30, 2021, the merger by absorption of Liberbank by Unicaja Banco took place.

In October 2021, by agreement between Unicaja Banco and MAPFRE VIDA, final payment was made of the acquisition price of 5.8 million euros by Unicaja Banco.

- Agreement with Bankinter S.A. for the exclusive distribution of Life and Accident insurance and pension schemes of the jointly owned company BANKINTER SEGUROS DE VIDA (of which MAPFRE owns 50 percent), through the bank's sales network.

The acquisition price for the shares was 197.2 million euros in cash, plus two payments of 20 million euros each plus interest to be paid, in light of the degree of compliance with the Business Plan, in the fifth and tenth year of said plan. In 2012, the degree of compliance with the Business Plan led to payment of the first additional amount, namely 24.2 million euros. As the long-term objectives were not achieved, the provision set up for an amount of 29 million euros was canceled during the first quarter of 2017.

On April 1, 2016, BANKINTER SEGUROS DE VIDA, owned 50-50 by Bankinter and MAPFRE, purchased the insurance business of Barclays Vida y Pensiones in Portugal for the sum of 75 million euros.

- Agreement with Bankinter, S.A. for the exclusive distribution of general and business insurance (excluding Automobile, Travel assistance and Homeowners insurance) of the jointly owned company BANKINTER SEGUROS GENERALES (of which MAPFRE owns 50.1 percent), through the bank's sales network.

The acquisition price of the shares was 12 million euros in cash (in addition to the payment of 3 million euros for the purchase of shares on December 27, 2011), plus an additional 3 million euros to be paid in the event of full compliance with the "December 2012 Business Plan" by the end of 2015. This additional price has not accrued due to non-compliance with this Business Plan.

- Agreement with Banco Santander S.A. for the exclusive distribution of certain Non-Life products. In January 2019, an agreement was reached whereby MAPFRE ESPAÑA would acquire from Banco Santander 50.01 percent of a newly established company to sell automobile insurance, multirisk commercial, multirisk SME and third-party liability insurance exclusively via its Banco Santander network in Spain, for a term until December 31, 2037. The remaining 49.99 percent of said company's capital still belongs to Banco Santander, through its subsidiary Santander Seguros.

The operation, which amounted to 82.2 million euros, was formalized in June 2019 upon receiving the approval of the corresponding authorities. The company is now operational.

In April 2021, Banco Santander and MAPFRE ESPAÑA signed a commercial promotion contract whereby MAPFRE promotes sales of Banco Santander's banking products and services through its network.

The agreement with BANKIA SA, in relation to the strategic alliance initiated in 1998, after its merger with CAIXABANK in December 2020, granted MAPFRE the right to exercise an option to exit its alliance, which was exercised by MAPFRE in March 2021 according to the contract procedures to calculate the exit value on the market value of the Life business and on the value of the Non-Life insurance business, as determined by an independent expert.

Once the final valuation report was issued and delivered by the independent expert, on December 29, 2021, the final resolution of the alliance was formalized in accordance with the agreed terms.

The restructuring of the strategic partnership with Banco Do Brasil began in 2018. The result of this restructuring was that commencing November 30, 2018, MAPFRE held 100 percent (previously 50 percent) of all of the business (Life and Non-Life) generated by the agency channel, and the automobile and large-risk businesses that are distributed through the bank channel. It also maintains its current share (25 percent) in BB MAPFRE, which incorporates home insurance from the bank channel into its business.

In addition, MAPFRE and Euler Hermes have a strategic partnership in place to jointly develop the surety and credit insurance business in Spain, Portugal, and Latin America. Under this agreement, both companies hold a 50 percent stake in a joint venture called Solunion, integrating the businesses of both groups in the aforementioned markets. Solunion covers risks in countries all around the world and has an international network of risk analysts located in more than 50 countries, who continuously monitor the situation regarding the risks of their insured, in addition to an extensive distribution network in countries where it is present.

Lastly, the non-controlling shareholders of MAPFRE RE have a put option on the shares of this company. If exercised, MAPFRE or a MAPFRE Group company would have to acquire the shares from the selling non-controlling shareholder. The purchase price for the MAPFRE RE shares will be calculated using the previously agreed formula. As of December 31, 2021, based on the variables included in the aforementioned formula, the commitment assumed by MAPFRE if this option were exercised would amount to a total of approximately 112 million euros.

MAIN RISKS AND UNCERTAINTIES

MAPFRE's risk management system (RMS) is based on the integrated management of each and every business process and the alignment of risk levels to the defined strategic objectives.

MAPFRE's conduct during the COVID-19 crisis focused on two top priorities:

- Ensuring the health safety of the entire workforce. The safety and health of employees and collaborators continues to be the fundamental priority for the MAPFRE Group.

- Guaranteeing the continuity of operations to maintain the level of service to clients.

Regarding the management of the crisis caused by the pandemic, despite the impact of the pandemic and the restrictions on mobility imposed in many countries, the MAPFRE Group has maintained the continuity of its operations and has continued to provide service to clients in all locations where the Group is present, always adhering to both its commitment to clients and the regulations in force in each country at any given time.

Due to advances in the vaccination process in Europe and the United States, there is growing optimism regarding the evolution of the pandemic, only threatened by the possibility of new, more contagious and lethal variants that are more resistant to vaccines. However, the impact in Latin America was greater than last year, characterized by the rebound in COVID-19 cases, the slow and uneven pace of vaccination and lockdowns as a containment measure, as well as by its social repercussions, resulting in reduced confidence and economic activity.

An analysis of the most relevant risks highlights the evolution of the pandemic, the cybersecurity risk, the product and service distribution channels' failure to adapt quickly enough to the new distribution models, and the risk derived from the long-term change in weather patterns (with an increase in extreme weather events along with economic uncertainty driven by the transition to a low-carbon economy).

In 2021, in response to the pandemic situation, sector supervisors have maintained the recommendation of utmost caution in the payment of dividends. MAPFRE has sufficiently ample capital and liquidity to comply with the supervisors' recommendations for profit distribution in which a balance between shareholder remuneration and equity strength is guaranteed without compromising future solvency or the protection of policyholders' and insured parties' interest. However, it should be noted that the prolongation of the health crisis, economic crisis and energy crisis could lead to the future adoption of restrictions on dividend payments and restrictive exchange control policies by the governments of the countries in which MAPFRE operates.

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

- Technical rigor in risk underwriting and claims management, and a lower expense level than the market average;

- Conservative policy in the management of investments with the application of 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 under adverse conditions.

FINANCIAL AND CREDIT RISK

Market and interest rate risks

A significant part of the results and assets is subject to financial market fluctuations. These changes in market prices may reduce the value of or revenues deriving from the investment portfolio, which in turn may have a negative impact on the Group's financial situation and consolidated results.

Prudent selection of financial assets that meet sustainability criteria, with adequate characteristics to cover the obligations assumed, is the principal measure for mitigating the possible adverse effects of variations in market prices.

MAPFRE mitigates its exposure to market and interest rate risks by means of a prudent investment policy characterized by a high proportion of investment-grade, fixed income securities.

Investments in fixed-income securities represent 84.1 percent of the entire financial investment portfolio in 2021 (86.3 percent in 2020). Investments in equity instruments and mutual funds have a limited weight in the portfolio, accounting for approximately 13.6 percent of total financial investments in 2021 (11.2 percent in 2020).

During 2021, in several of the markets in which the Group operates, there has been a scenario of low and even negative interest rates combined with a marked rise in inflation, in line with the increase in oil and other raw material prices. Episodes of temporary supply shortages in specific sectors such as semiconductors and transportation are also contributing to cost pressures for companies. The above aspects can influence consumer behavior, causing a decrease in the demand and contracting of insurance products and services, especially those aimed at savings.

MAPFRE AND SUBSIDIARIES

Revenues from MAPFRE's Life insurance and asset management operations are directly related to the value of the assets managed (whether fixed income or equities), which means that a fall in markets could have a negative impact on these revenues.

Exchange rate risk

Changes in the value of the euro against other currencies affect the value of the Group's assets and liabilities, and, therefore, its equity, operating results and cash flows. The currency conversion differences recorded in own funds attributable to the controlling company resulted in the recognition of positive differences amounting to 139.4 million euros in 2021 (a negative result of 675.5 million euros in 2020).

Turning to technical provisions for operations abroad, the Group generally applies a policy of investing in assets denominated in the same currency as the commitments acquired by the insurer, thereby mitigating the exposure to exchange rate risk.

Credit risk

Returns on investments are also sensitive to changes in the general economic conditions, including variations in the general credit rating of debt security issuers. Accordingly, the value of a fixed income instrument may be reduced by changes to the credit rating or insolvency of the issuer. There are similar risks in exposures to insurance, reinsurance and banking counterparties.

Exposure to credit risk is mitigated through a policy based on the prudent selection of security issuers and counterparties on the basis of their solvency, seeking i) an elevated degree of geographic correspondence between issuers of assets and the commitments assumed; ii) maintenance of an appropriate level of diversification; and iii) securing, if necessary, guarantees, collateral and other additional coverages.

The Credit Risk Management Policy establishes limits by issuer in line with the risk profile of the counterparty or of the investment instrument, as well as exposure limits related to the counterparty's rating.

OPERATIONAL RISKS

Regulatory risk

The Group works in a complex environment under increasing regulatory pressure, not only in the insurance sector, but also in matters of technology, corporate governance, corporate criminal responsibility and sustainability, with special attention to the fight against climate change.

Insurance companies are subject to special laws and regulations in the countries where they operate, and various local authorities are responsible for ensuring compliance therewith. Due to the financial and economic conditions derived from the health, economic and energy crises, the insurance industry authorities in Latin America and Brazil are considering a reinforcement of the regulatory requirements in order to ensure the stability of the companies under their supervision.

Legislative changes can (i) involve a risk if the Group is unable to adapt to them or (ii) affect the operations of the Group to the extent that the supervisory authorities have broad administrative control over various aspects of the insurance business. This control may affect premium amounts, risk selection and underwriting rules, marketing and sales practices, the distribution of profits among policyholders and shareholders, advertising, license agreements, policy models and contracts, solvency, capital requirements, investment portfolio management, and the requirements for publishing the financial and non-financial information of insurance companies. Changes in taxation may affect the benefits of certain products marketed by the company or its subsidiaries that currently enjoy favorable tax treatment.

Among the legislative changes, in March/June 2022, insurance companies must start reporting information in accordance with the new criteria established in the IFRS-EU 17 standards on Insurance Contracts and IFRS-EU 9 standards on Financial Instruments, which respectively require insurance companies to apply changes in the recognition of insurance and reinsurance operations, affecting the valuation and presentation of income, expenses, assets and liabilities derived from the insurance business, and the classification and valuation of financial assets. Implementing these regulations poses operational challenges for insurance companies, which must collect and prepare information during 2022 according to the new criteria to comply with the regulations as of the date of application.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RISKS

MAPFRE considers environmental, social and governance risks in the analysis of the factors that may have an impact on the business, since they allow information to be obtained on social movements and transformations and on the expectations of the stakeholders and the market.

Depending on how these factors might affect the business in the short, medium and long term, their possible inclusion in the list of risks and in the adoption of prevention and mitigation measures is determined.

The ESG Integration Framework includes various aspects related to investment and underwriting processes, among others.

Integration of ESG aspects into investment processes

Since 2017 MAPFRE has adhered to the UN Principles for Responsible Investment (PRI) and has a framework for action in responsible investment, reviewed and approved in March 2021.

The application of the United Nations principles coexists with the company's assumed obligation as custodian of clients' savings and investments and the strength of its own balance sheet. For this reason, criteria are applied for the creation of long-term value and ESG factors are incorporated.

MAPFRE has an Investment Policy approved by the MAPFRE S.A. Board of Directors.

The Corporate Investment Area is the guarantor of compliance with the established responsible investment principles and must report annually to the Sustainability Committee. MAPFRE also has an Investment Risk Committee that analyzes the composition of the portfolios and their ESG evaluation on a quarterly basis.

Additionally, to monitor and manage ESG risks in investments, MAPFRE has its own analysis framework that is reviewed periodically to incorporate best practices. The investment team is responsible for implementing the methodologies included in the above framework.

In this regard, MAPFRE applies integration methods as a priority, although it does not rule out the use of other types of strategies, such as exclusion, engagement, best-in-class or proxy-voting strategies. Likewise, it extends the philosophy of socially responsible investment to the Group's entire balance sheet.

Integration of ESG aspects into the underwriting processes

In 2012 MAPFRE adopted the Principles for Sustainable Insurance (PSI) promoted by the United Nations Environment Programme Finance Initiative (UNEPFI). This means integrating environmental, social and governance issues into the underwriting processes of the Group's insurance operations.

This commitment is reflected in the Underwriting Policy, approved by the MAPFRE S.A. Board of Directors, applicable to all insurance and reinsurance entities.

In addition to a Global Business Committee that meets monthly, MAPFRE has an Underwriting Policy Committee that meets weekly and is responsible for the correct application of this policy, and that analyzes and proposes operational exclusion rules on ESG matters.

ADDITIONAL INFORMATION

Note 7, "Risk Management," of the Consolidated Annual Report includes detailed information about the different types of risk that affect the Group.

Section 3.3.2. Sustainability in the business, part of the Integrated Report, presents more details on how MAPFRE manages risks related to ESG issues.

SIGNIFICANT EVENTS AFTER THE FISCAL YEAR-END

1. On January 7, 2022, the sale of MAPFRE Insurance Services Australia to Europ Assistance was closed. With this operation, MAPFRE completes its exit from the Australian market, primarily focused on the sale and distribution of Travel Insurance.

The amount agreed for the sale provides for a minimum payment of 6.5 million Australian dollars. Potential additional payments are also foreseen depending on how the business volume of the sold company evolves in 2022. This transaction will contribute a minimum capital gain of close to 3.4 million euros.

2. On January 14, MAPFRE S.A. proceeded to pay back credit lines for a total amount of 155.9 million euros, which were used as temporarily financing for the debt buyback carried out on December 14, 2021. These debt securities were immediately cancelled.

INFORMATION ON EXPECTED PERFORMANCE

OUTLOOK

Recovery from the global economic crisis caused by the COVID-19 pandemic got off to a quick start in the first half of 2021, thanks to the rapid response of government fiscal support, monetary support from central banks, and the easing of health restrictions as vaccination programs around the world progressed. However, in the second half of 2021, circumstances contributed to the recovery starting to lose momentum. In this regard, the rise in energy prices (gas, electricity, and oil), problems in supply chains, monetary injections by central banks, the reduction in the effect of public aid and the savings accumulated by households in the previous year, all of which have led to price pressures beginning to build up, stand out.

In these circumstances, economic growth is expected to continue, mainly due to the effects of economic and monetary policy and normalization of activity, but the pace is expected to slow down due to supply chain problems and inflation pressure. In some countries, such as the United States, there are also labor shortages in some sectors and, to a lesser extent, in Europe.

In this context, the estimate for global growth in 2022 would stand at 4.8%, after an estimated 5.8 percent expansion in 2021. Thus, throughout 2022, most economies will recover pre-pandemic levels of activity, with some doing so as early as 2021, especially in those where the fall in 2020 was smaller or the fiscal and monetary aid was very strong, as in the case of the United States. Despite this, uncertainty remains high. Industry and trade surveys suggest that the supply chain crisis, due to bottlenecks in shipping and unloading ports, may creep into the middle of 2022. Similarly, difficulties in the supply of semiconductors and other components accumulate delays in the manufacture of automobiles, household appliances, and electronic devices.

The prices of raw materials and energy are also rising, which, on the one hand, has been the result of the sudden increase in demand produced by the economic recovery, but which has also been the consequence of very specific factors. In the case of gas, price growth has been due to the sudden increase in demand, low stock levels, and geostrategic issues between Russia and the European Union and between Algeria and Morocco. On the other hand, electricity prices have shot up in many parts of the world due to low production levels in some clean energies (wind and hydro), and price increases in CO₂ emission rights, gas, and coal. Similarly, the rise in oil prices has been linked, among other reasons, to OPEC's reluctance to increase production, declining investment in prospecting and exploration given pressures to reduce the use of fossil fuels, and a greater focus on electricity.

The energy crisis has already led some countries to reconsider their energy consumption mix, favoring a more balanced composition, and to reduce risks in the face of climatic variations and dependency on energy from third countries, where the geostrategic interests may interfere with the energy supply (Russia, Algeria, China). In this regard, France has already announced the construction of new nuclear power plants with the goal of energy self-sufficiency. Similarly, China has announced, in the context of its climate objectives, a 440-billion-dollar investment to build 150 nuclear power plants in the next 15 years, more than the rest of the world in the last 35 years.

Inflation has been rising for months in many parts of the world, which has prompted central banks in emerging countries to raise interest rates. In contrast, in developed countries, which can afford to do so given the different structure of price formation and the credibility of their currencies, monetary policy has decided, for the time being, to keep them stable to continue supporting the economic recovery. However, the Federal Reserve has started tapering (asset purchase reduction) in the US, while expectations of interest rate hikes have been brought forward by an entire year, starting in the middle of 2022. For its part, the European Central Bank (ECB) has announced that it will maintain interest rates but will reduce the pace of purchases while explicitly increasing tolerance to inflation above 2 percent.

It should be noted that the ECB continues to defend the idea that inflation is essentially a transitional phenomenon, while the Federal Reserve's communication begins to consider that this transitional nature is beginning to wane. Energy and other commodity prices are indeed likely to fall again once supply problems are resolved and demand normalizes, thereby reducing inflationary pressures. However, it is also true that the rises observed in recent months are already being passed through to food and other products and services and thus anchoring in core inflation. Therefore, it is difficult to anticipate at this stage the extent to which there will be second-round effects by virtue of wage and pension indexation. However, it is estimated that the impact will differ by country and according to the specific nature of this type of indexation clauses incorporated in labor contracts.

At the level of other risks that could affect the recovery of the global economy, those related to the pandemic should be monitored, since, in Europe and some other countries, the incidence of infections is rising again with the arrival of winter, despite the high levels of vaccination achieved.

China's economy is undergoing a transformation of its economic model. The well-known difficulties of large real estate developers (Evergrande, Fantasia, etc.) will have to be overcome through the support of the authorities, as they are considered "too big to fail." However, these difficulties are already having an impact on buyer confidence and are impacting real estate sales and construction activities. China's central planning will promote other industry sectors and a reorientation of construction to minimize the impact of this slowdown. The bankruptcy of large developers is considered a low probability event, since, given its high potential impact on both the economy and the financial markets, it would most likely imply a government bailout.

On the positive side, economic growth could surprise if energy costs were to fall rapidly, inflation would ease, supply chain problems would be solved quickly, and consumer spending would increase due to accumulated savings in 2020 and 2021. A faster recovery would also require that service, leisure, and tourism activities are fully restored, which is conditional on the pandemic receding. Likewise, in Europe, it will be essential to make good use of the Recovery and Resilience Plan and undertake structural reforms for stronger and more durable growth. For its part, in the United States, the approval of the ambitious infrastructure construction plan (1.2 billion dollars) will give an economic boost over the next five years.

Looking ahead, and amid this global environment, the economy is expected to continue recovering, albeit more slowly in 2022 and 2023, and to return to the pre-pandemic path by 2024. However, it will be necessary to find satisfactory solutions to the complicated problems now facing the global economy: inflation, energy costs, the pandemic, supply chains, and geostrategic balances, aspects that continue to weigh on economic activity worldwide.

STRATEGIC PLANNING

At MAPFRE, we are transforming ourselves to grow profitably. Digitization and innovation are key to this change. Transformation is evident in everything we do - it is transversal and acts as a true accelerator in all areas of the company. The Group's strategy is based on three pillars:



Client orientation:

Our team is client oriented. We are committed to a competitive model, which puts clients at the center of everything we do, with the aim of offering an optimal experience at every moment of contact with MAPFRE. We want to know, understand and enhance customer loyalty, increase productivity in all our channels and innovate in products, services and experiences for our clients.

Excellence in technical and operational management:

We work hard to improve our efficiency, adapting our structure to offer an excellent service, with a global, flexible and open technology that enables us to increase our competitiveness.

Culture and Talent:

Leveraging the commitment of all of us who work at MAPFRE, we want to continue adapting to changes with new skills that enable us to face future challenges. That's why we continue working to be sustainability, innovation, and trust leaders.

The Strategic Plan 2019-2021 “Transforming ourselves to grow and be profitable” has been marked by environmental catastrophes, by the global pandemic from which we are still emerging, and by volatility and political, economic and social uncertainty in the different markets where MAPFRE operates.

Progress with the plan in 2021 and future outlook

Progress with the plan in 2021

Strategy map for 2019-2021 cycle

Profitable Growth	G1. Create sustainable value for Shareholders	G2. Grow sustainably above market levels	G3. Profitably boost the Life business
Client Orientation	C1. Gain and retain our Clients' TRUST	C2. Enhance productivity of distribution channels	C3. Innovate in products, services and capabilities
Excellence in technical and operational management	E1. Rigorously manage risks at all levels of the organization	E2. Achieve efficiency and quality in service delivery	E3. Reduce expenses to be more competitive
Culture and talent	H1. Boost employees' commitment to MAPFRE's Values	H2. Develop people with technical, global and transformational capabilities	H3. Position MAPFRE as a benchmark in sustainability, innovation and trust

In the current scenario, we have adjusted our public aspirational objectives, focusing on four and aligning them to the reality of the markets without losing the ambition that has always characterized MAPFRE

Our main progress on the plan's objectives and initiatives was as follows:

1 Aspirational objectives:

2021 data:

- ROE: 9 percent, (8.3 percent excluding the extraordinary gain resulting from the termination of the agreement with Bankia, the second and third phases of the retirement plan in the Iberia regional area, restructuring in Italy and debt buyback), compared to an established aspiration of 8.5 percent (excluding goodwill impairment adjustments).
- Net operating earnings: 765.2 million euros (703 million, excluding the extraordinary gain resulting from the termination of the agreement with Bankia, the second and third phases of the retirement plan in the Iberia regional area, restructuring in Italy and debt buyback), compared to an aspiration of 700 million euros.
- Insurance premiums: 8.2 percent growth, against an expected growth of 3 percent.

- Non-Life combined ratio: 97.46 percent (96.1 percent excluding the first, second and third phases of the retirement plan in the Iberia regional area and restructuring in Italy), compared to an aspiration of 95 percent.

2 Corporate Strategic Initiatives

Client focus: we are adapting our commercial offering and value proposition, our operations, structure and technology, to offer a better quality and an enhanced client experience.

Digital business plan: we continue to strengthen our digital business by increasing investment in digital marketing, price comparison tools and digital tools.

Life: we are working to meet our growth objectives in premiums and results, creating long-term value as we promote the Life and Savings business in a homogeneous, efficient way, thus increasing MAPFRE's diversification.

SAM 3.0 (Seguros de Automóvil 3.0): we are developing capabilities in response to new trends in the world of cars and new mobility (ADAS, UBI etc.).

Global efficiency model: we seek to increase efficiency, productivity and a decrease of operational costs by means of the development of operational models that address standardization, integration, improvement of processes and automation, among other things, with full focus on the client, to improve the competitiveness of MAPFRE.

Advanced Analytics: we are making a determined investment in data, developing a platform that will enable us to move from a decision-making process based on structured information to incorporate new sources of unstructured data, which will allow us to better understand and meet the needs of our clients.

Digital Challenge: we are managing the change that our organization requires to adapt to the new digital requirements, providing flexibility and agility and tools to the work environment that allow for collaborative work and knowledge sharing.

Future prospects for the upcoming Strategic Plan 2022–2024

The next strategic cycle will cover the next three years (2022–2024) and consider a horizon of three additional years to attempt to manage and anticipate situations of uncertainty in the future, under a more iterative work model. After a year of deep reflection, we will draw up a new Strategic Plan based on three powerful strategic focuses: Growth, Efficiency, and Productivity and Cultural and organizational transformation.

R&D+i ACTIVITIES

INNOVATION

MAPFRE OPEN INNOVATION (MOi) is MAPFRE's strategic commitment to promote customer-focused transformation. Through it, the company aims to drive innovation carried out by people, and for people.

MOi is an open platform that uses alliances with other actors and emerging technologies. Since 2019 more than 2,500 startup proposals have been analyzed, of which some 40 have passed to the fast-track-to-market program. This has made it possible for more than a million customers to benefit from solutions originating from this model. In addition, MAPFRE participates in the "Alma Mundi Insurtech Fund, FCRE" venture capital fund, which finances startups related to the insurance sector around the world.

In 2021, initiatives were launched that respond to all the areas identified as priorities at the beginning of the year: image-based assessment, claims automation, voice automation, new generation products, health and wellness services, services for seniors, new mobility, cybersecurity (Automobile). This year projects were rolled out in Brazil, Colombia, Costa Rica, USA, Spain, Italy, Puerto Rico and the Dominican Republic, mainly in the Automobile, Health and Homeowners lines.

In 2021, MAPFRE's relationship with universities and business schools was consolidated, building alliances with leading academic institutions to anticipate responses in various fields such as health, mobility or road safety and jointly imagine other scenarios, demands and needs that will soon be a reality.

Established as MAPFRE's R&D center, the Mobility Lab is the part of MOi that allows the company to anticipate the impact that changes in the world of mobility could have on the insurance sector. CESVIMAP (MAPFRE's Center for Experimentation and Road Safety) is currently working on projects such as the vulnerability of vehicles to cyberattacks, the damage caused to people and property by new Personal Mobility Vehicles, the reflection in the car insurance rate of the effectiveness of the new advanced driving assistance systems (ADAS) or the reuse of electric vehicle batteries, often in the hands of car manufacturers.

In short, with the consolidation of MOi, the aim is to speed up the transformation at MAPFRE and strengthen its leadership position, with faster adaptation to changing circumstances and moving towards new business models and innovative solutions that arise from the digital and technological changes we are experiencing, with the ultimate goal of offering the best solutions and services to customers.

2021 data

- Customers who have benefited from MAPFRE Open Innovation products and services: 1,572,535.
- Initiatives developed in 14 countries,
- Major deals with nine renowned startups: Shift Technology, Tractable, Slice, Control Expert, Aerial, Koa Health, Made of Genes, Leakbot and Bdeo.

DIGITAL BUSINESS

MAPFRE continues growing its digital business through three brands: MAPFRE, VERTI and SAVIA.

New scalable digital capacities have been promoted by the Group, focused on improving digital acquisition and conversion rates, the development of new digital distribution channels with a focus on digital partners, the expansion of the digital offer and the improvement of profitability, all this supported by the exploitation and activation of digital data and customer knowledge as a transversal axis.

The main lines of action developed this year have been the following: The main lines of action developed this year were the following:

- **Digital marketing**

Progress has been made in optimizing digital attraction, developing new management capabilities to improve organic search engine positioning, promoting the optimization of advertising actions (Internet, social media and digital TV), and deploying a regional digital marketing service for increase efficiency and capabilities in LATAM SOUTH. Work has been done on improving online conversion processes, with the development of new pricing and purchase configurations, as well as chatbots and voice-enabled sales options. Work was also done on promoting online search processes and inducing sales to the contact center and commercial network. Continued improvements were made to the digital experience offered to customers and users on the Internet, with new models, such as the Design System Digital and behavioral economics techniques.

- **Digital partners**

With the aim of reaching a larger customer base and promoting the multichannel strategy, a new capacity has been created that allows for the generation of agreements with digital partners, based on 10 assets, developed and implemented in Spain and the US, where analyzing more than 200 partners in each geography. From this, the business volume of digital partners in MAPFRE ESPAÑA has increased, reaching 32.7 million euros in new production premiums at the end of December, which represents a growth of 22 percent compared to the previous year, and obtaining first results in MAPFRE USA.

- **Expansion of digital offering**

The digital product offering has been expanded by adapting existing products to the digital context. Expanding the offer in five branches, prioritizing Automobile, and in eight operations. Likewise, models have been analyzed that allow for products to be marketed without the need to underwrite them, such as the general agency model. VERTI Spain has created its agency, and already markets Life Risk products underwritten by MAPFRE ESPAÑA.

- **Digital business profitability**

Progress was made on strengthening the company's capability to carry out more precise rating and selection of risks in digital channels, and advances were recorded in the following aspects:

- The first implementation in MAPFRE Mexico of the corporate asset for underwriting and pricing, which allows for real-time dynamic management of risks, on a case-by-case basis.
- In terms of fraud detection, the implementation road map of the anti-fraud platform in issuing continued, which facilitates detecting and managing fraud patterns. In addition, a proof of concept was carried out for the analysis and evaluation of the value contribution of credit solvency scoring and thus improving the technical result with more precise selection and pricing of risks.
- In the field of price comparison engines, we have generated a global framework of best practices in 12 areas of action to facilitate the comprehensive management of the comparison channel, a crucial aspect for profitable growth.

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 2021, two waves of measurement of the relational NPS® were carried out, on a representative sample of the portfolios, with more than 122,630 respondents, covering 15 countries and lines of business representing 81 percent of the Group's total Non-Life premiums.

As part of this study, each year the observatory measures the level of customer experience of MAPFRE's main competitors in each country and industry. Specifically, 105 companies from around the world were analyzed, and the results show that in 2021, 89 percent of MAPFRE's clients' premium volume enjoyed a higher NPS® than the average NPS® of the competitors analyzed.

To complement these relational NPS® measurements, the Quality Observatory defined a global model of transactional NPS® that allows knowing, in real time, the perception of the client who has just gone through an interaction. This model was already implemented in Brazil, Spain, the United States, Puerto Rico, Mexico, Peru and Chile, and throughout 2021 it was launched in Panama, Costa Rica, Nicaragua, Honduras, Salvador, Guatemala, the Dominican Republic, Germany and in MAPFRE ASSISTANCE Italy. Additionally, the United States Homeowners insurance line was included in the model.

ACQUISITION AND DISPOSAL OF TREASURY STOCK

Purchase and sale transactions involving MAPFRE S.A. shares, where appropriate, comply with the provisions of the Internal Code of Conduct regarding Listed Securities issued by MAPFRE, the Regulation on market abuse and Circular 1/2017 of the Spanish National Securities and Exchange Commission..

During the 2021 and 2020 fiscal years, no MAPFRE S.A. share purchase transactions were carried out and 221,914 and 203,905 shares, respectively, representing 0.0072 percent and 0.0066 percent of the share capital, amounting to 380,346.98 and 286,299.74 euros have been delivered to directors of subsidiaries as part of their variable remuneration.

As of December 31, 2021 and 2020, the total balance of treasury stock was 30,064,020 and 30,285,934, respectively, representing 0.9762 percent and 0.9835 percent of the share capital, amounting to 62,944,009.97 and 63,408,631.35 euros.

OTHER RELEVANT INFORMATION

THE MAPFRE SHARE

The table below shows the key information relating to MAPFRE shares at the 2021 fiscal year-end.

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)
Código ISIN	ES0124244E34

According to data published by the Spanish stock market operator (BME Group), an average of 4,124,293 shares were traded daily in 2021, and the effective average daily transaction value was 7.3 million euros.

VALUE AND RETURN

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

	1 YEAR	2 YEARS
MAPFRE	13.3%	-23.5%
STOXX Europe 600 Insurance	15.4%	-0.3%
IBEX 35	7.9%	-8.7%
IBEX 35 Banks	23.1%	-10.6%

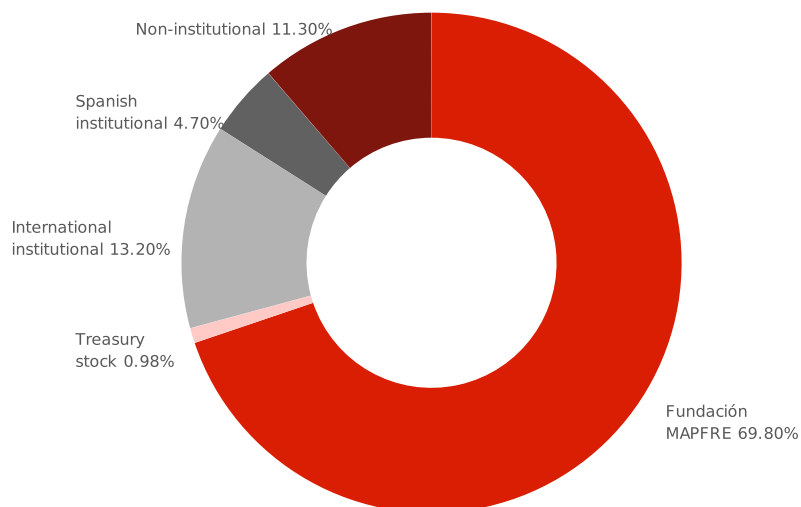
MAPFRE's earnings per share (EPS) during the same period are shown below:

	2021	2020
EPS (euros)	0.25	0.17
Var. %	45.3%	-13.6%

SHAREHOLDER STRUCTURE

At the end of fiscal year 2021, MAPFRE had 217,422 shareholders.

The accompanying graph shows company's shareholder structure.



REMUNERATION

On November 30, 2021, the interim dividend of 0.0606 euros gross per share was paid out against the results for the 2021 financial year, after the amount corresponding to treasury stock had been proportionally applied to the remaining shares. The total dividend paid out in the year amounted to 0.135 euros per share, with the total payment reaching 415.7 million euros.

The dividend that is to be proposed to the Annual General Meeting as a final dividend for the 2021 financial year is 0.085 euros gross per share, which brings the total dividend charged against the results of the 2021 financial year to 0.145 euros gross per share, representing a pay-out ratio of 58.4 percent.

The evolution of the dividend and dividend yield, calculated based on the average share price, were as follows:

	2021	2020
DIVIDEND PER SHARE (euros)	0.135	0.135
DIVIDEND YIELD	7.6%	8.1%

CREDIT RATING MANAGEMENT

During the 2021 financial year, the main rating agencies have affirmed the credit situation of MAPFRE S.A. and its main subsidiaries:

- S&P affirmed the credit ratings of MAPFRE S.A. and the financial strength of MAPFRE RE.
- Fitch confirmed the credit rating of MAPFRE S.A. and the financial strength rating of MAPFRE ASISTENCIA, MAPFRE BHD and MAPFRE SIGORTA A.S., and in November, raised the outlook for MAPFRE SEGUROS GENERALES DE COLOMBIA from stable to positive.

- A.M. Best confirmed the financial strength rating of MAPFRE RE, MAPFRE ESPAÑA, MAPFRE U.S.A. Group, MAPFRE PRAICO, MAPFRE MEXICO and MAPFRE PANAMA.

The current status of credit ratings of the companies headquartered in Spain and the main companies headquartered outside of Spain is provided in the accompanying table.

Companies resident in Spain	S&P	Fitch	A.M. Best
MAPFRE S.A. - Issuer	A- (Stable)	A- (Stable)	-
MAPFRE S.A. - Senior debt	A-	BBB+	-
MAPFRE S.A. - Subordinated debt	BBB	BBB-	-
<i>Financial Strength</i>			
MAPFRE RE	A+ (Stable)	-	A (Stable)
MAPFRE ESPAÑA	-	-	A (Stable)
MAPFRE ASISTENCIA	-	A+ (Stable)	-
Companies not resident in Spain	S&P	Fitch	A.M. Best
<i>Financial Strength</i>			
MAPFRE SIGORTA A.S. (Tutkey)	-	AA+ tur (Stable)	-
MAPFRE SEGUROS GENERALES DE COLOMBIA	-	AA col (Positive)	-
MAPFRE BHD COMPAÑÍA DE SEGUROS (Dominican Republic)	-	AAA dom (Stable)	-
MAPFRE U.S.A. Group	-	-	A (Stable)
MAPFRE PRAICO (Puerto Rico)	-	-	A (Stable)
MAPFRE MÉXICO	-	-	A (Stable)
MAPFRE PANAMÁ	-	-	A (Stable)

TRANSPARENCY PLAN

The corporate website, with more than 2.3 million page views, was consolidated as a communication channel in 2021, transforming MAPFRE's way of interacting with society and especially with its different stakeholders. Featuring an agile, attractive format, this constantly evolving channel is used to communicate key information and editorial content to the public in a transparent way, transmitting the identity, strategy, and attributes for which MAPFRE wishes to be recognized.

Social media has served as a dissemination channel in the company's digital communication strategy. For this purpose, meetings and speeches by top managers have been promoted on Twitter, Instagram, Facebook, and YouTube, among others, spreading awareness of the latest news and content of interest to the public.

In addition, the corporate Intranet is the internal communication channel for employees, where there are areas available for each of the Group's companies. There is an area called "Organization chart and appointments," where employees can view MAPFRE's organization chart and their most senior representatives and the governing bodies, and stay current on any appointments that take place in the companies and countries.

The People Space of the Intranet is constantly evolving and updated. This space covers global and local content and news on people management of interest to employees, presenting the content in a structured way to facilitate easy navigation that enhances the user experience. It also includes surveys to find out employee opinions on aspects of interest and provides links to collaborative, learning and self-management apps for employees.

In addition to global content, the Intranet also has specific areas for each company and area of the Group, making it easy to communicate information of interest to employees in their immediate work area. The Intranet also has a specific area related to the company's strategy, covering all the reference information on the Strategic Plan, from Vision, Mission and Values to the pillars and strategic initiatives. The creative area uses videos and infographics to provide both global information and key points of the strategy in every region, country, business unit and corporate area.

In 2021, a project was launched to improve the Global Intranet Space, adding new features, formats and content to offer the employee a better experience. Close communication with leaders in the still-complicated environment derived from the pandemic was also maintained throughout the year, and an internal cybersecurity awareness campaign was promoted to prevent risks and raise awareness among all the company's employees on how to respond to them.

In addition, the employee profile on the Intranet has evolved. It has a new design and content so that employees can get to know each other better, contribute their knowledge and experience, be more social and collaborate more efficiently.

Furthermore, MAPFRE maintains a continuous, open dialogue with workers' legal representation through various means, in countries where such representation exists. In Spain, thanks to the technological tools implemented at MAPFRE, various shared spaces were created in 2021 to transmit information that could impact employee working conditions to the workers' legal representatives.

In addition, the MAPFRE People app, already used in Spain, Brazil, Mexico, and Turkey, was implemented in Peru, Puerto Rico, and Germany in 2021. This channel for communication, collaboration, management, and learning is used to make life easier for employees by optimizing and reducing the time spent on administrative tasks with the company. The app has a wide range of features and personalized content, such as requesting vacations, leave or medical appointments, accessing vacancies, gaining immediate feedback, receiving alerts, accessing quick learning or the latest news and to date, 12,605 employees have downloaded the People app.

As part of the Digital Challenge strategic initiative, momentum is being given to the new ways of working with technological tools, which enable work to take place in an open, collaborative way.

The general outline of the new Global Hybrid Remote Working Model has been approved, and the MAPFRE Corporate Digital Disconnection Policy has been approved and published.

All employees worldwide have access to a knowledge platform on the Intranet called Eureka, available in the three corporate languages, which allows knowledge to be shared and localized in an agile, structured way. MAPFRE has 1,404 knowledge leaders around the globe, and employees have contributed almost 2,000 pieces of knowledge. Employees can find reports and studies, best practices, use cases and links of interest through a single search engine, and they can contribute anything they consider important to share, that may be of interest and value. They can also find contact references for each of the knowledge entries.

In terms of attracting and managing talent, 2021 saw the consolidation of the new global selection and mobility system.

Employees have career plans based on job position and personal development plans, and they are involved in the process by being invited to make a proposal for their development plan, providing them with the necessary help to guide them throughout.

An annual 360° feedback model is available worldwide for all employees, with the possibility of continuous feedback actions on objectives, activities, and conduct, not only between supervisors and collaborators, but also between internal peers and clients. A total of 34,747 individual objectives were set in 2021, 88,419 activities were established, and 31,288 feedback actions were performed.

Plans have been developed for employee recognition in which they receive public thanks for their work and merits. These plans have been widely welcomed by employees, making a positive impact on their experience.

The Corporate University manages the training of all employees worldwide. In addition, it makes it possible to promote -among others- the self-learning functionality, a space through which each employee accesses MAPFRE's catalog of training content. Its design and capacity for adaptation and flexibility have allowed us to adapt quickly and effectively to the situation created by COVID-19, guaranteeing the training and learning of all employees in digital and mixed mode.

Through profiles on social networks, Facebook, Instagram, Twitter, LinkedIn and YouTube, MAPFRE also communicates and interacts with its employees and potential job candidates.

In addition, the Group publishes a corporate magazine, *The World of MAPFRE*, and the digital reach of this magazine was enhanced in 2021, encouraging interaction, both with employees and with the general public. This magazine is quarterly and its distribution is global, informing readers on what's going on within the company.

In order to maintain an integrated monitoring of the processes that have an impact on the commitment and development of employees, in 2021 the Culture and Talent index was evaluated again, an internal indicator that contemplates, on the one hand, satisfaction of employees (Employee satisfaction Index -ESI), turnover and seniority of employees; and also functional mobility, the percentage of employees with assigned development plans and the rate of internal promotion of positions of responsibility.

In 2021, the measurement model has continued to be applied, which allows facilitates a deepening of the analysis of the employee experience.

ECONOMIC CONTRIBUTION TO SOCIETY

Insurance activity generates a direct economic value through the constant flow of transactions carried out (collection of premiums, payment of benefits, management of investments etc.), which affects different aspects related to the economic and social development of the environment in which the company operates.

Of the consolidated revenues for the year amounting to 27.3 billion euros (25.5 billion euros in 2020), MAPFRE has contributed financially to the company through payments made, as detailed in the accompanying table.

Item	2021	2020	%21/20
Benefits paid ⁽¹⁾	15,229.8	13,731.7	10.9%
Payments to providers ⁽²⁾	4,922.6	7,335.9	-32.9%
Wages and salaries, and other ⁽³⁾	1,602.9	1,456.0	10.1%
Activity subtotal	21,755.3	22,523.6	-3.4%
Dividendos ⁽⁴⁾	614.3	658.4	-6.7%
Shareholders subtotal	614.3	658.4	-6.7%
Net income tax payment	349.2	298.4	17.0%
Social security	235.3	240.8	-2.3%
Public administrations subtotal	584.5	539.2	8.4%
Interest paid	73.5	73.6	-0.1%
Financing subtotal	73.5	73.6	-0.1%
Total	23,027.6	23,794.8	-3.2%

Figures in million euros

(1) Benefits paid and related expenses of direct insurance and accepted reinsurance.

(2) Includes payment of commissions and other activity services.

(3) Wages and salaries amounted to 1,214 million euros in 2021 (1,215.9 million euros in 2020).

(4) Dividend payments made during the fiscal year.

Furthermore, in its capacity as an insurer, the company makes commitments to its insured in exchange for the management of resources that are invested in assets, particularly financial assets. The following table shows information about the company as an institutional investor at the close of the last two fiscal years.

Item	2021	2020	%21/20
THIRD-PARTY FUNDS UNDER MANAGEMENT ⁽⁵⁾	34,310.70	32,789.30	4.6%
TOTAL INVESTMENTS	46,159.70	44,893.20	2.8%
Financial investments	38,313.20	38,060.10	0.7%
Fixed income	30,496.40	31,531.70	-3.3%
- Issued by governments	22,879.00	23,396.00	-2.2%
- Other fixed income securities	7,617.40	8,135.70	-6.4%
Other financial investments	7,816.80	6,528.40	19.7%
Real estate investments ⁽⁶⁾	2,331.90	2,239.90	4.1%
Other investments	5,514.70	4,593.10	20.1%

Million euros

⁽⁵⁾ Technical provisions for Life, pension funds, mutual funds and managed portfolios, before shadow accounting adjustments.

⁽⁶⁾ Including real estate for own use.

PROVIDER PAYMENT TERMS

Details of the payments made by the Group's fully consolidated Spanish companies to providers in the fiscal years 2021 and 2020 are shown below.

Item	Days	
	2021	2020
Average provider payment period	7.9	5.7
Ratio of paid operations	7.8	5.3
Ratio of operations pending payment	18.2	30.4

Item	Figures in million euros	
	2021	2020
Total payments made	2,148.7	1,581.0
Total pending payments exceeding the maximum statutory term	29.5	21.9

OTHER INFORMATION

The content corresponding to the Non-Financial Information Statement, which is reflected in the MAPFRE Integrated Report, is part of this Consolidated Management Report and meets the reporting requirements established by Law 11/2018 of December 28.

The following table provides an overview of the content in the Non-Financial Information Statement mentioned above:

STATEMENT OF CONSOLIDATED NON-FINANCIAL INFORMATION

Index of contents of Law 11/2018

**GRI reporting standards
(See Table of Contents
GRI in Section 6 of the
MAPFRE Integrated
Report 2021)**

General information

General	A brief description of the business model that includes its operating environment, organization and structure	GRI 102-2 GRI 102-7
	Markets served	GRI 102-3 GRI 102-4
		GRI 102-6
	Organizational objectives and strategies	GRI 102-14
	Main factors and trends that may affect the company's future evolution	GRI 102-14 GRI 102-15
		Reporting framework
	Principle of Materiality	GRI 102-46 GRI 102-47

Issues relating to the environment		
	Management approach: description and results of the policies related to these issues as well as the main risks related to these issues associated with the group's activities	GRI 102-15 GRI 103-2
Detailed general information	Detailed information on the current and foreseeable effects of the company's activities on the environment and, where appropriate, health and safety	GRI 102-15
	Environmental assessment or certification procedures	GRI 103-2
	Resources devoted to the prevention of environmental risks	GRI 103-2
	Application of the principle of precaution	GRI 102-11
	Quantity of provisions and guarantees for environmental risks	GRI 103-2
Pollution	Measures to prevent, reduce or repair emissions that seriously affect the environment; taking into account any form of air pollution specific to an activity, including noise and light pollution	GRI 103-2
		GRI 103-2
		GRI 306-1
		GRI 306-3 (2020)
Circular economy and waste prevention and management	Prevention, recycling and reuse measures and other forms of recovery and disposal of waste	GRI 306-4 (2020) for Sections a,e GRI 306-5 (2020) for Sections a,e
	Actions to combat food waste	GRI 103-2
	Water consumption and water supply according to local limitations	GRI 303-5 (Version 2018) for Sections a, d
	Consumption of raw materials and measures taken to improve the efficiency of use	GRI 301-1
Sustainable use of resources	Direct and indirect consumption of energy	GRI 302-1 GRI 302-3
	Measures taken to improve energy efficiency	GRI 103,2 GRI 302-4
	Use of renewable energies	GRI 302-1 for Sections a,b,e,f,g
		GRI 305-1
	Greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces	GRI 305-2 GRI 305-3 GRI 305-4
Climate change	Measures taken to adapt to the consequences of climate change	GRI 103-2 GRI 201-2
	Voluntary medium- and long-term reduction targets for reducing greenhouse gas emissions and the means implemented for this purpose	GRI 305-5
Biodiversity protection	Measures taken to preserve or restore biodiversity	GRI 304-3
	Impacts caused by activities or operations in protected areas	GRI 304-1 GRI 304-2

Issues relating to society and employees		
	Management approach: description and results of the policies related to these issues as well as the main risks related to these issues related to the group's activities	GRI 102-15 GRI 103-2
	Total number and distribution of employees by country, gender, age and professional category	GRI 102-8 GRI 405-1
	Total number and distribution of employment contract modalities and annual average of permanent contracts, temporary contracts and part-time contracts by sex, age and professional classification	GRI 102-8
Employment	Number of terminations by gender, age and professional classification	GRI 103-2 GRI 401-1
	Average remuneration and its evolution broken down by gender, age and professional classification or equal value	GRI 103-2 GRI 405-2 for Section a
	Pay gap, remuneration for equal or average jobs in society	GRI 103-2 GRI 405-2
	Average remuneration of directors and executives, including variable remuneration, allowances, indemnities, payment to long-term savings pension systems and any other amounts, broken down by sex	GRI 103-2 GRI 405-3
	Implementation of work disconnection policies	GRI 103-2
	Employees with disabilities	GRI 405-1
Work organization	Organization of working time	GRI 103-2
	Number of hours of absenteeism	GRI 405-9 (Version GRI 2018)
	Measures aimed at facilitating a work-life balance and encouraging both parents to adopt such measures	GRI 103-2 GRI 401-3
		GRI 103-2
		GRI 403-1 (Version 2018)
Health and safety	Occupational health and safety conditions	GRI 403-2 (Version 2018)
		GRI 403-3 (Version 2018)
		GRI 403-4 (Version 2018)
	Workplace accidents, in particular the frequency and severity of same, broken down by sex	GRI 403-9 GRI 403-10 (Version 2018) for Sections a, e
Social relations	Organization of social dialog, including procedures for informing, consulting and negotiating with personnel	GRI 103-2
	Percentage of employees covered by collective bargaining agreements by country	GRI 102-41
	The balance of collective agreements, particularly in the field of health and safety at work	GRI 403-4 (Version 2018)
Training	Policies implemented in the field of training	GRI 103-2 GRI 404-2
	Total number of training hours by professional classification	GRI 404-1
Universal accessibility	Universal accessibility for people with disabilities	GRI 103-2
Equality	Measures taken to promote equal treatment and equal opportunities for women and men	GRI 103-2
	Measures adopted to promote employment, protocols against sexual and gender harassment	GRI 103-2
	Policy against all forms of discrimination and, where appropriate, diversity management	GRI 103-2

Information on respect for Human Rights		
Human Rights	Management approach: description and results of the policies related to these issues as well as the main risks related to these issues related to the group's activities	GRI 102-15
		GRI 103-2
	Application of due diligence procedures in the field of human rights, prevention of the risks of human rights violations and, where appropriate, measures to mitigate, manage and repair possible abuses committed	GRI 102-16
		GRI 102-17
	Complaints about cases of Human Rights violations	GRI 103-2
		GRI 406-1
	Measures implemented to promote and comply with the provisions of the fundamental ILO conventions related to respect for freedom of association and the right to collective bargaining; the elimination of discrimination in employment and occupation; the elimination of forced or compulsory labor; the effective abolition of child labor	GRI 103-2
		GRI 407-1
		GRI 408-1
		GRI 409-1

Information on fighting corruption and bribery		
Corruption and bribery	Management approach: description and results of the policies related to these issues as well as the main risks related to these issues related to the group's activities	GRI 102-15
		GRI 103-2
	Measures taken to prevent corruption and bribery	GRI 103-2
		GRI 102-16
		GRI 102-17
		GRI 205-2
		GRI 205-3
		GRI 103-2
		GRI 102-16
		GRI 102-17
		GRI 205-2
		GRI 205-3
	GRI 102-13	
	Measures taken to combat money laundering	GRI 201-1 for Section a
		GRI 415-1
	Association or sponsorship actions	GRI 201-1 for Section a
GRI 415-1		

Information about the Company		
	Management approach: description and results of the policies related to these issues as well as the main risks related to these issues related to the group's activities	GRI 102-15 GRI 103-2
	Impact of the company's activity on employment and local development	GRI 103-2 GRI 203-2 GRI 204-1
The company's commitment to sustainable development	Impact of the company's activity on local populations and the territory	GRI 411-1 GRI 413-1 GRI 413-2
	Relationships maintained with local community actors and the modalities of dialog engaged in	GRI 102-43 GRI 413-1
	Contributions to foundations or non-profit organizations	GRI 103-2 GRI 201-1 for Sections a.ii
	Inclusion of social, gender equality and environmental issues in the procurement policy	GRI 103-2
Subcontracting and providers	Consideration of social and environmental responsibility in relationships with providers and subcontractors	GRI 102-9 GRI 308-1 GRI 414-1
	Supervision systems and audit and the results of same	GRI 102-9 GRI 308-2 GRI 414-2
	Measures taken for the health and safety of consumers	GRI 103-2 GRI 416-1
Consumers	System for processing complaints and grievances received and resolution of same	GRI 103-2 GRI 418-1
	Profits generated by country	GRI 103-2 GRI 207-4 (Version 2019) doe Sections a, b, vi, c
Tax information	Tax on profits paid	GRI 103-2 GRI 207-4 (Version 2019) doe Sections a, b, viii, c
	Public subsidies received	GRI 201-1 for Sections a.i GRI 201-4

ANNUAL CORPORATE GOVERNANCE REPORT

The company's Annual Corporate Governance Report, issued pursuant to the provisions of Article 49.4 of the Spanish Code of Commerce can be found below.



ISSUER'S IDENTITY DATA

End date of the reference fiscal year:

[12/31/2021]

Tax ID
Number
(CIF):

[A08055741]

Company name:

[MAPFRE S.A.]

Registered office:

[CARRETERA DE POZLELO A MAJADAHONDA, 52 EDIF. 1 (MAJADAHONDA) MADRID]

A. OWNERSHIP STRUCTURE

A.1. Complete the following table on the share capital and voting rights attributed, including, where appropriate, those corresponding to loyalty shares, at the closing date of the fiscal year:

Indicate if the company bylaws contain the provision for loyalty shares conferring double voting rights.

Yes

No

Date of last modification	Share capital (€)	Number of shares	Number of voting rights
7/1/2011	307,955,327.30	3,079,553,273	3,079,553,273

Indicate if there are different kinds of shares with different rights associated with them:

Yes

No

A.2. State the direct and indirect holders of significant interests in the company at the close of the fiscal year, including board directors who have a significant interest.

Name or company name of the shareholder	% voting rights attributed to the shares		% voting rights through financial instruments		% total voting rights
	Direct	Indirect	Direct	Indirect	
FUNDACIÓN MAPFRE	0.00	69.80	0.00	0.00	69.80

Detail of indirect interests:

Name or company name of the indirect holder	Name or company name of the direct holder	% voting rights attributed to shares	% voting rights through financial instruments	% total voting rights
FUNDACIÓN MAPFRE	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	69.69	0.00	69.69
FUNDACIÓN MAPFRE	FUNDACIÓN CANARIA MAPFRE GUANARTEME	0.11	0.00	0.11

State the most significant modifications in the shareholding structure that have occurred during the fiscal year:

Most significant modifications

No significant modifications have taken place during the fiscal year.

A.3. Detail, whatever the percentage, the interest at the fiscal year end of the board directors who hold voting rights attributed to shares in the company or through financial instruments, excluding directors who have been identified in section A.2 above:

Name or company name of the board director	% voting rights attributed to shares		% voting rights through financial instruments		% total voting rights	% of voting rights that can be transferred through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
MR. FERNANDO MATA VERDEJO	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MS. ROSA MARÍA GARCÍA GARCÍA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MS. MARÍA DEL PILAR PERALES VISCASILLAS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MS. ANA ISABEL FERNÁNDEZ ÁLVAREZ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR. ANTONIO MIGUEL-ROMERO DE OLANO	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR. ANTONIO GÓMEZ CIRIA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR. ALFONSO REBUelta BADÍAS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MS. CATALINA MIÑARRO BRUGAROLAS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR. JOSÉ ANTONIO COLOMER GUIU	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mr. IGNACIO BAEZA GÓMEZ	0.01	0.00	0.00	0.00	0.01	0.00	0.00
Mr. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	0.00	0.06	0.00	0.00	0.06	0.00	0.00
MR. FRANCISCO JOSÉ MARCO ORENES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mr. ANTONIO HUERTAS MEJÍAS	0.02	0.00	0.00	0.00	0.02	0.00	0.00

MS. MARIA LETICIA DE FREITAS COSTA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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Total % of voting rights held by board directors	0.09
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Detail of indirect interests:

Name or company name of the board director	Name or company name of the direct holder	% voting rights attributed to shares	% voting rights through financial instruments	% total voting rights	% of voting rights <u>that can be transferred</u> through financial instruments
No data					

Detail of the total percentage of voting rights represented on the board:

Total % of voting rights represented on the Board of Directors	69.78
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The total percentage of voting rights represented on the Board of Directors is the sum of the total percentage of voting rights owned by all the members of the Board of Directors and the percentage of interest held by CARTERA MAPFRE, S.L.U. (indicated in section A.2 above), a company represented on the Board of Directors by the three nominee directors.

- A.4.** Where applicable, list any family, commercial, contractual or corporate relationships between holders of significant interests, insofar as the company is aware of them, unless they are insignificant or arise from ordinary trading or exchange activities, excluding those reported in section A.6:

Related name or company name	Type of Relationship	Brief description
No data		

- A.5.** Where applicable, list any commercial, contractual or corporate relationships between holders of significant interests, and the company and/or its group, unless they are insignificant or arise from ordinary trading or exchange activities:

Related name or company name	Type of Relationship	Brief description
No data		

- A.6.** Describe the relationships, unless they are insignificant for both parties, that exist between the significant shareholders or those represented on the board and the board directors, or their representatives, in the case of legal company administrators.

Explain, as the case may be, how significant shareholders are represented. Specifically, list board directors who have been appointed on behalf of significant shareholders, those whose appointment would have been promoted by significant shareholders, or who are linked to significant shareholders and/or companies of their group, and explain the nature of such relationships. Notably, where appropriate, the existence, identity and position of board members, or representatives of directors, of the listed company, who are, in turn, members of the governing body, or their representatives, in companies that hold significant interests of the listed company or in entities of the group of said significant shareholders.

Name or company name of the related board director or representative	Name or company name of the affiliated significant shareholder	Company name of the significant shareholder group	Description of the relationship/position
MR. FERNANDO MATA VERDEJO	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	Board Director of CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	Board Director of CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY
MR. ANTONIO MIGUEL-ROMERO DE OLANO	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	Appointed board director as proposed by the significant shareholder
MR. ALFONSO REBUelta BADÍAS	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	Appointed board director as proposed by the significant shareholder
Mr. IGNACIO BAEZA GÓMEZ	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	Board Director of CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY
Mr. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	Appointed board director as proposed by the significant shareholder
Mr. ANTONIO HUERTAS MEJÍAS	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	Chairman of the Board of Directors CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY

A.7. Indicate if any shareholder agreements have been disclosed to the company that affect it under art. 530 and 531 of the Companies Act. Where applicable, briefly describe them and list the shareholders bound by such agreement:

Yes
 No

Indicate whether the company knows of the existence of concerted actions among its shareholders. If so, describe them briefly:

Yes
 No

If there have been any modifications or terminations of said pacts or agreements or concerted actions during the fiscal year, indicate this expressly.

A.8. Indicate whether any person or organization exercises or may exercise control over the company pursuant to Article 5 of the Securities Market Act. If so, identify them:

Yes
 No

Name or company name

FUNDACIÓN MAPFRE

A.9. Complete the following tables regarding the company's treasury stock:

As at the closing date of the fiscal year:

Number of direct shares	Number of shares indirect shares(*)	% total over share capital
30,068,524		0.98

(*) Through:

Name or company name of the direct holder of the interests	Number of direct shares
No data	

Explain the significant variations during the fiscal year:

Explain significant changes

No significant changes have taken place during the fiscal year.

A.10. Describe the terms and conditions of the current General Meeting authorization to the Board of Directors to issue, buy back or transfer treasury stock.

The Board of Directors is currently authorized by the shareholders at the General Meeting to increase the company's share capital once or several times by up to a maximum of €153,977,663.65, equivalent to 50% of the share capital. The duration of the authorization is five years calculated from the date of the resolution, passed on March 9, 2018.

The Board of Directors is currently authorized by the shareholders at the Annual General Meeting to allow the company to proceed, directly or through subsidiaries, to the derivative acquisition of treasury stock, subject to the following limits and requirements:

- a) Schemes: Acquisition by sale or by any other transaction inter vivos for good and valuable consideration, of shares free of any liens or encumbrances.
- b) Maximum number of shares to be acquired: Shares whose face value, added to the face value of the shares already owned by the company and its subsidiaries, does not exceed 10% of the share capital of MAPFRE S.A.
- c) Minimum and maximum acquisition price: 90% and 110%, respectively, of their market value on the date of acquisition.
- d) Duration of the authorization: Five years calculated from the date of the resolution, passed on March 12, 2021. The shares purchased may be fully or partially used: (i) for disposal or amortization, (ii) delivery to the workers, employees or administrators of the Company or its Group, or as a result of exercising call option rights held thereby as provided for in the last paragraph of Article 146, section 1, letter a) of the Recast Text of the Companies Act, and (iii) reinvestment plans involving dividends or similar instruments.

A.11. Estimated floating capital:

	%
Estimated floating capital	29.12

A.12. Indicate whether there are any restrictions (statutory, legal or otherwise) on the transfer of securities and/or any restriction on the right to vote. Particularly, the existence of any type of restrictions that may make it difficult to take control of the company through the acquisition of its shares in the market shall be communicated, as well as those authorization or prior notice systems that, over the acquisitions or transfers of financial instruments of the company, are applicable by sectoral regulations.

Yes
 No

A.13. Indicate whether the General Meeting has approved measures to counteract a public acquisition bid, pursuant to Law 6/2007.

Yes
 No

If so, explain the measures approved and the terms and conditions under which the restrictions would become inefficient:

A.14. Indicate whether the company has issued securities that are not traded on a regulated EU market.

Yes
 No

If so, indicate the different kinds of shares and, for each kind of shares, the rights and obligations conferred:

B. GENERAL MEETING

B.1. Indicate and, where applicable, give details, about whether there are any differences from the minimum standards established under the Companies Act with respect to the quorum and constitution of the General Meeting.

Yes
 No

B.2. Indicate, and where applicable give details, whether there are any differences from the minimum standards established under the Companies Act with respect to the adoption of corporate resolutions:

Yes
 No

	Reinforced majority different from that established in Article 201.2 of the Companies Act for the cases cited in Article 194.1 of the Companies Act	Other cases of reinforced majority
% established by the company for adopting agreements	0.00	50.01

Pursuant to the provisions of Article 26 of the Corporate Bylaws, the amendment of the provisions of Title IV "Protection of the Company's General Interest" (Articles 26 to 29) can only be amended by a resolution approved with the votes in favor of more than 50% of the share capital at the Extraordinary Annual General Meeting specifically called for this purpose.

B.3. Indicate the rules applicable to amendment of the company bylaws. In particular, indicate the majorities established for the amendment of the bylaws, as well as, where applicable, the rules established for protection of the partner's rights in the amendment of the bylaws.

There are no particularities other than those established in the legislation in force for amendment of the company bylaws, except for the amendment of Articles 26 to 29 (Title IV- Protection of the Company's General Interest). As stated in the previous paragraph B.2, a resolution adopted with the favorable vote of more than 50% of share capital at the Extraordinary General Meeting called for that purpose is necessary.

B.4. Give attendance data on the Annual General Meetings held during the fiscal year to which this report refers and those from the two previous fiscal years:

Date of general meeting	Attendance data				Total
	% physically present	% through representatives	% voting remotely Electronic voting	% voting remotely Other	
3/8/2019	68.64	12.69	0.00	1.05	82.38
Of which floating capital	0.12	12.69	0.00	1.05	13.86
3/13/2020	68.67	17.51	0.01	0.66	86.85
Of which floating capital	0.05	17.41	0.01	0.66	18.13
3/12/2021	70.71	10.60	0.01	0.26	81.58
Of which floating capital	0.01	10.48	0.01	0.26	10.76

B.5. Indicate whether at the General Meetings held during the fiscal year there has been any item on the agenda that, for whatever reason, has not been approved by the shareholders:

Yes
 No

B.6. Indicate if there are any statutory restrictions that establish a minimum number of shares required to attend the general meeting, or to vote remotely:

Yes
 No

Number of shares required to attend the Annual General Meeting	1,000
Number of shares required to vote remotely	1

B.7. Indicate whether it has been established that certain decisions, other than those established by law, involving an acquisition, transfer, contribution to another company of essential assets or other similar corporate operations, must be submitted for approval by the general meeting of shareholders.

Yes
 No

B.8. Indicate the address and method of access to the company's website, to the information on corporate governance and other information on General Meetings that must be available to shareholders through the company's website.

Access is as follows: www.mapfre.com Section titled Shareholders and Investors.

C. GOVERNANCE STRUCTURE OF THE COMPANY

C.1. Board of Directors

C.1.1 Maximum and minimum number of board directors envisaged in the bylaws and the number set out by the Annual General Meeting:

Maximum number of directors	20
Minimum number of directors	5
Number of board directors set by the Annual General Meeting	15

C.1.2 Complete the following table on the board members:

Name or company name of the board director	Representative	Category of the director	Position on the Board	Date of first appointment	Date of last appointment	Election procedure
Mr. ANTONIO HUERTAS MEJÍAS		Executive	CHAIRMAN	12/29/2006	3/9/2018	ANNUAL GENERAL MEETING RESOLUTION
Mr. IGNACIO BAEZA GÓMEZ		Executive	FIRST VICE CHAIRMAN	3/8/2008	3/13/2020	ANNUAL GENERAL MEETING RESOLUTION
MS. CATALINA MIÑARRO BRUGAROLAS		Independent	SECOND VICE CHAIRWOMAN	10/30/2013	3/9/2018	ANNUAL GENERAL MEETING RESOLUTION
MR. JOSÉ MANUEL INCHAUSTI PÉREZ		Executive	THIRD VICE CHAIRMAN	7/18/2018	3/8/2019	ANNUAL GENERAL MEETING RESOLUTION

MR. JOSE ANTONIO COLOMER GUIU		Independent	DIRECTOR	2/9/2016	3/13/2020	ANNUAL GENERAL MEETING RESOLUTION
MS. ANA ISABEL FERNÁNDEZ ÁLVAREZ		Independent	DIRECTOR	7/26/2016	3/12/2021	ANNUAL GENERAL MEETING RESOLUTION
MS. MARÍA LETICIA DE FREITAS COSTA		Independent	DIRECTOR	7/23/2015	3/13/2020	ANNUAL GENERAL MEETING RESOLUTION
MS. ROSA MARÍA GARCÍA GARCÍA		Independent	DIRECTOR	9/26/2019	3/13/2020	ANNUAL GENERAL MEETING RESOLUTION
MR. ANTONIO GÓMEZ CIRIA		Independent	DIRECTOR	1/1/2019	3/8/2019	ANNUAL GENERAL MEETING RESOLUTION
Mr. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ		Nominee	DIRECTOR	4/17/1999	3/8/2019	ANNUAL GENERAL MEETING RESOLUTION
MR. FRANCISCO JOSÉ MARCO ORENES		Executive	DIRECTOR	3/10/2017	3/12/2021	ANNUAL GENERAL MEETING RESOLUTION
MR. FERNANDO MATA VERDEJO		Executive	DIRECTOR	1/1/2017	3/12/2021	ANNUAL GENERAL MEETING RESOLUTION
MR. ANTONIO MIGUEL-ROMERO DE OLANO		Nominee	DIRECTOR	4/17/1999	3/8/2019	ANNUAL GENERAL MEETING RESOLUTION
MS. MARÍA DEL PILAR PERALES VISCASILLAS		Independent	DIRECTOR	1/1/2018	3/9/2018	ANNUAL GENERAL MEETING RESOLUTION
MR. ALFONSO REBUELTA BADÍAS		Nominee	DIRECTOR	4/17/1999	3/8/2019	ANNUAL GENERAL MEETING RESOLUTION

Total number of directors	15
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Indicate the changes that, whether due to resignation or a decision of the general meeting, that have taken place in the board of directors during the reporting period:

Name or company name of the board director	Category of the board director on termination	Date of last appointment	Termination date	Specialized committee of which they were a member	Indicate whether the change occurred before the end of the mandate
No data					

C.1.3 Complete the following tables on the Board members and their different kinds of directorship:

EXECUTIVE DIRECTORS		
Name or company name of the board director	Position within company organization	Profile
MR. FERNANDO MATA VERDEJO	CHIEF FINANCIAL OFFICER	Holds a degree in Business Science from the Autonomous University of Madrid. He has spent a large part of his professional career at MAPFRE, holding several senior executive positions since he joined the company. CFO of the Corporate Finance and Resources Area since 2017. For more information on the positions he holds as of the date of this report, please see sections A.6, C.1.10. and C.1.11.
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	THIRD VICE CHAIRMAN	Law Degree by the Complutense University of Madrid and Senior Management Program by IESE. He has spent a large part of his professional career at MAPFRE, holding several senior executive positions since he joined the company. He has been the Iberia CEO since 2015. For more information on the positions he holds as of the date of this report, please see sections A.6, C.1.10. and C.1.11.
Mr. IGNACIO BAEZA GÓMEZ	FIRST VICE CHAIRMAN	Degree in Economics from the Complutense University of Madrid. He has spent a large part of his professional career at MAPFRE, holding several senior executive positions since he joined the company. For more information on positions he holds as of the date of this report, please see sections A.6, C.1.10, C.1.11 and C.2.1.
MR. FRANCISCO JOSÉ MARCO ORENES	GROUP CHIEF BUSINESS SUPPORT OFFICER	Has a degree in Medicine and Surgery from the University of Murcia. He is a specialist in Geriatrics from the University of Murcia and in Nutrition from the University of Granada, and he has a Master's Degree in Company Administration from the IDAE. He has held various senior management positions at MAPFRE since joining. He has been the General Manager of the Business Support Corporate Area since 2015. For more information on positions he holds as of the date of this report, please see section C.1.10.
Mr. ANTONIO HUERTAS MEJÍAS	CHAIRMAN AND CEO	Holds a law degree from the University of Salamanca. Has occupied, among others, the positions of Chairman and CEO of MAPFRE Florida and MAPFRE Puerto Rico, General Manager of MAPFRE Mutualidad, Chairman of MAPFRE Familiar, and Third Vice-Chairman of MAPFRE. For more information on positions he holds as of the date of this report, please see sections A.6, C.1.10, C.1.11 and C.2.1.

Total number of executive directors	5
% of total board	33.33

NOMINEE EXTERNAL DIRECTORS		
Name or company name of the board director	Name or denomination of the significant shareholder whom he/she represents or who has suggested their appointment	Profile
MR. ANTONIO MIGUEL-ROMERO DE OLANO	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	Agricultural Engineer from the Polytechnic University of Madrid and Master's in Business Administration (MBA) at Madrid's Instituto de Empresa. From 1986 to 2005, he held the position of deputy risk manager at FIAT Financiera. For more information on positions he holds as of the date of this report, please see sections A.6, C.1.10, C.1.11 and C.2.1.
MR. ALFONSO REBUELTA BADIÁS	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	A graduate in Business Sciences from Pontificia Comillas University; also holds a Master's in Business Administration (MBA) from Columbia University (New York). He was Vice Chairman for JP Morgan, Vice Chairman of Citibank until 1991, partner at Heidrick & Struggles and consultant partner at Asset Executive. He is a partner at Signium International since 2004. For more information on positions he holds as of the date of this report, please see sections A.6, C.1.10, C.1.11 and C.2.1.
Mr. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	A Law graduate from the Complutense University of Madrid, Official Industrial and Intellectual Property Agent in Spain and European Patent Agent. He was a member and board member of Elzaburu, S.L.P. until 2016 and is a member of the International Association for the Protection of Intellectual Property. For more information on positions he holds as of the date of this report, please see sections A.6, C.1.10, and C.2.1.

Total number of nominee directors	3
% of total board	20.00

INDEPENDENT EXTERNAL DIRECTORS	
Name or company name of the board director	Profile
MS. ROSA MARÍA GARCÍA GARCÍA	Holds a degree in Mathematics from the Autonomous University of Madrid. She has been, among other positions, non-executive Chairwoman of the Board of Directors of Siemens Gamesa, President and CEO of Siemens Spain and member of the Board of Directors of Tubacex, S.A. She is non-executive President of Exolum and member of the Board of Directors of Sener Grupo de Ingeniería, S.A. and EDP Renewables, S.A. For more information on positions she holds as of the date of this report, please see section C.1.10, C.1.11 and C.2.1.

Name or company name of the board director	Profile
MS. MARÍA DEL PILAR PERALES VISCASILLAS	Holds a Law degree from the Autonomous University of Madrid; has a PhD in Law from the Carlos III University of Madrid. Professor of Commercial Law at the Carlos III University of Madrid. For more information on positions she holds as of the date of this report, please see sections C.1.10 and C.2.1.
MS. ANA ISABEL FERNÁNDEZ ÁLVAREZ	Has a degree and PhD in Economics and Business from the University of Oviedo. Member of the Joint Committee on Corporate Reporting of the European Securities and Markets Authority, General Director of CUNEF and Member of the Banco de Sabadell Foundation Board of Trustees. She is also a Professor of Financial Economics at the University of Oviedo and Professor of Finances at CUNEF. For more information on positions she holds as of the date of this report, please see sections C.1.10 and C.2.1.
MR. ANTONIO GÓMEZ CIRIA	A graduate in Economic and Business Sciences and in Mathematical Sciences from the Complutense University of Madrid; also holds an Executive MBA from the IESE. He is a member of the Board of Directors of Red Eléctrica Corporación, S.A. and Chairman of its Audit Committee, a member of the Board of Directors of Hispasat and a member of its Audit Committee and Appointments and Remuneration Committee, and a member of the Advisory Board of Experts on Accounting and Financial Information of the General Board of the College of Economists. For more information on positions he holds as of the date of this report, please see sections C.1.10, C.1.11 and C.2.1.
MS. CATALINA MIÑARRO BRUGAROLAS	Holds a degree in Law. State lawyer on leave of absence. She is a member of the Board of Directors of Actividades de Construcción y Servicios, S. A., Chairwoman of its Appointments Committee, and member of its Audit Committee. For more information on positions she holds as of the date of this report, please see sections C.1.10, C.1.11 and C.2.1.
MR. JOSÉ ANTONIO COLOMER GUIU	Received a degree in Business Administration (ESADE School of Business Management and Administration - Barcelona). For more information on positions he holds as of the date of this report, please see sections C.1.10 and C.2.1.
MS. MARÍA LETICIA DE FREITAS COSTA	Holds a degree in Product Engineering and a Master's Degree in Business Administration (MBA). Manager of the INSPER Center for Strategic Research and a partner at Prada Assessoria. For more information on positions she holds as of the date of this report, please see sections C.1.10. and C.1.11.

Total number of independent directors	7
% of total board	46.67

Indicate whether any board director classified as independent receives from the company, or from its Group, any amount or earning for an item other than the board director's remuneration, or maintains or has maintained, during last fiscal year a business relationship with the company or with any company from its Group, whether on his behalf or as a significant shareholder, board director or senior management member of a company that maintains or has maintained such a relationship.

If so, include a reasoned statement from the Board on the reasons why it considers that this director may perform his functions as an independent director.

Name or company name of the board director	Relationship description	Statement of reasons
MS. ROSA MARÍA GARCÍA GARCÍA	The independent director Ms. Rosa María García García is a member of MAPFRE's Technology, Innovation and Transformation Advisory Board, a position she has held since her appointment on September 25, 2020, and for which she receives an attendance fee of 5.000 euros per meeting. The amount accrued in 2021 totals 20.000 euros.	The Company considers that the duties of Ms. Rosa María García García as member of MAPFRE's Technology, Innovation and Transformation Advisory Board do not entail any incompatibility or affect the director's independence in any way, given that: (i) the remuneration received cannot be considered significant; and (ii) it does not imply a commitment that could significantly affect her obligations as an independent director of the Company.

OTHER EXTERNAL DIRECTORS

Identify other external board directors and explain in detail the reasons for which they cannot be considered nominee or independent board directors, as well as their affiliations with the company, its management or its shareholders:

Name or company name of the board director	Reasons	Company, executive or shareholder with whom holds the affiliation	Profile
No data			

Total number of external directors	N/A
% of total board	N/A

Indicate any changes that may have occurred during the period in the type of category for each director:

Name or company name of the board director	Date of change	Previous category	Current category
No data			

C.1.4 Complete the following table with information relating to the number of female board directors at the closure of the last four fiscal years, as well as the category of these female board directors:

	Number of directors				% of the total of each type of director			
	Fiscal year 2021	Fiscal year 2020	Fiscal year 2019	Fiscal year 2018	Fiscal year 2021	Fiscal year 2020	Fiscal year 2019	Fiscal year 2018
Executive					0.00	0.00	0.00	0.00
Nominee					0.00	0.00	0.00	0.00
Independent	5	5	5	4	71.43	71.43	71.43	66.67
Other External					0.00	0.00	0.00	0.00
Total	5	5	5	4	33.33	33.33	33.33	28.57

C.1.5 Indicate whether the company has diversity policies regarding the Board of Directors with regard to issues such as age,



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gender, disability, or professional training and experience. Small- and medium-sized companies, in accordance with the definition established in the Audit Law, shall have to inform, at least, of the policy they have established regarding gender diversity.

- [Yes No
] Partial policies

- []
[] If yes, please describe such diversity policies, their objectives, the measures and the way in which they have been implemented and their results in the fiscal year. The specific measures adopted by the Board of Directors and the Appointments and Remuneration Committee should also be indicated in order to achieve a balanced and diverse presence of directors.

Should the company not apply a diversity policy, please explain the reasons why.

Description of the policies, objectives, measures and manner in which they have been applied, as well as the results obtained

The MAPFRE Group Institutional, Business and Organizational Principles, approved by the Board of Directors of MAPFRE on June 24, 2015 expressly state that the Board of Directors of MAPFRE will develop a plan for filling vacancies that ensures the candidates' suitability based on their competences and professional and geographic origins, and on the sufficient presence of members of both sexes.

Similarly, it is established that the competent bodies of Group companies will ensure that, when vacancies arise, equal opportunities are guaranteed for candidates regardless of their gender, and they must seek to achieve an effective presence of directors of both genders.

Further, MAPFRE's Director Selection Policy that states that the candidate selection process will favor a diversity of knowledge, experience, age and gender, and that the aim should be for the number of female directors to represent at least 30% of the Board of Directors, and for this to increase to at least 40% by the end of 2022. Since the appointment in 2019 of Rosa María García García as an independent board director, the percentage of women's representation on the Board of Directors is 33%.

The Board of Directors is comprised of fifteen members who, as a whole, possess knowledge, qualifications and experience in the following areas: insurance and financial markets, business strategy and company model, governance systems, financial and actuarial analysis, regulatory framework, audit/accounting, sustainability, strategic consulting, law/tax, technology and digital transformation, industry, health, human resources and teaching and research. In 2020, the Appointments and Remuneration Committee approved the Competency Matrix of the Board of Directors of MAPFRE, which defines the skills and knowledge of its members.

Currently five of the fifteen members of the Board of Directors are women and the majority participate in the specific committees of the Board and/or have a key role: i) Ms. Catalina Míñarro Brugarolas is the Second Vice Chairwoman of the Board of Directors and the Steering Committee, Chairwoman of the Appointments and Remuneration Committee and independent Lead board director; ii) Ms. Ana Isabel Fernández Álvarez is a member of the Audit and Compliance Committee and the Risk Committee; iii) Ms. Rosa María García García is a member of the Appointments and Remuneration Committee; and iv) Ms. María del Pilar Perales Viscasillas is a member of the Audit and Compliance Committee, and as of January 1, 2022, a member of the Risk Committee.

Geographic and cultural diversity is also visible at Board level, with two nationalities represented: Spanish and Brazilian.

C.1.6 Explain the measures which, where applicable, the Appointments Committee has agreed so that the procedure for filling Board vacancies has no implicit bias against women candidates, and the company makes a conscious effort to include women with the target professional profile among potential candidates for Board seats, and which makes it possible achieve a balanced presence of women and men. Also indicate if these measures include that working towards the company having a significant number of women senior executives:

Explanation of the measures

The Appointments and Remuneration Committee ensures that the candidate selection process promotes diversity of knowledge, experience, age and gender.

In particular, in order to promote gender equality in the composition of the Board of Directors, efforts will be made to ensure that female directors constitute at least 40% of all members the Board of Directors by the end of 2022.

For the three-year period of 2019-2021, MAPFRE has publicly committed to ensuring that by 2021, at least 45% of annual vacancies in managerial positions are filled by women. In 2021, this rate was 49.1% and the percentage of women in senior management positions was 31.3%.

When, in spite of the measures which, where applicable, have been adopted, there are few or no female board directors or senior executives, explain the reasons that justify this.

Explanation of the reasons

Not applicable.

C.1.7 Explain the conclusions of the Appointments Committee on the verification of compliance aimed at promoting an appropriate composition of the board of directors.

MAPFRE's Board of Directors Selection Policy aims to ensure that the proposals for nomination and re-election of board directors are based on a preliminary analysis of the needs of the Board of Directors, and to promote a diversity of knowledge, experiences and gender on the Board.

Throughout the year, the Appointments and Remuneration Committee has carried out a constant analysis of the structure, size and composition of the Board, of its Competencies Matrix, and of the principles and objectives established in the Board of Directors Selection Policy, which have already been described in sections C.1.5 and C.1.6 above, all based on the needs of the company, regulatory requirements and best corporate governance practices.

Specifically, the Appointments and Remuneration Committee verified compliance with the Director Selection Policy in 2021 as part of the preparation of the proposals for re-election of Ms. Ana Isabel Fernández Álvarez, Mr. Francisco José Marco Orenes, and Mr. Fernando Mata Verdejo. In fiscal year 2021, no directors were dismissed, so no new appointments have been proposed.

In addition, in 2020, at the proposal of the Appointments and Remuneration Committee, the Director Selection Policy was amended to expressly include the commitment that the number of female directors should represent at least 30% and reach, by the end of 2022, at least 40% of the total members of the Board of Directors.

As indicated in section C.1.6 above, with the appointment in 2019 of Ms. Rosa María García García as an independent board director, the objective set in the aforementioned policy to get the number of female board directors to represent by 2020 at least 30%

of the total members of the Board of Directors was reached. In accordance with the provisions of the Director Selection Policy, this participation will be maintained or increased, depending on the suitability of the proposed candidates.

C.1.8 Explain, where applicable, the reasons why nominee directors have been appointed at the behest of shareholders whose shareholding is less than 3% of the capital:

Name or company name of the shareholder	Justification
No data	

Indicate whether formal petitions for a seat on the Board have been ignored from shareholders whose holding is equal to or higher than others at whose behest nominee directors were appointed. Where applicable, explain why these petitions have been ignored:

- Yes
 No

C.1.9 Indicate, if any, the powers delegated by the Board of Directors, including those relating to the possibility of issuing or repurchasing shares, on directors or committees of the Board:

Name or company name of the director or committee	Brief description
STEERING COMMITTEE	The Steering Committee is the delegate body of the Board of Directors for the executive management and permanent supervision of the everyday management of the Company and its subsidiaries in strategic and operational aspects and for the adoption of decisions necessary for their proper functioning. It has general decision-making capacity, with express delegation in its favor of all the powers that correspond to the Board of Directors except those that are not delegable by the Law, the Company's Bylaws or the Board of Directors Regulations. It may delegate to any of its members the necessary powers for the final adoption of decisions previously discussed by the Committee, and for the implementation of the agreements it adopts.

C.1.10 Identify, where applicable, any members of the Board holding posts as board directors, representatives of board directors or managers in other companies that are part of the listed company of the group:

Name or company name of the board director	Company name of the Group company	Position	Holds executive functions?
Mr. ANTONIO HUERTAS MEJÍAS	MAPFRE INTERNACIONAL, S.A.	CHAIRMAN	NO
Mr. IGNACIO BAEZA GÓMEZ	MAPFRE ASISTENCIA, COMPAÑÍA INTERNACIONAL DE SEGUROS Y REASEGUROS, S.A.	CHAIRMAN	NO
Mr. IGNACIO BAEZA GÓMEZ	MAPFRE INTERNACIONAL, S.A.	DIRECTOR	NO

MR. IGNACIO BAEZA GÓMEZ	MAPFRE PARTICIPACIONES, S.A.U.	ADMINISTRATOR	NO
MS. CATALINA MIÑARRO BRUGAROLAS	MAPFRE INTERNACIONAL, S.A.	DIRECTOR	NO
MS. CATALINA MIÑARRO BRUGAROLAS	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS SOBRE LA VIDA HUMANA	DIRECTOR	NO
MS. CATALINA MIÑARRO BRUGAROLAS	MAPFRE ESPAÑA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	DIRECTOR	NO
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	MAPFRE INTERNACIONAL, S.A.	DIRECTOR	NO
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	MAPFRE RE, COMPAÑÍA DE REASEGUROS, S.A.	DIRECTOR	NO
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	MAPFRE ESPAÑA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	FIRST VICE CHAIRMAN - MANAGING DIRECTOR	YES
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS SOBRE LA VIDA HUMANA	FIRST VICE CHAIRMAN	NO
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	SANTANDER MAPFRE SEGUROS Y REASEGUROS, S.A.	CHAIRMAN	NO
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	VERTI ASEGURADORA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	ADMINISTRATOR	NO
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	VERTI MEDIACIÓN, SOCIEDAD DE AGENCIA DE SEGUROS VINCULADA, S.L.	ADMINISTRATOR	NO
MR. JOSÉ ANTONIO COLOMER GUIU	MAPFRE ESPAÑA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	DIRECTOR	NO
MR. JOSÉ ANTONIO COLOMER GUIU	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS SOBRE LA VIDA HUMANA	DIRECTOR	NO
MS. ANA ISABEL FERNÁNDEZ ÁLVAREZ	MAPFRE RE, COMPAÑÍA DE REASEGUROS, S.A.	DIRECTOR	NO
MS. ANA ISABEL FERNÁNDEZ ÁLVAREZ	MAPFRE GLOBAL RISKS, AGENCIA DE SUSCRIPCIÓN, S.A.U.	DIRECTOR	NO
MS. MARÍA LETICIA DE FREITAS COSTA	MAPFRE PARTICIPAÇÕES S.A.	VICE CHAIRWOMAN	NO
MS. MARÍA LETICIA DE FREITAS COSTA	BB MAPFRE PARTICIPAÇÕES, S.A.	DIRECTOR	NO
MS. ROSA MARÍA GARCÍA GARCÍA	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS SOBRE LA VIDA HUMANA	DIRECTOR	NO

MS. ROSA MARÍA GARCÍA GARCÍA	MAPFRE ESPAÑA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	DIRECTOR	NO
MR. ANTONIO GÓMEZ CIRIA	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS SOBRE LA VIDA HUMANA	DIRECTOR	NO
MR. ANTONIO GÓMEZ CIRIA	MAPFRE ESPAÑA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	DIRECTOR	NO
MR. ANTONIO GÓMEZ CIRIA	MAPFRE RE, COMPAÑÍA DE REASEGUROS, S.A.	DIRECTOR	NO
Mr. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	MAPFRE ESPAÑA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	SECOND VICE CHAIRMAN	NO
Mr. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS SOBRE LA VIDA HUMANA	SECOND VICE CHAIRMAN	NO
Mr. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	MAPFRE INTERNACIONAL, S.A.	DIRECTOR	NO
MR. FRANCISCO JOSÉ MARCO ORENES	MAPFRE GLOBAL RISKS, AGENCIA DE SUSCRIPCIÓN, S.A.U.	CHAIRMAN	NO
MR. FRANCISCO JOSÉ MARCO ORENES	MAPFRE INTERNACIONAL, S.A.	DIRECTOR	NO
MR. FERNANDO MATA VERDEJO	MAPFRE ESPAÑA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	DIRECTOR	NO
MR. FERNANDO MATA VERDEJO	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS SOBRE LA VIDA HUMANA	DIRECTOR	NO
MR. FERNANDO MATA VERDEJO	MAPFRE INTERNACIONAL, S.A.	DIRECTOR	NO
MR. FERNANDO MATA VERDEJO	MAPFRE PARTICIPACIONES, S.A.U.	ADMINISTRATOR	NO
MR. FERNANDO MATA VERDEJO	MAPFRE INMUEBLES SGA, S.A.	ADMINISTRATOR	NO
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MAPFRE ESPAÑA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	DIRECTOR	NO
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS SOBRE LA VIDA HUMANA	DIRECTOR	NO
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MAPFRE ASISTENCIA, COMPAÑÍA INTERNACIONAL DE SEGUROS Y REASEGUROS, S.A.	DIRECTOR	NO

MS. MARÍA DEL PILAR PERALES VISCASILLAS	MAPFRE ASISTENCIA, COMPAÑÍA INTERNACIONAL DE SEGUROS Y REASEGUROS, S.A.	VICE CHAIRWOMAN	NO
MS. MARÍA DEL PILAR PERALES VISCASILLAS	MAPFRE GLOBAL RISKS, AGENCIA DE SUSCRIPCIÓN, S.A.U.	DIRECTOR	NO
MR. ALFONSO REBUELTA BADÍAS	MAPFRE GLOBAL RISKS, AGENCIA DE SUSCRIPCIÓN, S.A.U.	VICE CHAIRMAN	NO
MR. ALFONSO REBUELTA BADÍAS	MAPFRE INTERNACIONAL, S.A.	DIRECTOR	NO
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	MAPFRE SEGUROS GERAIS	CHAIRMAN	NO
MR. FRANCISCO JOSÉ MARCO ORENES	FUNESPAÑA, S.A.	CHAIRMAN	NO

C.1.11 Details on the positions of director, administrator or manager, or the representative thereof, held by the directors or representatives of directors who are members of the company's board of directors at other companies, whether or not they are listed companies:

Identification of director or representative	Name of the company, listed or not	Position
MR. FERNANDO MATA VERDEJO	CARTERA MAPFRE, S.L.U.	DIRECTOR
MS. ROSA MARÍA GARCÍA GARCÍA	COMPAÑÍA LOGÍSTICA DE HIDROCARBUROS CLH, S.A. (EXOLUM)	CHAIRMAN
MS. ROSA MARÍA GARCÍA GARCÍA	SENER GRUPO DE INGENIERÍA, S.A.	DIRECTOR
MS. ROSA MARÍA GARCÍA GARCÍA	EDP, RENOVAVEIS, S.A.	DIRECTOR
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	CARTERA MAPFRE, S.L.U.	DIRECTOR
MR. ANTONIO MIGUEL-ROMERO DE OLANO	NIJINSKY, S.L.	DIRECTOR
MR. ANTONIO GÓMEZ CIRIA	RED ELÉCTRICA CORPORACIÓN, S.A.	DIRECTOR
MR. ANTONIO GÓMEZ CIRIA	HISPASAT, S.A.	DIRECTOR
MS. CATALINA MIÑARRO BRUGAROLAS	ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A.	DIRECTOR
Mr. IGNACIO BAEZA GÓMEZ	CARTERA MAPFRE, S.L.U.	DIRECTOR
Mr. ANTONIO HUERTAS MEJÍAS	CARTERA MAPFRE, S.L.U.	CHAIRMAN
MS. MARÍA LETICIA DE FREITAS COSTA	EMBRAER S.A.	DIRECTOR
MS. MARÍA LETICIA DE FREITAS COSTA	LOCALIZA RENT A CAR S.A.	DIRECTOR
MS. MARÍA LETICIA DE FREITAS COSTA	MOBLY S.A.	DIRECTOR

MS. MARÍA LETICIA DE FREITAS COSTA	TOTVS S.A.	DIRECTOR
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The director positions of Ms. Catalina Miñarro Brugarolas, Ms. Rosa María García García, Ms. María Leticia de Freitas Costa, and Mr. Antonio Gómez Ciria are remunerated.

Indicate, if applicable, any other remunerated activities of the directors or representatives of the directors, whatever their nature, aside from those indicated in the table above.

Identification of director or representative	Other remunerated activities
MS. ROSA MARÍA GARCÍA GARCÍA	Member of the Advisory Board of the IFEMA Vida Silver Fair, professor at the Online University of La Rioja (UNIR) and member of the Advisory Board of Arcus Infrastructure
MS. MARÍA DEL PILAR PERALES VISCASILLAS	National and international arbitrator, member of the panel of arbitrators of various arbitration courts in Spain and other countries, and Professor of Commercial Law at the University Carlos III of Madrid-
MS. ANA ISABEL FERNÁNDEZ ÁLVAREZ	General Manager at CUNEF.
MR. ANTONIO GÓMEZ CIRIA	Professor at IEB-Instituto de Estudios Bursátiles (Institute for Market Studies)
MR. ALFONSO REBUelta BADÍAS	Partner at Signium International
MS. MARÍA LETICIA DE FREITAS COSTA	Partner at Prada Assessoria and at SLP Consultoria e Treinamento

C.1.12 Indicate and, if applicable, explain if the company has established rules on the maximum number of boards of companies in which its board directors can be part, identifying, where appropriate, where it is regulated:

Yes
 No

Explanation of the rules and identification of the document where it is regulated

According to Article 4 of the MAPFRE Regulation of the Board of Directors, no director can simultaneously be a member of more than five Boards of Directors of companies that do not form part of the Group, except for personal or family companies.

C.1.13 Indicate the amounts of the items related to the overall remuneration of the following board of directors:

Remuneration accrued in the financial year in favor of the Board of Directors (thousands of euros)	16,305
Amount of funds accumulated by current directors through long-term savings systems with consolidated economic rights (thousands of euros)	22,536
Amount of funds accumulated by current directors through long-term savings systems with non-consolidated economic rights (thousands of euros)	14,394
Amount of funds accumulated by former directors through long-term savings systems (thousands of euros)	

C.1.14 Identify those executive management members who are not also executive board directors, and indicate the total remuneration earned by them during the fiscal year:

Name or company name	Position(s)
MR. ÁNGEL LUIS DÁVILA BERMEJO	GENERAL COUNSEL - GROUP CHIEF LEGAL OFFICER

MS. MARIA LUISA GORDILLO GUTIÉRREZ	GROUP CHIEF INTERNAL AUDIT OFFICER	
MR. JOSÉ LUIS JIMÉNEZ GUJARDO- FAJARDO	GROUP CHIEF INVESTMENT OFFICER	
MS. EVA PIERA ROJO	GROUP CHIEF EXTERNAL RELATIONS AND COMMUNICATION OFFICER	
MS. MARÍA ELENA SANZ ISLA	GROUP CHIEF PEOPLE OFFICER	
MR. JOSÉ LUIS GURTUBAY FRANCIA	GROUP CHIEF STRATEGY AND M&A OFFICER	
MR. JOSÉ ANTONIO ARIAS BERMÚDEZ	GROUP CHIEF OPERATIONS OFFICER AND CHIEF INNOVATION OFFICER	
MR. ALFREDO CASTELO MARÍN	GROUP CHIEF BUSINESS AND CLIENTS OFFICER	
MS. VANESSA ESCRIVÁ GARCÍA	GROUP CHIEF INFORMATION OFFICER	
Number of women in senior management		4
Percentage of total members of senior management		44.44
Total remuneration of senior management (in thousands of euros)		5,991

C.1.15 Indicate whether during the fiscal year there has been any change in the board regulations:

- Yes
 No

C.1.16 Indicate procedures for selection, appointment, re-election and removal of directors. List the competent bodies, the procedures to be followed and the criteria to be employed in each procedure.

The persons to whom the position of board director of MAPFRE S.A. or of a subsidiary company is offered must make a prior, true and full statement of their personal, family, professional or business circumstances, specially stating: (i) the persons or companies that have, with respect to him/her, the status of related persons in accordance with the provisions of the current legislation; (ii) any circumstances that could entail any incompatibility in accordance with the laws, the Bylaws and the Regulations of the Board of Directors, or a situation of conflict of interest; (iii) his/her remaining professional obligations, in case they could interfere with the dedication required for the position; (iv) criminal cases in which he/she appears as the defendant or prosecuted party; and (v) any other event or situation that affects him/her and that may be relevant for his/her performance as a Board director. This declaration must be made on the form provided for such purposes by MAPFRE, and shall include an express acceptance of the regulations set out in the corporate bylaws and other internal regulations, as well as in current legislation.

Any person who holds the position of board director must be of renowned prestige in his/her professional and business area, and hold all necessary professional qualifications or experience as provided by law for financial institutions or insurance companies subject to supervision by Public Authorities.

Specifically, people cannot be members of the Board of Directors if they hold significant shares in, or provide professional services to, competing businesses of the Company or of any company of the Group, or if they work as employees, managers, or administrators of them, unless they are granted express authorization from the Board of Directors.

- Proposals for the appointment or reappointment of independent directors must be preceded by a proposal from the Appointments and Remuneration Committee. The proposed reappointment of such directors must include a performance evaluation of their positions by directors during the previous mandate and, where appropriate, of the positions performed by candidates on the Board, taking into account or assessing the amount and quality of the work done by them, and their commitment to the position.

- The formulation of proposals for appointment or reappointment by the Board of Directors must be preceded:

- a) In the case of Nominee Directors, by a suitable proposal of the shareholder backing their appointment or reappointment.
b) In the case of Executive Directors, as well as the Secretary, whether or not a director, by a suitable proposal from the Chairman of the Board of Directors.

Both types of proposals must also be preceded by the corresponding report from the Appointments and Remuneration Committee.

- The proposed reappointment of nominee and executive directors must be subject to a prior report issued by the Appointments and Remuneration Committee, which must include a performance evaluation of their positions by directors during the previous mandate and, where appropriate, of the

... presented by candidates on the Board, taking into account or assessing the amount and quality of the work done by them, and their commitment to the position.

In any case, the proposals for appointment and reappointment of Board Directors must be accompanied by an explanatory report from the Board which assesses the responsibility, experience and merits of the candidate.

The Board of Directors shall not propose to the Annual General Meeting that any independent board director be removed from office before the end of the term for which the board director has been elected unless the Board of Directors considers, based on a report from the Appointments and Remuneration Committee, that there are grounds for doing so. In particular, the removal proposal shall be deemed justified when the Board Director has failed to comply with the duties inherent to the position, has not complied with any requirement set forth for Independent Board Directors, or has incurred in an insuperable conflict of interest according to the provisions of current legislation.

C.1.17 Explain how the annual assessment of the Board has led to significant changes in its international organization and in the procedures that apply to its activities:

Description of amendments

In fiscal year 2021, the Board of Directors carried out an assessment of the quality of its work and the operation of its Committee and Steering Committees without the advisory of an external consultant (the 2019 evaluation was performed with the assistance of Deloitte Legal S.L.P.).

The annual self-assessment of the Board of Directors has put a special focus on those key aspects with respect to which the directors expressed interest in previous assessments. In particular, the following aspects have been analyzed: composition and structure of the Board of Directors and its delegate bodies and the running of the meetings.

The result of the self-assessment process in 2021 was very positive, revealing the following suggestions that will be taken into account to cover future vacancies:

- To organize in an orderly manner the replacement of directors who, due to their age, will have to leave the Board in the coming years, assessing the possibility of adding new profiles with in-depth knowledge of some of the markets in which MAPFRE sees potential for strong growth.
- To continue working to add women to the Board of Directors to achieve the goal that female directors represent at least 40% of all members by the end of 2022.

Describe the assessment process and the areas assessed by the Board of Directors with the assistance, where applicable, by an external consultant, regarding the operation and composition of the board and its committees and any other area or aspect that has been subject to assessment.

Description of the assessment process and assessment areas

In accordance with the provisions of the Regulations of the Board of Directors of MAPFRE, the Board undertakes an annual assessment of the quality of its work, the performance of the Chairman based on the report drawn up for this purpose by the Appointments and Remuneration Committee, and the operation of its Committees and Steering Committee. Where appropriate, it proposes an action plan to correct any deficiencies detected.

The Steering Committee, Audit and Compliance Committee, and Appointments and Remuneration Committee prepared their respective self-assessment reports on their composition and operations during 2021. During the first quarter of 2022, the Risk Committee will prepare its self-assessment report on its composition and operations during 2021.

Likewise, the Board of Directors will assess its own composition and operations during 2021 as well as those of its Committees and Steering Committees based on the aforementioned reports.

C.1.18 Itemize, in those financial years in which the assessment was carried out with an external consultant, the business relationships that the consultant or any company of its group maintains with the company or any company of its group.

Not applicable.

C.1.19 Indicate the circumstances under which directors are obliged to resign.

In accordance with the corporate bylaws, the Board of Directors Regulation and the MAPFRE Group's Institutional, Business and Organizational Principles, all members of the Board of Directors will formally resign their post at the age of 70. The Chairman, Vice Chairmen and directors who perform executive functions, and the secretary of the Board must retire from office on reaching 65 years of age or, on any earlier date according to the terms and conditions of their respective contracts, submitting the corresponding resignations, but they may continue as members of the Board without any executive duties for a maximum of five years in the same conditions as external nominee directors.

All directors must resign from their directorship on the Board of Directors and any office held, such as on the Committees and Steering Committee, and tender their formal resignation should the Board of Directors deem it pertinent, in the following cases:

- a) Whenever they are removed from the executive office associated with their appointment as members of these governing bodies.
- b) Should they become subject to any disqualification or prohibition laid down under law.
- c) If they are accused of (or a court issues an order for the opening of a trial for) allegedly committing any crime or are involved in disciplinary proceedings involving a serious or very serious fault at the instance of the supervisory authorities.
- d) If they receive a serious warning from the Audit and Compliance Committee due to infringement of their obligations as directors.
- e) When they are affected by circumstances in which their remaining on any such management bodies might cause damage to the company's credit or reputation, or place its interests at risk. When such events or circumstances are well-known or public, the Appointments and Remuneration Committee, by agreement of the majority of its members, may request the resignation of the affected director.
- f) If the reasons (if any expressly exist) for which they were appointed cease to apply.

Resignation from these positions must be formally tendered in a letter addressed to all members of the Board of Directors. Directors who, at the time of their appointment, do not hold any executive position or perform any executive functions in the company, or in another Group company, will not be able to perform any executives functions unless they first resign their directorship, even though they may subsequently remain eligible for the position.

Nominee directors must also tender their resignation when the shareholder that appointed them sells its shareholding. When a shareholder reduces its shareholding, a proportionally equivalent number of nominee directors that it has appointed must resign.

MAPFRE's Independent Board Directors must also tender their resignation when they have held office for consecutive 12 years.

C.1.20 Are reinforced majorities required, aside from legal majorities, for any type of resolution?

- Yes No
- If so, describe the differences.

C.1.21 Explain whether there are specific requirements, other than those regarding board directors, to be appointed chairman of the board.

- Yes
- No

Requirements description

In accordance with the provisions of Article 5 of the Regulations of the MAPFRE Board of Directors, the position of Chairman must go to an executive director who has the status of most senior management representative, and such a designation requires the favorable vote of two-thirds of the members of the Board of Directors.

C.1.22 Indicate whether the bylaws or the Board regulations establish any age limit for directors:

- Yes
- No

	Age limit
Chairman	65
Managing Director	65
Board Director	70

C.1.23 Indicate whether the bylaws or the Board's regulations establish a limited mandate or other stricter requirements than those legally provided for independent directors, other than that established in the regulations:

- Yes
- No

C.1.24 Indicate whether the bylaws or the regulations of the board of directors establish specific regulations for delegating votes on the board of directors in favor of other board directors, how to do it, and in particular, the maximum number of delegations a board director may have, as well as whether any limit has been established regarding the categories in which it is possible to delegate, beyond the limits imposed by legislation. If so, describe such regulations briefly.

There are no specific regulations for delegating votes on the Board of Directors.

C.1.25 Indicate the number of meetings the Board of Directors has held during the financial year. Where applicable, indicate how many times the Board has met without the Chairman in attendance. In calculating this number, attendance shall mean proxies given with specific instructions.

Number of board meetings	11
Number of board meetings not attended by the Chairman	0

Indicate the number of meetings held by the Lead Director with the rest of the directors, without the assistance or representation of any executive director:

Number of meetings	0
--------------------	---

Indicate the number of meetings the Board's different Committees have held during the financial year.

Number of meetings of the STEERING COMMITTEE	4
Number of meetings of the AUDIT AND COMPLIANCE COMMITTEE	11
Number of meetings of the APPOINTMENTS AND REMUNERATION COMMITTEE	5
Number of meetings of the RISK COMMITTEE	7

Irrespective of the meetings mentioned, the Appointments and Remuneration Committee adopted agreements by written procedure, without a meeting, by means of circulars dated February 9 and April 5, 2021.

C.1.26 Indicate the number of meetings the Board of Directors has held during the financial year and the attendance information of its members:

Number of meetings attended by at least 80% of the directors	11
% attendance over total votes during the year	100.00
Number of meetings attended in person or representations carried out with specific instructions of all directors	11
% of votes cast with in person attendance and representations made with specific instructions, on total votes during the fiscal year	100.00

C.1.27 Indicate whether the individual and consolidated financial statements presented to the board for formulation were certified beforehand:

[Yes
] No



Where applicable, identify the person(s) who certified the individual and consolidated financial statements to be drawn up by the board:

Name	Position
MR. FERNANDO MATA VERDEJO	CHIEF FINANCIAL OFFICER
MS. MARÍA LUISA GORDILLO GUTIÉRREZ	GROUP CHIEF INTERNAL AUDIT OFFICER
MR. JOSÉ MANUEL VALLEJO MANCHADO	GROUP CHIEF ADMINISTRATIVE OFFICER

C.1.28 Explain any mechanisms put in place by the board of directors to ensure that the financial statements the board of directors submits to the annual general meeting are drawn up in accordance with accounting regulations.

The company has Corporate Finance and Resources, General Counsel and Internal Audit Areas to oversee all aspects of the annual accounts, as well as the MAPFRE Audit and Compliance Committee, which is a delegate body that was created by the Board for this purpose and granted supervisory powers in 2000.

According to Article 23 of the Regulations of the Board of Directors of MAPFRE, the Financial Statements submitted to the Board of Directors in order to be authorized for issue shall be previously certified with regard to their accuracy and integrity by the most senior management representative of the Company – or, as the case may be, by the consolidated group – by the corresponding Group Chief Internal Audit Officer and by the manager responsible for the preparation of the aforementioned Statements.

In addition, Article 25 of the Regulation of the Board of Directors of MAPFRE provide that the Board of Directors must always draw up the financial statements so that the External Auditor has no reservations or provisos regarding them. Nonetheless, when the Board considers that it must maintain its criteria, the Chairman of the Audit and Compliance Committee will publicly explain the content and scope of the discrepancies that may have led to these reservations or provisos.

C.1.29 Is the Board secretary a director?

Yes No

If the secretary does not have the status of director, complete the following table:

Name or company name of the secretary	Representative
MR. ÁNGEL LUIS DÁVILA BERMEJO	

C.1.30 Indicate the specific mechanisms established by the company to preserve the independence of the external auditors, as well as, if any, the mechanisms to preserve the independence of the financial analysts, the investment banks and the rating agencies, including how they have implemented the legal provisions in practice.

In addition to abiding by statutory provisions, the company has decided to voluntarily propose compliance with a number of general guidelines that clearly and precisely aim to achieve and uphold the necessary independence of the external auditors in such regard as is advocated by the MAPFRE Board of Directors Regulations, which set out the following criteria in respect of the relationship with external auditors:

- The relationship of the Board of Directors with the company's external auditor shall be maintained through the Audit and Compliance Committee.
- The Board of Directors shall refrain from hiring any auditing firms that receive or that will receive annual fees from the Group, where the amount for all items exceeds 5% of its total annual revenue; and it shall report, in the annual public documentation, the total fees that the Group paid the External Auditor for the various services it provided.

Apart from the Audit and Compliance Committee's powers and functions as specified in the bylaws and the Board of Directors Regulations, the Audit Committee will be informed at least once every six months of all services rendered by the external auditor and their corresponding fees.

Every year, the Audit and Compliance Committee assesses the accounts auditor, the scope of the audit and the external auditor's independence, considering whether the quality of the audit control measures is adequate and any services other than accounts audit services are compatible with the auditor's independence.

Furthermore, the Audit and Compliance Committee verifies the independence of the external auditor in relation to the Company and its subsidiaries, receiving from it the declaration of its independence and issuing the Committee the corresponding report on the independence of the auditor.

In accordance with the provisions of the Internal Code of Conduct regarding listed securities issued by MAPFRE, which sets out the procedures relating to the

privileged information and other relevant information, the financial analysts will not be provided with any information that is not available to the public at large.

C.1.31 Indicate whether the company changed its external auditor during the financial year. If so, identify the incoming and outgoing auditors:

Yes No

If there were disagreements with the outgoing auditor, explain the grounds.

Yes No

C.1.32 Indicate whether the audit firm does other work for the company and/or its group other than the audit. If so, declare the amount of fees received for such work and the percentage that the above amount represents of the total fees charged to the company and/or its group:

Yes

No

	Society	Group Companies	Total
Amount for work other than audit (thousands of euros)	178	1,243	1,421
Amount from jobs other than audit / Amount audit jobs (in %)	30.79	19.31	20.25

C.1.33 Indicate whether the audit report on the annual financial statements for the previous fiscal year contained exceptions. If any, indicate the reasons given to the shareholders at the Annual General Meeting by the Chairman of the Audit Committee to explain the content and scope of said exceptions.

Yes

No

C.1.34 Indicate the number of fiscal years during which the current audit firm has been continuously performing the audit of the individual and/or consolidated financial statements of the company. Indicate the percentage of the number of fiscal years audited by the current auditing firm to the total number of fiscal years in which the annual financial statements have been audited:

	Individual	Consolidated
Number of financial years running	7	7
Number of fiscal years audited by current audit firm/number of fiscal years the company or its group has been audited (in percentage).	23.32	23.32

C.1.35 Indicate and, where applicable, give details on the existence of a procedure for board directors to obtain the information they need to prepare the meetings of the management bodies in sufficient time:

Yes

No

Details of the procedure

With the provisions of the Regulations of the Board of Directors, the meeting shall always include the agenda, which shall be established by the Chairman, and shall be accompanied by the appropriate information on the matters to be discussed, and duly prepared.

The agenda will be circulated to all members at least five days in advance of the meeting and will specifically state those items that are for information purposes and those that require a Board resolution. The documentation will be circulated among members at least three days ahead of the meeting, to allow for due analysis and study of the same by directors.

The Chairman of the Board of Directors, as the person responsible for the effective operation thereof, shall take the necessary measures to ensure that the Directors receive sufficient information in advance of the meeting on the items on the agenda.

In addition, Directors are vested with the broadest powers to obtain information on any aspect of the Company, to examine their books, records, documents and other background on social operations. This right to information is extended to the Group companies to the extent necessary to enable the effective performance of their duties by the board directors.

This aspect is subject to a specific analysis by the Board of Directors of the Company in its annual self-evaluation session.

C.1.36 Indicate and, where applicable, give details on whether the company has established rules obliging board directors to inform and, where applicable, to resign when situations arise that affect them, whether related or not to their conduct in the company that may harm the company's credit and reputation:

Yes
 No

Explain the rules

The directors must place their office(s) at the disposal of the Board of Directors, both as directors and any other position they might hold on any Committee or Steering Committees thereof, and formalize any resignation, should the Board deem it necessary, in the following cases:

- Whenever they are removed from the executive office associated with their appointment as a member of these governing bodies.
- Should they become subject to any disqualification or prohibition laid down under law.
- If they are accused of (or a court issues an order for the opening of a trial for) allegedly committing any crime or are involved in disciplinary proceedings involving a serious or very serious fault at the instance of the supervisory authorities.
- If they receive a serious warning from the Audit and Compliance Committee due to infringement of their obligations as directors.
- When they are affected by circumstances that might harm the company's credit or reputation or place its interests at risk were they to remain on these governing bodies. When such events or circumstances are well-known or public, the Appointments and Remuneration Committee, by agreement of the majority of its members, may request the resignation of the affected director.
- If the reasons (if any expressly exist) for which they were appointed cease to apply.

C.1.37 Indicate, unless special circumstances have arisen that have been recorded in minutes, if the board has been informed or otherwise become aware any situation affecting a board member related or not to their conduct in the company that might harm the company's name and reputation:

Yes
 No

C.1.38 List the significant resolutions adopted by the company and that take effect, are amended or conclude in the event of a change in control of the company on account of a public takeover bid, and its effects.

There are no significant resolutions adopted by the company and that take effect, are amended or conclude in the event of a change in control of the company on account of a public takeover bid.

C.1.39 Identify individually, when referring to board directors, and in aggregate form in all other cases and indicate, in detail, resolutions between the company and its administrative and management positions or employees that provide indemnification, guarantee clauses or shielding, when they resign or are dismissed unfairly or if the contractual relationship is terminated on the occasion of a public invitation to tender or other transactions.

Number of beneficiaries	0
Beneficiary type	Description of the resolution
N/A	<p>The term of the contracts of the executive directors is related to their time as an executive director. Removal from this position entails the lifting of the suspension of the relationship.</p> <p>prior to the appointment as such. Executive board directors must have an exclusive relationship with the company, and there are no contractual conditions relating to post-contractual non-competition agreements or continuity of service. Early termination of the previous relationship entails indemnification under the terms established in the workers' statute in relation to unfair dismissal, except where there is good cause for dismissal. In the event of early termination by decision of the company, the company must inform the board director of their removal three (3) months prior to the date of termination. Contracts governing the prior relationship establish the termination of this relationship as on January 1 of the year after which the board director reaches the age of 60, unless annual extensions are implemented at the initiative of the company until the date on which the executive reaches the age of 65, as a maximum. There are no clauses related to hiring bonuses.</p>

Indicate whether, other than the cases stipulated in the regulations, these contracts have to be communicated and/or approved by the bodies of the company or its group. If so, specify the procedures, foreseen assumptions and the nature of the bodies responsible for approving or communicating them:

	Board of Directors	General Meeting
Body authorizing the clauses	√	
	Yes	No
Is the General Meeting informed of the clauses?		√

C.2. Board of Directors' Committees

C.2.1 List all the Board of Directors' committees, their members and the percentage of executive, nominee, independent and other external directors that compose them:

STEERING COMMITTEE		
Name	Position	Category
Mr. ANTONIO HUERTAS MEJÍAS	CHAIRMAN	Executive
Mr. IGNACIO BAEZA GÓMEZ	VICE CHAIRMAN	Executive
MS. CATALINA MIÑARRO BRUGAROLAS	VICE CHAIRWOMAN	Independent
MR. JOSÉ ANTONIO COLOMER GUIU	MEMBER	Independent
Mr. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	MEMBER	Nominee
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MEMBER	Nominee

% of executive directors	33.33
% of nominee directors	33.33

% of independent directors	33.33
% of other external board directors	0.00

Explain the functions delegated or attributed to this committee other than those already described in section C.1.9. Likewise, describe the organization and operation procedures and rules thereof. For each of these functions, indicate its most important actions during the fiscal year and how it has performed each of the functions attributed to it in practice, whether according to the law, the bylaws or other corporate agreements.

The delegate body of the Board of Directors responsible for senior management and permanent oversight of the strategic and operational aspects of the company's ordinary business affairs and those of its subsidiaries. It also makes any decisions necessary for proper operation.

It has the general capacity of decision and has been expressly delegated all the powers that correspond to the Board of Directors, except for those that may not be delegated by legal imperative or, where applicable, by express provision in the Corporate Bylaws or in the Regulations of the Board of Directors of MAPFRE S.A.

A maximum of ten members, all part of the Board of Directors. Its Chairman, First and Second Vice Chairmen and secretary will automatically be members of the Board. Members must be appointed with a favorable vote from two-thirds of the members of the Board of Directors.

During the 2021 fiscal year, the Steering Committee was responsible for being familiar with the economic information of the Company and its Group, authorizing the Group's corporate actions, being familiar with relationships with official bodies and the main litigation affecting the Group's companies, being familiar with the purchase of MAPFRE shares by members of governing and management bodies, and granting powers.

AUDIT AND COMPLIANCE COMMITTEE

Name	Position	Category
MS. ANA ISABEL FERNÁNDEZ ÁLVAREZ	CHAIRWOMAN	Independent
MR. JOSÉ ANTONIO COLOMER GUIU	MEMBER	Independent
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MEMBER	Nominee
MS. MARÍA DEL PILAR PERALES VISCASILLAS	MEMBER	Independent

% of executive directors	0.00
% of nominee directors	25.00
% of independent directors	75.00
% of other external board directors	0.00

Explain the functions, including, as the case may be, those additional to those legally provided, that this committee has attributed, and describe the procedures and rules of organization and operation thereof. For each of these functions, indicate its most important actions during the fiscal year and how it has performed in practice each of the functions attributed to it, whether in the law, in the bylaws or other corporate agreements.

The Audit and Compliance Committee has the following responsibilities:

- To apprise the Annual General Meeting of matters that are the responsibility of the Committee and, in particular, regarding the results of the audit, explaining how the committee has contributed to the integrity of the financial and non-financial information and role that the Committee had in said process.
- To oversee the efficacy of internal controls at the Company, internal audits and financial and non-financial risk control and management systems, as well as discussing with the External Auditor any significant weaknesses identified in the internal control system in the course of

the audit, all without undermining its independence. For these purposes, recommendations or proposals may be presented to the Board of Directors, where applicable, together with the corresponding term for the monitoring thereof.

- c) To oversee the process for drawing up and presenting the mandatory financial and non-financial information, and to present recommendations or proposals to the Board of Directors with a view to safeguarding its integrity.
- d) To submit to the Board of Directors any proposals for the selection, appointment, reelection and substitution of the External Auditor, being accountable both for the selection process, as contemplated in the corresponding legislation currently in force, and for the conditions of its hiring, and regularly to gather information relating to the audit plan and its execution from the External Auditor, while preserving its independence in performing its functions.
- e) To establish appropriate relationships with the External Auditor in order to receive information concerning any issues that may jeopardize its independence, so that they may be examined by the Committee, and any other issues relating to the accounts auditing process, and where appropriate, authorizations for services other than those prohibited under the terms contemplated in the corresponding legislation currently in force for auditing accounts, on independent status, as well as other communications envisaged in account audit legislation and auditing standards. In any case, they must receive annual written confirmation from the External Auditor of their independence from the company or companies directly or indirectly linked to it, as well as the detailed and individualized information concerning the additional services of any type rendered and those professional fees received corresponding to these companies by said External Auditor, or by the people or companies linked to them in accordance with the provisions of the accounts auditing legislation in force.
- f) To issue a yearly report, prior to the publication of the accounts audit report, expressing an opinion concerning whether the independence of the External Auditor has been compromised. This report, in any case, must contain the reasoned evaluation of the provision of each and every one of the additional services to which the above letter makes reference, individually considered and jointly, apart from those concerning legal audits and in relation to the independent status or with the regulatory statutes for account auditing activity.
- g) To ensure that, as far as possible, the External Auditor of the Group takes responsibility for auditing all the companies belonging to it.
- h) To ensure the independence and efficacy of the Internal Audit function; to propose the selection, appointment, reelection and removal of its most senior management, as well as its annual budget, and the plan for the annual internal audit work; to receive regular information on its activities; and to check that C-Suite takes the conclusions and recommendations of its reports into account.
- i) To inform the Board of Directors in advance on all matters provided in the law, the Corporate Bylaws and Board of Directors Regulations.
- j) To establish and oversee a mechanism that allows employees and other people related to the company, such as board directors, shareholders, providers, contractors or subcontractors, to communicate potentially significant irregularities related to the company that they observe within the company or its Group, including financial and accounting irregularities, or those of any other nature. This mechanism must guarantee confidentiality and, in any case, envision situations where communications can be made anonymously, respecting the rights of the whistleblower and the accused party.
- k) To ensure in general that the internal control policies and systems established are effectively implemented in practice.
- l) To verify the application of the established good governance regulations at all times.
- m) To oversee compliance with internal and external regulations, especially with internal codes of conduct, regulations and procedures for the prevention of money laundering and financing terrorism, as well as making proposals for their improvement.
- n) To supervise the adoption of actions and measures that are the result of reports or actions for inspection of administrative authorities for supervision and control.
- n) Any other responsibilities that may be assigned by the Board of Directors or attributed to it in the Regulations of the said body. [THE

INFORMATION IN THIS SECTION CONTINUES IN SECTION H.1 OF THIS REPORT]

To identify the members of the audit committee that have been appointed taking into account their knowledge and experience in accounting, auditing or both and report on the date of appointment of the Chairman of this committee in such position.

Names of experienced board directors	MS. ANA ISABEL FERNÁNDEZ ÁLVAREZ/MR. JOSÉ ANTONIO COLOMER GUIU/MR. ANTONIO MIGUEL-ROMERO DE OLANO
Date of appointment of the Chairman to the position	8/18/2019

APPOINTMENTS AND REMUNERATION COMMITTEE		
Name	Position	Category
MS. CATALINA MIÑARRO BRUGAROLAS	CHAIRWOMAN	Independent
MR. JOSÉ ANTONIO COLOMER GUIU	MEMBER	Independent
MS. ROSA MARÍA GARCÍA GARCÍA	MEMBER	Independent
Mr. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	MEMBER	Nominee
MR. ALFONSO REBUELTA BADÍAS	MEMBER	Nominee

% of executive directors	0.00
% of nominee directors	40.00
% of independent directors	60.00
% of other external board directors	0.00

Explain the functions, including, as the case may be, those additional to those legally provided, that this committee has attributed, and describe the procedures and rules of organization and operation thereof. For each of these functions, indicate its most important actions during the fiscal year and how it has performed in practice each of the functions attributed to it, whether in the law, in the bylaws or other corporate agreements.

The Appointments and Remuneration Committee is the delegate body of the Board of Directors for the coordinated development of appointment and remuneration policy regarding the directors and senior management of the Group.

It has the following responsibilities:

- a) Evaluate the balance of skills, knowledge, and experience required on the Board of Directors, defining the functions and responsibilities required of the candidates to fill each vacancy accordingly, and decide the time and effort necessary for them to perform their functions properly.
- b) Establish a representation objective for the less-represented gender on the Board of Directors and create orientations regarding how to reach said objective.
- c) To submit to the Board of Directors any proposals for the appointment of Independent Board Directors so that they may be designated by co-opting or so that they may be subject to the decision of the Annual General Meeting, as well as proposals for reappointment or removal, and to report on cases related to proposals that affect the remaining Board Directors.
- d) To notify proposals for the appointment and termination of senior managers and their basic contractual conditions.
- e) To examine and organize the succession of the Chairman of the Board of Directors, and where appropriate, to make the corresponding proposals to the Board so that this succession is orderly and well-planned.
- f) To propose to the Board of Directors the remuneration policy for Board Directors and general directors or anyone who performs senior management duties under the direct control of the Board, the Steering Committee or the Managing Directors, as well as the individual remuneration and other conditions of the contracts of Executive Board Directors, ensuring their enforcement.
- g) To propose to the Board of Directors the candidates for appointment as FUNDACIÓN MAPFRE Trustees whose appointment is the responsibility of the Company.
- h) To authorize the appointment of External Directors in the other Group companies.

The Committee is made up of a minimum of three and a maximum of five Directors, all of whom must be non-executive, and at least two of whom must be Independent Directors. The Chairman must be an Independent Director. The Secretary of the Board of Directors will also be the Secretary of the Committee.

During financial year 2021, the Appointments and Remuneration Committee was responsible, among others duties, for reporting the appointments and dismissals of Group directors and executives, for reporting the Chairman's actions during 2020, for submitting/reporting favorably on proposals for re-election of the directors to the Board of Directors, for approving the salary of the Senior Management Positions for fiscal year 2021, for authorizing the granting of pension obligations, for approving the granting of management contracts, and for proposing to the Board of Directors the candidates for the appointment of Trustees of FUNDACIÓN MAPFRE.

For more information, please consult the Report on the Composition and Functioning of the Committee during fiscal year 2021, available on the Company's website, which is made available to shareholders for the General Meeting.

RISK COMMITTEE

Name	Position	Category
MR. JOSÉ ANTONIO COLOMER GUIU	CHAIRMAN	Independent
MS. ANA ISABEL FERNÁNDEZ ÁLVAREZ	MEMBER	Independent
MR. ANTONIO GÓMEZ CIRIA	MEMBER	Independent
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MEMBER	Nominee

% of executive directors	0.00
% of nominee directors	25.00
% of independent directors	75.00
% of other external board directors	0.00

Explain the functions delegated or attributed to this committee other than those already described in section C.1.9. Likewise, describe the organization and operation procedures and rules thereof. For each of these functions, indicate its most important actions during the fiscal year and how it has performed each of the functions attributed to it in practice, whether according to the law, the bylaws or other corporate agreements.

This delegate body of the Board of Directors supports and advises the Board on the definition and evaluation of the Group's risk management policies and on the determination of susceptibility to risk and the risk strategy.

It has the following functions:

- Support and advise the Board of Directors in defining and evaluating the Group's risk policies and in determining susceptibility to risk and risk strategy.
- To assist the Board of Directors in overseeing the application of the risk strategy.
- Study and evaluate risk management methods and tools, carrying out monitoring on the models applied in terms of results and validation.

The Committee will be made up of a minimum of three and a maximum of five members, all of whom must be non-executive, and at least two of whom must be independent directors. The chairman must be an Independent Director. The Board of Directors must designate a Secretary, a position which need not be filled by a Director. The Senior Director who oversees the Group's risk area will attend the Committee as a guest.

During fiscal year 2021, the Risk Committee was responsible, among other things, for the review of the solvency position of the Company and its subsidiaries, for the review of the policies approved by the Company in the framework of Solvency II, and for the determination of risk propensity and risk strategy.

C.2.2 Complete the following table with information related to the number of board directors who have belonged to Board of Directors' Committees at the closing of the last four fiscal years:

	Number of directors							
	Fiscal year 2021		Fiscal year 2020		Fiscal year 2019		Fiscal year 2018	
	Number	%	Number	%	Number	%	Number	%
STEERING COMMITTEE	1	16.67	1	16.67	1	16.67	1	16.67

AUDIT AND COMPLIANCE COMMITTEE	2	50.00	2	50.00	2	50.00	2	50.00
APPOINTMENTS AND REMUNERATION COMMITTEE	2	40.00	2	40.00	1	25.00	1	25.00
RISK COMMITTEE	1	25.00	1	25.00	1	25.00	1	25.00

C.2.3 Indicate, where applicable, the existence of regulations for the board committees, where they can be consulted and any amendments made to them during the fiscal year. Indicate whether an annual report on the activities of each committee has been drawn up voluntarily.

STEERING COMMITTEE

The regulation of the Steering Committee is included in the company's bylaws (Article 21) and in the Board Regulations (Articles 9 and 13). These documents, as well as the composition of the Committee, are always available for consultation on the company's website, www.mapfre.com.

No changes have been made to the operating system of the Steering Committee.

The Steering Committee submitted a report on its own functioning to the Board of Directors in fiscal year 2021. **AUDIT AND COMPLIANCE COMMITTEE**

The regulation of the Audit and Compliance Committee is included in the company's bylaws (Article 22) and in the Board Regulations (Articles 10 and 13). These documents, as well as the composition of the Committee, are always available for consultation on the company's website, www.mapfre.com.

No changes have been made to the operating system of the Audit and Compliance Committee.

The Audit and Compliance Committee submitted a report on its functioning in fiscal year 2021 to the Board of Directors.

APPOINTMENTS AND REMUNERATION COMMITTEE

The regulation of the Appointments and Remuneration Committee is included in the company's bylaws (Article 23) and in the Board Regulations (Articles 11 and 13). These documents, as well as the composition of the Committee, are always available for consultation on the company's website, www.mapfre.com.

No changes have been made to the operating system of the Appointments and Remuneration Committee.

The Appointments and Remuneration Committee submitted a report on the functioning of the Appointments and Remuneration Committee for fiscal year 2021 to the Board of Directors.

RISK COMMITTEE

The regulation of the Risk Committee is included in the company's bylaws (article 24) and in the Board Regulations (articles 12 and 13). These documents, as well as the composition of the Committee, are always available for consultation on the company's website, www.mapfre.com.

No changes have been made to the operating system of the Risk Committee. However, the Board of Directors has proposed modifying the corporate bylaws at the Annual General Meeting, to be held on March 11, 2022, to assign this committee responsibilities in sustainability matters, renaming it the Risk and Sustainability Committee.

The Risk Committee is expected to submit a report on the functioning of the Risk Committee for fiscal year 2021 to the Board of Directors.

D. RELATED-PARTY TRANSACTIONS AND INTRA-GROUP TRANSACTIONS

- D.1. Explain, if applicable, the procedure and competent bodies for the approval of related-party and intra-group transactions, indicating the company's criteria and general internal rules that regulate the abstention obligations of the affected directors or shareholders and detailing the internal information and periodic control procedures established by the company regarding related-party transactions whose approval has been delegated by the board of directors.**

The Regulations of the MAPFRE Board of Directors and the Policy for the Management of Conflicts of Interest and Related-Party Transactions with Significant Shareholders and Senior Representative or Management Positions regulate the procedure to be followed in relation to related-party transactions.

The Board of Directors agreed at its meeting held on February 9, 2022, to modify the aforementioned regulations in order to adapt their content to Law 5/2021, of April 12, which modifies the recast text of the Companies Act. In this regard, it has been decided to regulate (i) the standards applicable to related-party transactions exclusively in the Regulations of the Board of Directors; and (ii) the standards applicable to conflicts of interest in the Policy for the Management of Conflicts of Interest and Related-Party Transactions with Significant Shareholders and Senior Representative or Management Positions, which will be renamed Policy for the Management of Conflicts of Interest with Senior Representation and Management Positions. The approval of said modifications is conditional on the approval of the amendment of the Bylaws that will be submitted to the Annual General Meeting on March 11, 2022.

The new Regulation establishes that the power to approve related-party transactions whose amount or value is greater than or equal to 10% of the total asset items according to the last annual balance sheet approved by the Company corresponds to the Annual General Meeting, at the proposal of the Board of Directors. The power to approve other related-party transactions corresponds to the Board of Directors. Approval by the Annual General Meeting or by the Board of Directors of a related-party transaction shall be subject to a prior report from the Audit and Compliance Committee.

Additionally, it is foreseen that the Board of Directors may delegate the approval, without a prior report from the Audit and Compliance Committee, of the following related-party transactions:

- Those carried out between Group companies and that are within the scope of ordinary management and under market conditions.
- Those concluded through contracts whose standardized conditions are applied en masse to a large number of clients, are carried out at prices or rates generally established by whoever acts as the supplier of the good or service in question, and the amount of which does not exceeds 0.5% of the Company's net turnover.

In case of delegation, the Board of Directors must establish an internal information and periodic control procedure involving the Audit and Compliance Committee, and it shall verify the fairness and transparency of said transactions and, where appropriate, compliance of the legal criteria applicable to the above exceptions.

During fiscal year 2021 the Board of Directors did not delegate the approval of related transactions.

Additionally, the new Policy for the Management of Conflicts of Interest with Senior Representative and Management Positions aims to establish and regulate the applicable standards and procedure regarding transactions or situations in which the interest of MAPFRE or any of the companies in its Group enters into conflict, directly or indirectly, with the personal interest of the Affected Persons.

Regarding intra-group operations subject to conflicts of interest, the aforementioned Policy establishes that their approval corresponds to the controlled company's General Meeting when such business or transaction is, by its very nature, the legal responsibility of this body and, in any case, when the amount or value of the operation or the total amount of the set of operations provided for in an agreement or framework contract is greater than 10% of the company's total assets. In all other cases, the competent body to approve the operation will be the administrative body of the controlled company.

It also provides that the administrative bodies of the Group companies may delegate the approval of intra-group operations to delegated bodies or to members of the senior management of said companies provided that they are operations carried out in the course of ordinary business activity, which shall include those resulting from the execution of an agreement or framework contract and concluded under market conditions. In the event of delegation, the Group company's management body must implement an internal procedure for the periodic evaluation of compliance with the aforementioned requirements.

Finally, in accordance with the provisions of the Policy and Article 8 of the Regulations for the MAPFRE Board of Directors, directors must refrain from attending and participating in deliberations and voting that affect them personally and in cases of conflict of interest.

- D.2. Individually list the transactions that are significant due to their amount, or relevant due to their subject matter, carried out between the company or its subsidiaries and the shareholders holding 10% or more of the voting rights or represented on the company's board of directors, indicating the competent body for its approval and if any affected shareholder or director has abstained. If the competence has corresponded to the meeting, indicate if the resolution proposal has been approved by the board without a vote against by the majority of the independent members:**

	Name or company name of the shareholder or any of its controlled companies	% Interest	Name of the company or Group company	Amount (thousands of euros)	Approving body	Identification of the significant shareholder or director who abstained	The proposal to the meeting, if applicable, was approved by the board without a vote against by the majority of independent members
(1)	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	69.69	MAPFRE S.A.	400,000	BOARD OF DIRECTORS	NOT APPLICABLE	NO

	Name or company name of the shareholder or any of its controlled companies	Nature of the relationship	Type of transaction and any other information necessary for its evaluation.
(1)	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	Contractual	Extension of the line of credit granted by CARTERA MAPFRE, S.L.U. to MAPFRE S.A. for a new year, also revising the interest rate to adapt it to the current market conditions. To assess whether the transaction was fair and reasonable, the Audit and Compliance Committee took into account the report prepared by the Capital Markets and Treasury function at MAPFRE S.A.

D.3. Individually list the transactions that are significant due to their amount, or relevant due to their subject matter, carried out by the company or its subsidiaries with the company administrators or directors, including transactions carried out with companies that the administrator or director controls or jointly controls, and indicating the competent body for its approval and if any affected shareholder or director has abstained. If the competence has corresponded to the meeting, indicate if the resolution proposal has been approved by the board without a vote against by the majority of the independent members:

	Name or company name of the administrators or directors or of their controlled or jointly controlled companies	Name or company name of the Group company or Controlled company	or Link	Amount (thousands of euros)	Approving body	Identification of the significant shareholder or director who abstained	The proposal to the meeting, if applicable, was approved by the board without a vote against by the majority of independent members
	No data						

Name or company name of the administrators or directors or of their controlled or jointly controlled companies	Type of transaction and any other information necessary for its evaluation
No data	

- D.4.** Individual report of intra-group transactions that are significant due to their amount, or significant due to their subject matter, carried out by the company with its parent company or with other companies belonging to the parent group, including the subsidiaries of the listed company, unless another related party of the listed company has interests in said Group entities or the latter are wholly owned, directly or indirectly, by the listed company.

In any case, report any intra-group transaction carried out with companies established in countries or territories which have the consideration of tax haven:

Company name of the Group company	Brief description of the transaction and any other information necessary for its evaluation	Amount (thousands of euros)
No data		

- D.5.** Individually list the transactions that are significant due to their amount, or relevant due to their subject matter, carried out by the company or its subsidiaries with other related parties and considered as such under the International Accounting Standards adopted by the EU, which have not been reported in the previous headings.

Company name of the related party	Brief description of the transaction and any other information necessary for its evaluation	Amount (thousands of euros)
No data		

- D.6.** List the mechanisms in place to detect, determine and resolve possible conflicts of interest between the company and/or its Group, and its board directors, executives, significant shareholders, and other related parties.

All directors and managers must make a prior declaration at the time of their appointment with regard to these matters. Furthermore, they are required to update this declaration on a regular basis, and whenever a potential situation of conflict arises.

Additionally, the internal code of conduct and the policy for managing conflicts of interest and related transactions with significant shareholders and senior representative or management positions regulate the special obligations relating to potential conflicts of interest.

The Board of Directors has the final decision on these issues. There is a special procedure for the approval of resolutions with regard to matters where there is a potential conflict of interest with a board director. The director in question must refrain from attending or participating in these decisions.

- D.7.** Indicate whether the company is controlled by another company within the meaning of Article 42 of the Commerce Code, listed or otherwise, and has directly or through its subsidiaries, a business relationship with said company or any of its subsidiaries (other than those of the listed company) or if it undertakes activities related to those of any of them.

Yes

No

E. CONTROL SYSTEMS AND RISK MANAGEMENT

E.1. Explain the scope of the company's Risk Control and Management System for financial and non-financial risks, including those of a tax nature.

The MAPFRE Group has a Risk Management System (RMS) based on the continuous and integrated management of each of the business processes and on the suitability of the level of risk to the established strategic objectives, consolidating said management by area, business unit, activities, subsidiaries, geographical areas and corporate support areas.

The Group's Risk Management System considers financial and non-financial risks, including those of a potential or emerging nature and sustainability risks. The different types of risks are grouped under four areas or categories:

- Insurance Activity Risks: This groups together, separately for Life and Non-Life, the risk of premium shortfalls and insufficient technical and catastrophe provisions.
- Financial and Credit Risks: This includes market risks (interest rate, exchange rate, shares, etc.) as well as liquidity and credit risks.
- Strategic Risks and Corporate Governance: This includes business ethics and corporate governance risks as well as risks related to the organizational structure, risks derived from strategic decisions, reputation, alliances, mergers and acquisitions derived from the regulatory environment, including those of a tax nature, and competition risks.
- Operational Risks: This includes potential losses arising from the inadequacy or errors in internal processes, personnel, systems, or external events.

Operational Risks are, among others, external fraud risks such as Cyber Risk, technological risk, and the risk of non-compliance, which includes the risk of penalties and material financial losses as a result of non-compliance with laws, regulations and internal and external regulations, as well as the risk of tax noncompliance (risk of divergences in the interpretation of tax regulations and the determination of market prices between related companies).

The Risk Management System comprises the set of information strategies, processes and procedures necessary to continuously identify, measure, monitor, manage, and notify the risks to which the Group is or may be exposed, applying the basic principles of mandatory compliance, including the assumption of risks while ensuring the continuous application of the principle of responsible management of resources and environmental, social and governance aspects.

E.2. Identify the bodies of the company which are responsible for the preparation and implementation of the Risk Control and Management System for financial and non-financial risks, including those of a tax nature.

The internal control and risk management systems are integrated into the organizational structure of the Group according to the three-lines-of-defense model, so that all the staff of the organization are assigned responsibilities for compliance with the control and risk management objectives.

The Board of Directors is ultimately responsible for guaranteeing the effectiveness of the internal control and risk management systems. It is its sole competence to determine the general policies and strategies, and in particular the policy for the identification, management and control of risks, including fiscal risks, and the supervision of internal information and control systems.

The Steering Committee is the delegate body of the Board of Directors for the executive management and permanent supervision of the ordinary management of the company and its subsidiaries in its strategic and operational aspects, and acts with all its powers except those that are not delegable by legal imperative or, where appropriate, by express provision in the Company Bylaws or in the Regulations of the Board of Directors of MAPFRE S.A.

For the development and implementation of the internal control and management systems for financial and non-financial risks, including tax risks, the Board of Directors relies on the Risk Committee, a delegated body with the following functions:

- To support and advise the Board of Directors on the definition and evaluation of the risk policies of the Group and on the determination of the susceptibility to risk and the risk strategy.
- To assist the Board of Directors in overseeing the implementation of the risk strategy.
- To be familiar with and assess the risk management methods and tools, monitoring the models applied regarding results and validation.

The Audit and Compliance Committee is the delegate body of the Board of Directors with the responsibility of overseeing the effectiveness of internal control, internal audit and the risk management systems; monitoring the development and presentation of financial and non-financial information, establishing appropriate relationships with the External Auditor; monitoring the implementation of good governance standards; and monitoring compliance with internal and external regulations, in particular internal codes of conduct and the rules and procedures for the prevention of money laundering and financing of terrorism.

E.3. List the main financial and non-financial risks, including tax risks and, to the extent that they are significant, those derived from corruption (understood within the scope of Royal Decree Law 18/2017), which may impact the achievement of business objectives.

The organization of MAPFRE, specializing in various business lines, requires them to be highly autonomous in the management of their business, in particular in terms of underwriting and tariff fixing, as well as the indemnification or provision of services in case of incident.

The adequacy of premiums and provisions are an element of special importance in insurance management. Technical provisions are estimated by the actuarial teams of the different companies and their amount is validated by an independent party that did not participate in the calculation. The relevance of the personal injuries business at MAPFRE, with rapid liquidation of claims, and the relative insignificance of long-term risks insured, such as asbestos or professional liability, are elements mitigating the risk of insufficient technical provisions.

In light of MAPFRE's presence in some countries that are highly prone to natural disasters (earthquakes, hurricanes, etc.), and the increased frequency and intensity of extreme events derived from climate change, these types of risks require special treatment. The exposed companies have specialized analyses of catastrophic exposure, generally conducted by independent experts who estimate the scope of losses in the event of a catastrophe. Underwriting catastrophic risks is undertaken based on this information and the economic capital available to the underwriting company. Where appropriate, the equity exposure to these types of risk is mitigated by taking out specific reinsurance coverage.

In this regard, it is important to highlight the contribution of MAPFRE RE, which brings to the management of the Group its long experience in the market of catastrophic risks, determining annually the global catastrophic capacity by territory and establishing the maximum underwriting capabilities per risk and event. MAPFRE RE also has risk retrocession protection programs to cover deviations or increases in the catastrophic loss ratio in different territories.

MAPFRE's policy regarding reinsurance risk is to transfer business to reinsurers of proven financial capacity that meet the credit quality conditions set out in the MAPFRE Group's Reinsurance Policy. Business is ceded to other reinsurers on an exceptional basis after an internal analysis verifying the possession of a solvency margin equivalent to the aforementioned classification or if adequate guarantees are provided.

2. Financial and Credit Risks

MAPFRE mitigates its exposure to this type of risk by means of a prudent investment policy characterized by a high proportion of investment-grade fixed income securities.

Four different types of portfolios are managed within the investment portfolio:

- Those that seek strict immunization from the obligations deriving from insurance contracts.
- Portfolios that cover unit-linked policies made up of assets whose risk is assumed by the policyholders.
- Those that look to exceed the guaranteed return and achieve the highest return for the policyholders within prudential parameters, such as portfolios with profit sharing.
- Open-management portfolios where the active management is only conditioned by legal rules and internal risk limits.

In the first case, the immunized portfolios minimize the interest rate risk through immunization techniques based on the matching of flows or durations.

In the second case, portfolios that cover the unit-linked policies are made up of financial instruments whose risk is assumed by the policyholders.

In the remainder, a certain degree of market risk is assumed, as described below:

- The variable of interest rate risk management is the modified duration that is conditional on the limits established in the Investment Plan.

- Exposure to the exchange rate risk is minimized in the case of insurance liabilities. The Transferable Security and Real Estate Investment Plan establishes the maximum net position limit in currencies that can be adopted in asset management.
- Investments in shares are subject to a maximum limit of the investment portfolio.
- The risk limitations are established in easily-observable quantitative terms of variables. However, a risk analysis in probabilistic terms is carried out in accordance with past volatility and correlations.

With regard to credit risk, the policy is based on applying criteria of prudence in line with the issuer's solvency and seeking a high degree of geographical correspondence between the issuers of the assets and the commitments.

Thus, limits are established according to the risk profile of the counterparty or the investment instrument and in relation to the solvency of the counterparty, and there is a system for monitoring and reporting the exposure to credit risk.

The Security Committee also reviews the main exposures to insurance and reinsurance counterparties.

[THE INFORMATION IN THIS SECTION CONTINUES IN SECTION H.1 OF THIS REPORT]

E.4. Identify whether the company has a tolerance levels for risks, including tax risks.

The Risk Appetite Policy of the MAPFRE Group, approved by the Board of Directors of MAPFRE S.A., establishes the risk level that the Group would be ready to assume to attain its business objectives with no relevant deviations, even in adverse situations. That level, which defines limits and sub-limits per risk type, constitutes the MAPFRE Group's Risk Appetite. The limits applicable to risk-taking are established in the Group's "Risk Appetite" and in the specific risk policies, which detail the established risk assessment process, as well as the metrics set for this purpose.

As one of its risk management objectives, the MAPFRE Group strives to maintain an amount of eligible own funds at the consolidated level which is equivalent to a target solvency ratio of 200 percent of the solvency capital required under Solvency II, with a tolerance of 25 percentage points. A secondary risk management objective is to maintain a sufficient level of economic capital at the consolidated level to meet its obligations in accordance with a rating of "A" or higher, or its equivalent.

The prospective capital required of the insurance and reinsurance subsidiaries is generally determined pursuant to an estimation based on the budgets for the following fiscal year, and it is reviewed on a regular basis during the course of the year in line with risk trends.

For metrics that quantify the aggregate risks of the MAPFRE Group, tolerance levels are established and risk exposure is monitored through a measurement scale based on the distance of the risk level from its maximum limit: i) green zone: risk that can be assumed and maintained without restrictions; ii) yellow zone: risk that has reached a sufficient level of exposure and that requires monitoring and control measures; and iii) red zone: risk that exceeds the maximum tolerance and that requires the immediate adoption of control and mitigation measures to return to below the limit.

The Governing Bodies receive information relating to the quantification of the main risks to which the Group is exposed and the capital resources available to cover them, as well as information relating to compliance with the established Risk Appetite limits and other specific risk policies.

E.5. Indicate the financial and non-financial risks, including tax risks, which have arisen during the fiscal year.

In relation to the risks pertaining to insurance activity, the coronavirus crisis (COVID-19) represents the most relevant impact in the year. The claims directly attributable to COVID-19 in Life insurance remains the most significant, at 279 million euros. In 2021, the total accumulated cost of claims attributable to the pandemic amounted to 460 million euros, of which most are concentrated in Brazil (189 million euros) and in LATAM North (130 million euros).

In relation to strategic risks, it is worth mentioning the execution on March 26, 2021 of the merger by absorption of BANKIA, S.A. by CAIXABANK, S.A., with the consequent dissolution of the former and universal succession by CAIXABANK. MAPFRE formally notified CAIXABANK of its intention to exercise the put option rights on the effective date of March 31, 2021 and consequently, the start of the procedures contractually provided for the purposes of the valuations of the businesses that determine the price (120% of the market value of MAPFRE VIDA's 51% stake in BANKIA MAPFRE VIDA) and compensation (120% of the value of the Non-Life insurance business, not including the value of the insurance portfolio) to be received for the dissolution of its bancassurance agreements. On December 29, MAPFRE and CAIXABANK formalized the resolution of said agreements.

This agreement has resulted in MAPFRE receiving 570.8 million euros, producing an extraordinary gain of 167 million euros. It should be noted that in relation to the valuation made for this transaction, MAPFRE has expressed its disagreement with the value attributed to the BANKIA VIDA business, given that the company involved recorded profits and distributed dividends on a stable and recurring basis every year, combined with the fact that there was an exclusivity agreement in place in perpetuity for the distribution of Life insurance through the old BANKIA branch network. Consequently, MAPFRE will take legal action in defense of its legitimate interests in relation to the valuation of the Life business.

E.6. Explain the response and supervision plans for the main company risks, including fiscal risks, as well as the procedures followed by the company to ensure that the board of directors responds to the new challenges that arise.

The integration of internal control and risk management systems into the organizational structure is performed under the three lines of defense model, assigning responsibilities regarding compliance with the internal control and risk management objectives according to the said model:

1) A first line of defense consisting of employees, management, and the business and supporting operating areas that are responsible for maintaining effective control over the activities carried out as an inherent part of their day-to-day work. Therefore, they are the ones who assume the risks, and they are responsible for designing and applying the necessary control mechanisms to mitigate the risks associated with the processes they carry out to guarantee that the risks do not exceed the established limits.

2) A second line of defense integrated by the key functions of risk, actuarial and compliance management and other insurance functions, which guarantee the operation of the internal control and risk management systems.

3) A third line of defense consisting of Internal Audit, which carries out the independent assessment of the suitability, adequacy and effectiveness of the internal control and risk management systems, communicating any deficiencies to the parties responsible for applying the corrective measures in a timely manner, including senior management positions and governing bodies, as the case may be.

To ensure effective control and management of risks, MAPFRE has a written policy on Internal Control and has developed a set of risk management policies in which (i) the different types of risk faced are identified and (ii) the risk appetite considered acceptable, the measures envisaged to mitigate the impact of the identified risks and the information and internal control systems to be used in relation to them are established.

The Risk Management Teams of the companies coordinate the set of strategies, processes and procedures necessary to identify, measure, monitor, manage and continuously notify the risks to which the company is or may be exposed, as well as their interdependencies.

The General Counsel and Corporate Legal Affairs Area offers the Governing Bodies and the different Corporate Areas and Business Units legal, fiscal and corporate governance advice; and actively defends the interest of the Group in these matters, both in the processes of application of current regulations and in the elaboration and processing of new provisions. Likewise, through the Corporate Tax Advisory Department, this corporate area has information regarding the tax risks detected in each country.

In any case, the actions to adopt regarding the risks identified are decided by the Board of Directors, which is informed immediately of any risk which:

- Depending on how it evolves, may exceed the established risk limits.
- May lead to losses equal to or in excess of the established risk limits.
- May endanger compliance with the solvency requirements or the continuity of the Group's operation.

The Group Risk Office provides assistance and advises the Governing Bodies, Executive Chairman and executive management of the Group within the scope of their powers and informs the Governing Bodies on the level of exposure to the different risks, taking into consideration their interdependencies, and compliance with the limits established.

The foregoing includes the internal risk and solvency assessment of the Group, as well as the reports requested by the Governing Bodies on certain risk areas.

In addition, the Group promotes different procedures for the identification and assessment of risks and controls that involve the main areas and departments, showing a comprehensive and complete view of all the risks intrinsic to the business and identifying those risks that may be faced by the company throughout the period set out in its business plan.

Likewise, the Group companies promote the preparation and reporting to the respective Governing Bodies of the periodic reports of monitoring of operational risks, which include, among others, risk control reports and periodic reports of monitoring of incidents and operational risk events.

At the operational level, the MAPFRE Group also has the following key actions:

- The MAPFRE Group has a Corporate Business Continuity Model developed by the Corporate Security Office, the ultimate aim of which is to be able to provide a timely and effective response should a high-impact incident occur, therefore minimizing the damage caused. The model adopts the form of contingency plans that include recovery strategies for each process based on the criticality of the process and situation and the availability of the elements affected (employees, buildings, technology and providers).
- The Corporate Anti-Fraud Plan, also coordinated by the Corporate Security Office, which establishes the response and lines of action of the Group in the fight against fraud in all its aspects (prevention, detection, investigation and prosecution), as well as the measures to minimize their effects in the most efficient way possible.

F. INTERNAL RISK CONTROL AND MANAGEMENT SYSTEMS IN RELATION TO THE FINANCIAL REPORTING PROCESS (ICFR)

Describe the mechanisms that comprise risk control and management systems in relation to the company's procedure for issuing financial information (ICFR).

F.1. Control environment of the company.

Report on the following, indicating the main characteristics:

F.1.1 Which bodies and/or functions are responsible for: (i) the existence and maintenance of an adequate and effective ICFR; (ii) its implementation; and (iii) its supervision.

The MAPFRE Internal Control System takes the form of a set of continuous processes for which the MAPFRE S.A. Board of Directors is ultimately responsible. The Board is assisted by the Executive Committee and the executive teams of the different units, companies, corporate areas and other departments as regards the implementation, update and monitoring of the tasks and processes related to compliance with the objectives of the Internal Control System. For its development in the organization, MAPFRE's Internal Control System is based on the model of three lines of defense. All of this is included in the Group's Internal Control Policy, which forms part of the MAPFRE Group Solvency II Policies, the last update of which was approved by the Board of Directors on December 20, 2021.

The Regulation of the Board of Directors, amended for the last time on December 21, 2020, includes the functions and responsibilities of the Board of Directors, the Steering Committee and other Board committees (Audit and Compliance, Appointments and Remuneration, and Risk).

The Board of Directors delegates ordinary management to the Steering Committee and Executive Management, and retains the approval of risk control and management policies and the approval of the periodic monitoring of both internal information and control systems, such as the financial, non-financial and corporate information to be published owing to its status as a listed company.

The Executive Committee is the body which, under mandate from the Board of Directors, exercises direct supervision over management of the Business Units and Corporate Areas and guarantees they take coordinated action.

The Audit and Compliance Committee, in its capacity as the Delegate Body of the Board of Directors, is assigned the responsibility of supervising the process of preparing and presenting the mandatory financial information and submitting recommendations or proposals to the Board of Directors aimed at safeguarding its integrity. This Committee also reports in advance to the Board of Directors on the financial information that the Company must publish periodically.

In addition, the Audit and Compliance Committee has the responsibilities of monitoring the effectiveness of internal control, internal audit and risk management systems, as well as discussing any significant weaknesses of the internal control system identified in the course of the audit with the External Auditor, all without undermining its independence.

The "Internal Audit Policy of the MAPFRE Group," which is part of the MAPFRE Group Solvency II Policies, whose last update was approved by the Board of Directors of MAPFRE S.A. on December 20, 2021, and the "Internal Audit Regulations," updated and approved by the Audit and Compliance Committee on October 29, 2020, include the main supervisory activities of the Internal Control System, carried out by the Audit and Compliance Committee through the Corporate Internal Audit Area and detailed in section F.5.1 of this document.

F.1.2 Whether there are, particularly relative to the procedure for the preparation of financial information, the following items:

Departments and/or mechanisms in charge of: (i) the design and review of the organizational structure; (ii) the clear definition of lines of responsibility and authority, with an appropriate distribution of tasks and functions; and (iii) ensuring the existence of sufficient procedures for correct diffusion in the company:

The regulation on the Institutional, Business and Organizational Principles of the MAPFRE Group, approved by the Board of Directors of MAPFRE S.A. at its meeting on June 24, 2015 and amended on February 7, 2017 with effect from March 10, 2017, is the minimum mandatory framework for all the companies making up MAPFRE and their respective governing bodies.

The Board of Directors reviews and authorizes the Group's organizational structure and approves the lines of responsibility and authority based on the organizational structure defined. In the 2021 fiscal year, a new Management Organization Chart was approved by the Board of Directors on October 28, 2021, with the changes becoming effective from January 1, 2022.

The distribution of functions and definition of scopes of activity/authority and of hierarchical levels are undertaken in line with the Organizational Structure Manual approved by the Corporate People and Organization Area.

Concordance between the organization of positions and the hierarchical structure is essential because it maps functions to roles and responsibilities, ensuring that business activities are conducted properly.

The Corporate Finance and Resources Area establishes the accounting policies and standards applicable to the Group and is responsible for the coordination between the various Business Units and Corporate Areas in relation to the consolidated financial information preparation procedure.

Code of conduct, approval body, degree of diffusion and instruction, principles and values included (indicating if there are specific mentions to the registry of operations and preparation of financial information), body entrusted with analyzing noncompliance and recommending corrective measures and sanctions:

The Code of Ethics and Conduct was approved by the Board of Directors on July 25, 2019, replacing the one previously approved in 2017.

It aims to reflect corporate values and the basic principles that should guide the conduct of MAPFRE and its staff.

During 2020, work was done to update the online course on the Code of Ethics and Conduct to adapt it to the new Code approved in 2019. In 2021, this content will be available on the MAPFRE Corporate University training platform in six languages (Spanish, English, Portuguese, Italian, German, and Turkish). This program is mandatory knowledge for all MAPFRE employees globally. The course is included in all languages in the self-study catalog, open to all employees worldwide. Additionally, the training areas of all countries reinforce its implementation.

In 2021, 20,297 employees completed these studies. "Quick learnings" training impacts related to said Code were also carried out through the MAPFRE People app in 2021.

The Code sets out specific principles that are binding for all employees regarding the processing of the Group's financial information so as to ensure its confidentiality, integrity and availability in accordance with MAPFRE's data security standards. It also states that all employees are responsible for ensuring that the information provided is accurate, clear and truthful.

To guarantee application of the Code, as well as supervision and control of its compliance, the Ethics Committee is entrusted with ensuring its compliance and analyzing and resolving any complaints lodged as a result of its violation. The Code also establishes different communication channels for ethical inquiries and complaints for employees, managers and members of the Group companies' management bodies, as well as for providers, contractors and other people who have a professional relationship with MAPFRE. To guarantee confidentiality, the secretary of the Ethics Committee receives queries and complaints directly and allows the possibility to lodge complaints anonymously.

Queries and complaints to the Ethics Committee can be communicated by post, by email or through the Whistleblower Channel with direct access through the Group's internal portal and the corporate website of MAPFRE (www.mapfre.com). The operation of this channel is set out in the Code of Ethics and Conduct.

Every year, the Ethics Committee reports to the Audit and Compliance Committee, where appropriate, on the activities carried out during the fiscal year.

• Whistleblower channel that allows employees to report financial and accounting irregularities to the audit committee, in addition to possible breaches of the code of conduct and irregular activities in the organization, indicating whether any of the information reported is confidential and allowing anonymous communications while safeguarding the rights of the whistleblower and the person accused.

In addition to the Query and Whistleblower Channel to the Ethics Committee described in the previous section, there is the Financial and Accounting Whistleblower Channel, which allows employees of the MAPFRE Group, as well as other persons related to the company, such as directors, shareholders, providers, contractors and subcontractors to communicate to the Audit and Compliance Committee any financial and accounting irregularities of potential importance that may be found within the company or its Group in a confidential, and optionally anonymous, manner. To channel complaints, an electronic mailbox has been set up which is accessible both from www.mapfre.com/CDF, and alternatively, by writing to a predetermined address.

The rules for the operation of the MAPFRE Group's Financial and Accounting Whistleblower Channel were updated and approved by the Audit and Compliance Committee at its meeting on December 17, 2020. These regulations are published both on the MAPFRE Group's Intranet or internal portal, and on www.mapfre.com/CDF.

The Audit and Compliance Committee receives the complaints and reviews and resolves them by addressing each one as it deems appropriate. In order to perform its functions properly, it relies on assistance from General Counsel and the Corporate Internal Audit Area.

In cases of complaints concerning the Group's subsidiary companies which have their own mandatory Whistleblower Channel, the Audit and Compliance Committee and the competent body of the subsidiary company liaise in handling and resolving any complaints received.

The parties involved in the Channel have controls for restricting access to the information, and the confidentiality of the whistleblower's identity is assured by collecting personal data in accordance with the requirements of current data protection legislation.

General Counsel issues an annual report for the Audit and Compliance Committee outlining the activities conducted through the Whistleblower Channel and the final result of the complaints made.

Regular training and refresher programs for staff involved in the preparation and review of financial information, as well as evaluation of the ICFR, covering at least the accounting rules, audit, internal control and risk management:

MAPFRE has a Corporate University and a Global Training Model implemented globally. All training actions designed and deployed are associated with objectives on the Group's strategy map.

MAPFRE has set a goal so that in 2021 80% of the training effort worldwide will have technical and sales content and programs. This area of technical knowledge contains financial training, which is channeled through the School of Finance, the purpose of which is to provide all professionals in all financial areas of MAPFRE with knowledge of risk management, management control and accounting, to improve their competitiveness within this function.

In 2021 MAPFRE organized several training programs in Spain on financial, risk and internal control issues, representing a total of 23,383 training hours delivered to 48,317 participants.

The most relevant training actions in this area are detailed below:

Financial advice to clients: Financial certification is legally required for representatives advising clients on investment matters. This training adds great value to the MAPFRE sales network by providing cutting-edge, complete and practical knowledge that will significantly help sales efforts related with savings and investments. The program of studies includes 280 hours and the degree obtained allows holders to give Financial Advice to clients according to the Markets in Financial Instruments Directive (MIFID II) and the Spanish National Securities and Exchange Commission (CNMV). MAPFRE ESPAÑA collaborates with two different financial institutions, as the CNMV demands: For employees, the training provider is the Fundación de Estudios Financieros (Financial Studies Foundation, FEF) and the certifier is the Instituto Español de Analistas Financieros (Spanish Institute of Financial Analysts, IEAF), which examines and therefore issues official certification; for self-employed representatives, the training provider is Santander Financial Institute (SANFI), which examines and issues official certification. At the end of 2021, MAPFRE had 659 certified employees and 1,128 certified self-employed representatives of the total number of people authorized for distribution, according to MAPFRE Inversión Sociedad de Valores.

Furthermore, at the global level, given that MAPFRE is making a clear commitment to sustainability and to reinforcing our employees' technical knowledge, with the financial function being one of the pillars of our management, the CESGA® training and certification program, given by the Fundación de Estudios Financieros (Financial Studies Foundation, FEF), has been launched by the Corporate Investment Area, together with the Corporate People and Organization Area. This program's objective is to transmit to our investment teams worldwide, as well as to certain employees of the Audit, Finance and Sustainability teams, the necessary knowledge to independently carry out evaluations and make investment decisions in which they apply environmental, social, and corporate governance criteria. Currently 38 employees are pursuing this certification worldwide. At the country level, in Spain, 32 employees were already certified in the 2020-2021 edition.

Additionally, it is worth mentioning the online Internal Control program available in the three corporate languages, which was renewed during 2019. By its nature, internal control involves everyone, regardless of the position they hold in the organization. This course therefore provides all MAPFRE employees with basic information on the objectives and principles underlying the common framework of the Internal Control System, the governing bodies responsible for its proper functioning and supervision, as well as practical examples of how the set of internal control actions are implemented in the organization using the three lines of defense model. As at December 31, 2021, 18,431 employees have completed this at the GLOBAL level since the launch of the updated course in 2019.

MAPFRE also offers an e-learning course on the Regulatory Compliance Function, the purpose of which is to make this function, its objectives and responsibilities known, as well as the importance acquired by the implementation thereof in organizations to minimize the risk of legal and regulatory non-compliance to which they are exposed. At the close of 2021, 1,428 employees had undertaken this program since it was launched in 2015.

In 2017, a 45-minute e-learning course was developed on the Solvency II regulations, aimed at all employees around the world who perform their functions in the Risk, Financial, Actuarial, Compliance and Audit Areas. This program is available in Spanish and English. As at the close of 2021, 1,295 employees have completed this program since it was launched in 2017.

In 2021, training actions were carried out in the field of administration, and new training resources for this basic accounting itinerary were made available to employees in the administration areas for self-learning. Likewise, several webinar sessions were held on the use of the "SAP" financial tool, which has been migrated to the new S/4 HANA FI system.

Two training activities were also held in the area of financial analysis and management control, in collaboration with CUNEF University. The Financial Analysis in Insured Companies Program has been completed by 34 employees, and the Management Control in Insurance Companies Program by another 34 employees.

All these activities were aimed at employees in the administration and finance function of companies based in Spain.

Also in 2021, several virtual training actions were carried out in the field of internal auditing at a global level: Technological Positioning Program, in which 57 employees from 15 countries participated; ACL tool learning program, in which 30 employees from 12 countries participated; IT auditors program, in which 29 employees from 9 countries participated; and Global auditing program, in a bilingual format in Spanish and English, for all auditors worldwide, in which 172 employees participated. In addition to these programs, internal auditors also received training in other relevant matters, such as IFRS 17.

F.2. Financial information risk assessment.

Report on at least the following:

F.2.1 The main characteristics of the risk identification process, including error or fraud risks, in relation to:

Whether the process exists and is documented:

The Risk Management Policy, chapter 5 of the MAPFRE Group Solvency II Policies document, the last update of which was approved by the Board of Directors on December 20, 2021, establishes the general guidelines, basic principles, and general framework for risk management actions that ensure consistent application in the Group. Upholding the principle of mandatory compliance, the companies have specific written policies for the identification, measurement, control, and notification of the main risks covered by the Risk Management System (hereinafter RMS).

The first line of defense, made up of the employees, the management, and the operational business and support areas responsible for the activities, assumes and manages the risks and controls of each Group company, taking responsibility for ensuring that the risks do not exceed the limits established in the Risk Appetite Policy and in the specific risk policies covered in the Solvency II Policies document.

In turn, as established in the Operational Risk Policy, chapter 22 of the Solvency II Policies document, the first line of defense is obliged to inform the Risk Divisions of the companies about events or incidents that they consider operational risks, including errors in the execution of processes, as well as incidents of internal or external fraud.

To control risks, the Group has a Risk Control model based on a dynamic analysis of processes, so that each area/department manager identifies the potential risks affecting both business and support processes. To that effect, in order to identify them, risk factors are defined for each of the processes that the Group considers key processes, always including one relating to the registration and accounting of operations with an economic or accounting impact.

risks are associated with the key figures for the main items in financial statements. In this process of identifying the key figures, quantitative and qualitative factors (complexity of transactions, risk of fraud and other aspects) were considered.

These risk factors are evaluated by the areas and departments of the companies during the monitoring of risk indicators and controls, a procedure under the Risk Control model that, among other aspects, allows: i) the identification of risks through specific questionnaires on controls and risks, ii) finding out about the risk factors that have been relevant so far and iii) the adoption of corrective measures in those cases, where necessary.

A more detailed description of the RMS is included in Section E. Risk Control and Management Systems of this Corporate Governance Report.

- **Whether the process covers all financial information objectives (existence and occurrence; integrity; assessment; presentation, breakdown and comparability; and rights and obligations), whether it is updated and how frequently.**

The financial information objectives (existence and occurrence; integrity; assessment; presentation, breakdown and comparability; and rights and obligations) are met through the process of preparing the quarterly questionnaire on internal controls for financial information.

The purpose of this procedure is to identify and verify that controls are executed during the process of preparing financial information, to leave documentary evidence of the controls carried out by the company in the Treasury and Investment, Consolidation, Accounting and Tax processes, as well as of the result of their application, and to serve as an internal communication channel to share relevant information related to the issuance of financial information. The procedure involves the evaluation of key controls identified in each of the aforementioned processes, understanding as such those that mitigate, adequately and far enough in advance, the existence of fraud or errors that could have a material impact on the financial information.

The Accounting Internal Control Associate Management is responsible for periodically reviewing and updating the ICFR procedure, as well as the questionnaire established to guarantee the reliability of the financial information, which has been updated during the second quarter of 2021.

- **Existence of a procedure for identifying the consolidation scope, bearing in mind, inter alia, the possible existence of complex corporate structures, instrumental companies or those with a special purpose:**

The MAPFRE Consolidation Manual, prepared by the Corporate Finance and Resources Area, describes the process for identifying the scope of consolidation, which encompasses all the companies of the Group and is updated on a monthly basis.

The Consolidation Supervisor of each Subgroup receives details from the Consolidation Associate Management of the companies included in the scope of consolidation with the percentages of direct and indirect participation and the method of consolidation that applies. Any modification to the information provided must be reported to the Consolidation Associate Management, which will make a decision on the modification after analyzing the reasons given.

The functional structure and the tasks assigned to the process supervisors are reflected in the Consolidation Manual.

- **Whether the procedure takes into account the effects of other risk types (operational, technological, financial, legal, fiscal, reputational, environmental, etc.) insofar as they affect financial statements:**

Risk control takes into account the different types of operational, technological, financial, legal, reputational and environmental risks, as well as the risks inherent to the insurance and reinsurance business. In this process, each risk factor, where appropriate, is linked to the section of the financial statements that would be affected if the potential risk became a reality, the main sections being: premiums, provisions, financial returns, acquisition expenses, administration expenses and benefit expenses.

Risk control is promoted in the Group, both in Spain and abroad, through the Riskm@p computer application, which is developed internally by MAPFRE and which aids in the creation of Risk Maps associated with the most important processes at the companies, in which the significance and probability of occurrence of different risks are analyzed.

- **Which of the company's governing bodies oversees the process:**

The Audit and Compliance Committee is assigned, among other tasks, the responsibility for reviewing the effectiveness of the Company's internal control and the control and management systems for financial and non-financial risks, an ongoing task undertaken throughout the year through the work carried out by Internal Audit.

Regarding the ICFR report prepared by the Financial Department, External Audit reviews and analyzes its contents, issuing its own report on the consistency or incidents of the information that could impact it.

The ICFR report, alongside the report prepared by External Audit, is supervised by the Audit and Compliance Committee prior to its approval by the Board of Directors.

F.3. Control activities.

Indicate whether at least the following are in place and describe the main characteristics:

- F.3.1 Procedures for reviewing and authorizing financial information and the description of the ICFR, to be published in stock markets, indicating who is responsible for them, as well as descriptive documentation of the flows of activities

and controls (including those related to fraud risk) of the various types of transactions that may materially affect the financial statements, including the accounting closing procedure and the specific review of the relevant judgments, estimates, valuations and projections.

The financial reports on the annual accounts, and biannual and quarterly information prepared by the Corporate Finance and Resources Area are submitted to the Audit and Compliance Committee first and then to the Board of Directors.

The Procedures and Supervision Associate Management, dependent on the Corporate Finance and Resources Area, requests that those responsible for the financial information of the main Group companies sign the internal "Representation Letter" that guarantees that the financial information reported for the purposes of preparing the biannual summary information and the annual consolidated accounts of the MAPFRE Group have been prepared in accordance with the accounting regulations set out in the MAPFRE Group's Consolidation Manual.

The closing calendar, prepared by the Procedures and Supervision Associate Management, lists the main activities of the process of consolidating and preparing the annual and biannual accounts and the corresponding controls, providing deadlines for compliance.

The different Group companies report financial information through their assigned supervisors, which the Corporate Finance and Resources Area consolidates to prepare the reports. During the consolidation process, controls are in place to detect any errors liable to significantly affect the financial statements.

Furthermore, the Audit and Compliance Committee verifies the following information:

- The management report and individual and consolidated annual accounts of MAPFRE S.A. and its subsidiaries.
- The report on the limited review of the consolidated abridged interim financial statements of MAPFRE S.A. corresponding to the intermediate period ending on June 30 of each fiscal year.
- The Integrated Report, which follows the guidelines and recommendations of the International Integrated Reporting Framework.
- Solvency and Financial Condition Report of the MAPFRE Group and the subsidiaries residing in Spain that carry out insurance and reinsurance activities.
- The information that MAPFRE S.A. sends to the Spanish National Securities and Exchange Commission (the "CNMV") every quarter.

In addition, the following information is presented to the Audit and Compliance Committee:

- The internal control system reports on the assessment of Spanish insurance and reinsurance companies of the MAPFRE Group prepared by the Corporate Internal Audit Area.
- Solvency and Financial Condition Reports (SFCR) of the various Spanish insurers and reinsurers of the MAPFRE Group.
- The Own Risk and Solvency Assessment (ORSA), the Solvency and Financial Condition Report (SFCR), the Periodic Monitoring Report (RSR) and Annual Quantitative Information (QR.Ts), all related to the MAPFRE Group.

The Internal Accounting Control Associate Management (Corporate Finance and Resources Area) is responsible for implementing the quarterly completion of the questionnaire on internal controls of financial information in the Group's various companies; reviewing the quality of the information reported and monitoring the description of the documentary evidence of the activities and controls carried out in relation to the main financial reporting processes described in section F.2. of this report; and evaluating the control coverage indicators, for both the totality of the controls and defined key controls, according to the figures defined in the ICFR procedure.

The descriptive documents showing the flow of activities and controls are executed through the risk control process, which is implemented by the Operational Risk and Internal Control Associate Management, a part of the Group Risk Office. The heads of the areas and departments prepare internal control manuals and other descriptive documents that include the procedures, activities, and those involved in them. The associated risks and the controls that mitigate them are also identified, including those related to risks of fraud and the accounting close process. The knowledge and documentation of controls allows those responsible for the various areas and departments of MAPFRE companies to evaluate the effectiveness of the established controls, to find out if the relevant risks that have been identified are sufficiently controlled and take the necessary corrective measures.

Regarding the judgments and estimates, the Board of Directors makes them based on assumptions on the future and about uncertainties that are related mainly to technical provisions; impairment losses on certain assets; the calculation of provisions for risks and expenses; the actuarial calculation of liabilities and commitments for post-employment remuneration; the useful life of intangible assets and tangible fixed assets; the fair value of certain unlisted assets; and the fair value of assets and liabilities derived from lease contracts.

The estimates and assumptions used are included in the accounting close instructions, are reviewed regularly, and are based on historical experience and on other factors that may be considered more reasonable at the time. If the review leads to changes in estimates in a given period, their effect is applied during that period and, if applicable, in subsequent periods.

F.3.2 Internal control policies and procedures for information systems (inter alia, safe access, change control, operation, operational continuity and separation of functions) that concern the company's relevant procedures in relation to the preparation and publication of financial information.

The Corporate Security Division (CSD) is organizationally part of the Corporate Business Support Area, which is headed by the Director-General Manager of Business Support, changes that were approved by the Board of Directors of MAPFRE S.A. On June 18, 2018. The CSD acts directly on the regulations related to information security, taking a comprehensive and global approach.

In particular, the measures established are specified in a Documentary Information Security System (DISS) or Regulatory Body for Information Security (RBIF), which derives from the Master Plan for Security and Environment and the Corporate Security and Privacy Policy, both documents whose latest update has been approved by the Board of Directors of MAPFRE S.A., at its meeting held on December 13, 2018. In this version, these documents have been adapted to the new regulatory requirements, mainly regarding the General Data Protection Regulations (GDPR), and the creation of the Privacy and Data Protection Committee as the delegate body of the Security and Environment Committee, and as a support body of the Crisis and Business Continuity Committee.

These security controls and procedures established for information systems can be classified as preventive, detective, and reactive. They involve the development and dissemination of standards through a permanent training and awareness plan, the establishment of security when a new system, network or application is designed, the permanent monitoring of networks and systems, the systematic review of the measures and controls implemented, and the development and training of the response capacity against potential security incidents.

Among other aspects, the Regulatory Body for Information Security (RBIF) set out the following: information systems must be tracked and monitored through inventory procedures to identify the resources and the information that they contain; verification of the identity of the people who use them; and the use of a password management and role system that applies password strength criteria and the principle of segregation of functions laid down in the regulations.

Additionally, MAPFRE provides continuous training and awareness to its employees on this issue through, among other initiatives, an e-learning course on security developed and integrated into the corporate training models. The purpose of this course is to raise awareness and train its employees on this matter, warning of the risks, promoting best practices, and making them aware of their duties and responsibilities in this area, as well as the importance of their behavior to the organization.

To facilitate compliance with the responsibilities and commitments established in the Regulatory Body for Information Security (RBIF), MAPFRE has a General Control Center (which acts as a Computer Emergency Response Team (CERT) and belongs to the international network known as FIRST or Forum of Incident Response and Security Teams). This center monitors activity in the networks and in the Group's information systems, and is the body responsible for responding to potential security incidents. This body holds certifications issued by AENOR regarding compliance with ISO 9001 (Quality), ISO 27001 (Information Security) and ISO 22301 (Business Continuity) standards.

Also, the Corporate Security Department annually updates the Security Review Plan, of a systematic and global nature, aimed at verifying the security controls implemented and the detection of vulnerabilities in the information systems.

The Corporate Security and Privacy Policy and the rules and standards of the Data Security Regulatory Body are published on the Global Intranet in order to enable access to all employees.

In addition, the Group has a Corporate Business Continuity Model consisting of a Policy, a Governance Framework, and a Business Continuity Methodology that define the framework and the necessary actions—through the corresponding Business Continuity Plans, which are periodically tested—to ensure the correct development of the operation before the materialization of a high impact incident, so that the damage caused is minimized.

Every two years, the Corporate Internal Audit Area verifies the proper functioning of the Internal Control System of the main IT Systems whose scope is the general controls of information technology (IT), the IT control environment, and the application controls. In those years where no specific review is carried out, the identified action plans are monitored and their status is reviewed.

F.3.3 Internal control policies and procedures designed to supervise the management of activities subcontracted to third parties, as well as those aspects of evaluation, calculation or valuation entrusted to independent experts, which may have a material effect on financial statements.

All services subcontracted to third parties are articulated through specific contracts, and the contracting units or areas directly supervise the providers, except in the case of exceptional services (that are not recurring over time), of reduced amount, duration and lesser importance, which are processed through the system based on the provider's offer.

Providers are selected on the basis of objective criteria that assess factors such as quality, price, provider infrastructure, market recognition and, in particular, membership of the groups of associates that collaborate with the Group's companies and their track record in terms of service quality.

Compliance with prevailing legislation in the various countries and the implementation of security measures where warranted are prerequisites. Other highly rated attributes include response times, after-sales service, geographic reach and the added value they can contribute.

A project is being developed for deployment in the countries of the Procurement and Contracting Services Global Model (already present in 17 countries), which includes different categories, including the category corresponding to services of independent professionals, which includes services with a possible financial impact derived from the evaluation, calculation or valuation assigned.

The technology tool for managing, controlling, and monitoring hiring has been SAP SRM (SAP Supplier Relationship Management) since 2012. In 2018, SAP decided to change its strategy and announced that it would discontinue SRM from 2025, relying on ARIBA as a tool for the management of providers, procurement and contracting.

In response to this situation, in 2019 MAPFRE decided, after studying the leading tools on the market, to rely on ARIBA as a procurement tool, mainly because of its native integration with the financial modules of MAPFRE that are found in SAP, S/4 HANA, because of its permanent updating feature, and its ability to automate processes and collaborate electronically with providers.

In 2019 and 2020, work was undertaken to define the new Global Procurement Model of MAPFRE in ARIBA, and the companies with tax residency in Spain (except MAPFRE Asistencia) were completely migrated to the new platform in April 2021.

From that date, international deployment of ARIBA began, during which the different countries and organizations will gradually migrate to the new platform in a project that will last five years. In 2021 work was undertaken in Peru, Italy, and Portugal, and in January 2022 ARIBA will be fully implemented in these three

together with the S/4 HANA financial platform. By using a common top-level tool like ARIBA, MAPFRE will be able to have the different countries carry out contracting locally in a decentralized manner, but with common regulations and procedures and centralized control and monitoring from the Corporate Procurement and Resources Division, integrated into the Corporate Finance and Resources Area, in addition to allowing global contracting when deemed necessary.

In implementing this plan, in 2013 the Steering Committee approved the Procurement Regulations which contain the principles and basic criteria for the procurement of goods and services by all Group companies, irrespective of their geographic location and type of business. A General Procurement Procedure is also defined and approved internally that completes the Procurement Regulations, which entered into force in August 2017. Both documents were reviewed and updated in January 2019 according to recommendations provided by Internal Audit and based on experience gained in the years since they were approved.

Additionally, each organization or country that has been given the ability to negotiate contracts, by having enough agency, must develop a specific procedure to regulate its hiring, always respecting and in compliance with the minimum criteria established in the Procurement Regulations and General Procedure.

In general, providers are approved and contracted by the Procurement and Resources Division, and once the contract has been formalized, it is the requester who ensures that the service is provided correctly and in compliance with current legislation.

Notwithstanding the foregoing, in cases where the services of outsourced independent professionals have to be treated with special confidentiality (M&A), it is the area itself that directly hires and supervises the service, although minimal information to document the hiring, as established in the Procedure for Sensitive Hiring, must be registered in the system and submitted for periodic control by Internal Audit (already audited in 2019 and 2020).

Currently, the main providers with which MAPFRE contracts recurrently (with annual billing of more than thirty thousand euros) are approved on the basis of financial, fiscal, security, operational and business criteria, regulatory compliance and sustainability to ensure that MAPFRE hires solvent and first-ranked providers. The aim is that all recurrent providers or providers of particular relevance to the MAPFRE Group are approved as set out in the Procurement Procedure.

F.4. Information and communication.

Indicate whether at least the following are in place and describe the main characteristics:

F.4.1 A specific function responsible for defining, keeping accounting policies up-to-date (accounting policies area or department) and resolving queries or disputes derived from their interpretation, maintaining continuous communication with those responsible for operations in the organization, as well as an updated manual of accounting policies that is communicated to the units through which the company operates.

The Accounting Regulations Associate Management, which reports to the Corporate Area of Finance and Resources, is entrusted, among other things, with updating accounting policies and applicable rules that concern the Group's financial information, and for resolving consultations and disputes deriving from the interpretation thereof.

It also maintains a close and fluid relationship with the financial divisions of the different companies and with the Corporate Areas, to which it communicates formally established accounting procedures and rules.

With regard to the preparation of financial information, General Counsel and the Corporate Finance and Resources Area issued memos containing instructions and updates on applicable regulations. In addition, financial supervisors have specific models and instructions for preparing financial information, using the Accounting Models and the Consolidation Manual (which includes applicable accounting standards and policies), which are updated annually.

The subsidiaries of the Group receive the information about the applicable procedures and standards through the parent entities of the Subgroups, which in turn receive the instructions directly from the Accounting Regulations Associate Management and the Procedures and Supervision Associate Management.

The Procedures and Supervision Associate Management updates the individual and consolidated Annual Accounting Models used by the various Group companies, which include accounting policies and breakdowns of information to be presented.

The Consolidation Associate Management of the Corporate Finance and Resources Area specifies the instructions on accounting policies and breakdowns for preparation of the Group's consolidated information using the Consolidation Manual.

At least once a year, and during the last quarter of the fiscal year, the Annual Accounting Models and the Consolidation Manual are reviewed and any changes are reported to the parties involved. However, whenever there are changes that affect periods of time of less than one year, these changes are reported immediately.

In addition, the Implementation of New Standards Division, in collaboration with the Accounting Regulations Associate Management, both dependent on the Corporate Finance and Resources Area, are responsible for analyzing the impact, development and implementation of the new accounting standards that will be applied in the MAPFRE Group.

F.4.2 Mechanisms for the capture and preparation of financial information with standard formats, for application and use by all units of the company or the Group, that support the main financial statements and notes, as well as information provided on the ICFR.

The financial information of the MAPFRE Group companies is managed through the corporate consolidation application, a tool that constitutes a centralized database (common single data repository). This application has been programmed to automatically execute the consolidation entries and process controls, which guarantees that the criteria set out in the consolidation manual are applied uniformly to all the automatic entries and minimizes the likelihood of errors.

Within the procedure for preparing financial information, the consolidation certificates constitute the channel of communication about the information required in

procedure or in the preparation of consolidated financial statements. The certificates are reviewed and updated at least once a year.

Based on the information contained in the consolidation certificates and following the Accounting Models prepared by the Procedures and Supervision Associate Management, the Consolidation Associate Management prepares the consolidated annual accounts and other financial statements.

The Internal Accounting Control Associate Management is responsible for the preparation of the report on the ICFR. To do this, it identifies the areas involved in the financial information preparation process, sends them instructions on how to complete the report, and at least once a year asks them to update the support documentation for the actions performed.

F.5. Supervision of the system's operation.

Report on the following, indicating the main characteristics:

- F.5.1 The supervision activities of the ICFR conducted by the audit committee and whether the company has an internal audit function that includes supporting the committee in its supervision of the internal control system, including the ICFR. In addition, the scope of the ICFR evaluation carried out during the fiscal year and the procedure by which the person in charge of carrying out the evaluation communicates their results will be reported, as well as information about whether the company has an action plan detailing the possible corrective measures, and if its impact on financial information has been considered.**

MAPFRE S.A. has a Corporate Internal Audit Area made up of five Audit Divisions specialized in different matters and functions: Technical Area, Quality and Procedures Office, Coordination and Relationship with External Auditors, Continuous Audit, and Financial Audit. In turn, the Corporate Area is structured into six Internal Audit Services located in Spain (Seguros Iberia; Seguros Latam; Seguros INoram-Eurasia; Reaseguro-Global Risks; Asistencia; and Tecnologías de la Información) and 27 Internal Audit units and departments abroad, which are fully independent and review and evaluate the adequacy and correct operation of the Group's processes, as well as the Internal Control System.

The structure of MAPFRE's Corporate Internal Audit Area depends functionally on the Board of Directors of MAPFRE S.A. through the Audit and Compliance Committee (Delegate Body of the Board) and on the Chairman in particular.

The directors of the audit departments and units depend (functionally and hierarchically) on the Group Chief Internal Audit Officer.

The Audit and Compliance Committee supervises the financial information described in the previous Section F.3.1 of this report, and also approves the Internal Audit Plan and monitors it periodically.

The Audit Plan outlines the supervisory work that the Corporate Internal Audit Area will carry out during the next fiscal year, the content and scope of which are established in terms of the risks identified, requests received and experience itself. The plan is managed uniformly through a single Group-wide technological platform that allows the information to be processed in line with the access levels established for the different responsibilities. The 2021 Internal Audit Plan was approved by the Audit and Compliance Committee in the session held on February 9, 2021.

In the "Internal Audit Policy of the MAPFRE Group," part of the MAPFRE Group Solvency II Policies, whose last update was approved by the Board of Directors of MAPFRE S.A. on December 20, 2021, and in the "Internal Audit Statute," updated and approved by the Audit and Compliance Committee on October 29, 2020, it is established that the Corporate Internal Audit Area has the role of monitoring the suitability and effectiveness of the Internal Control System. To carry out this function, the Corporate Internal Audit Area follows an internal methodology based on assessments of the audits carried out in the last three fiscal years, review of internal IT control and compliance with the recommendations, and evaluation of the effectiveness of the ICFR. This methodology was previously approved by the Audit and Compliance Committee and the result of its application is described in the Internal Control System Assessment Report.

Every year the Audit and Compliance Committee analyzes the assessments and any recommendations issued by the Corporate Internal Audit Area on the Internal Control System (which includes those from the ICFR).

Additionally, and in relation to the supervision of the ICFR, the different Internal Audit units in the MAPFRE Group carry out:

- Ongoing supervision through specific procedures to validate the financial controls, carried out when audit work is performed. Additionally, the Corporate Internal Audit Area carries out a check on the work performed throughout the year by the different Internal Audit units in relation to the ICFR.

- Periodic supervision, focused on both the analysis of the documentation, evaluation of the design, and evaluation of the effective operation of the ICFR. The results of these evaluations are reflected in the aforementioned Internal Control System Assessment Reports, prepared by the different Internal Audit units and by the Corporate Internal Audit Area.

The Corporate Internal Audit Area assesses the performance of the Internal Control System for the main IT systems, as indicated in section F.3.2 of this report.

Likewise, as part of the audit procedures performed to validate the annual financial statements, the external auditor issues a memorandum of recommendations after his/her interim visit, which is presented to the Audit and Compliance Committee.

- F.5.2** Whether there is a procedure for discussion whereby the account auditor (pursuant to the provisions of the NTAs), the internal audit function and other experts can notify the executive management and the audit committee or company executives of any significant weaknesses in internal control identified during procedures to review the financial statements or others that have been entrusted to them. Also indicate whether there is an action plan that endeavors to correct or mitigate the weaknesses observed.

The previous section F.5.1 indicates the procedure used by the Corporate Internal Audit Area to report assessments of aspects relating to internal control.

Communication with the external auditor is very frequent and fluid in the MAPFRE Group. Both at the beginning, during and at completion of work to review the company's annual accounts by the external auditors, planning, follow-up and coordination meetings are held and attended by the external auditors, internal auditors, General Counsel and the Corporate Finance and Resources Area. Additionally, on completion of the work a meeting is held with the Group Chief Internal Audit Officer to discuss the results and conclusions detected. The external auditor attends the Audit and Compliance Committee when the agenda includes topics regarding the review of the annual and half-yearly accounts, their preliminary review, and whenever required on account of other issues.

F.6. Other relevant information.

There is no other relevant information about the ICFR that has not been included in this report.

F.7. External auditor report.

Indicate:

- F.7.1** Whether the ICFR information sent to the markets has been reviewed by the external auditor. If so, the company should attach the relevant report as an annex. Otherwise, state the reasons.

The ICFR information has been reviewed by the external auditor, whose report is attached as an appendix.

G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the extent to which the company follows the recommendations of the Code of Good Governance for listed companies.

In the event that any recommendation is not followed or is partially followed, a detailed explanation of the reasons should be included so that shareholders, investors and the market in general have enough information to assess the conduct of the company. No general explanations will be accepted.

1. The bylaws of listed companies should not place a maximum limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by purchasing their shares on the market.

Complies [X] Explain []

2. When the company is controlled by another company within the meaning of Article 42 of the Commerce Code, listed or otherwise, and has directly or through its subsidiaries, a business relationship with said company or any of its subsidiaries (other than those of the listed company) or if it undertakes activities related to those of any of them, it makes accurate public disclosure of these regarding:

- a) The respective areas of activity and possible business relations between the Company or its subsidiaries on the one hand and the parent company or its subsidiaries on the other.
- b) The mechanisms in place to resolve possible conflicts of interest.

Compliant [] Partially compliant [] Explain [] Not applicable [X]

3. During the Annual General Meeting, in addition to broadcasting the annual corporate governance report, the chairman of the board of directors must inform the shareholders verbally, in sufficient detail, of the most relevant corporate governance aspects of the company and, in particular:

- a) The changes that have occurred since the last Ordinary General Meeting.
- b) The specific reasons why the company does not follow any of the recommendations of the Corporate Governance Code and, if applicable, the alternative rules that it applies on these matters.

Compliant [X] Partially compliant [] Explain []

4. The company shall define and promote a new policy on communication and contact with shareholders and institutional investors as part of their engagement with the company, and with proxy advisors that is fully respectful of the rules against market abuse and treats all shareholders in the same position equally. The company shall make this policy public through its website, including information relating to the way in which it has been put into practice and identifying the interlocutors or those responsible for this happening.

And, without prejudice to legal obligations regarding the dissemination of privileged information and other regulated information, the company also has a general policy regarding the disclosure of financial and non-financial information and corporate information through the channels it deems appropriate (mass media, social media or other channels) that helps maximize the dissemination and quality of the information available to the market, investors and other stakeholders.

Compliant [X] Partially compliant [] Explain []

5. At the Annual General Meeting, the board of directors shall not put forward a proposal for delegating powers to issue shares or convertible values, excluding the right of first refusal, for more than 20 percent of the capital at the time of delegation.

When the Board of Directors approves any issuance of shares or convertible bonds, excluding the right of first refusal, the company shall publish the reports on this exclusion, referred to by corporate legislation, on its website immediately.

Compliant [X] Partially compliant [] Explain []

6. The listed companies that prepare the reports indicated below, whether on a mandatory or voluntary basis, shall publish them on their website with sufficient notice before the Annual General Meeting is held, even if their distribution is not mandatory:

- a) Report on the independence of the auditor.
- b) Report on the operation of the Audit Committee and the Appointments and Remuneration Committee.
- c) Report of the Audit Committee on related operations.

Compliant [X] Partially compliant [] Explain []

7. The company shall broadcast the Annual General Meeting live on its website.

And the company has mechanisms in place that allow for proxy voting and remote voting by telematic means and even, as a highly capitalized company and to the extent that this is proportionate, attendance and active participation in the General Meeting.

Compliant [X] Partially compliant [] Explain []

8. The audit committee ensures that the financial statements the board of directors submits to the annual general meeting are drawn up in accordance with accounting regulations. And where the auditor has included in their audit report any exception, the chairman of the audit committee clearly explains in the general meeting the audit committee's opinion on its content and scope, and makes a summary of that opinion available to shareholders at the time of publication of the call of the meeting, along with the board's other proposals and reports.

Compliant [X] Partially compliant [] Explain []

9. On its website, the company shall make publicly and permanently available the requirements and procedures that it shall accept to support the ownership of shares, the right to attend the Annual General Meeting and voting or proxy voting.

These requirements and procedures shall promote attendance and the exercising of rights of the shareholders and must be applied in a non-discriminatory manner.

Compliant [X] Partially compliant [] Explain []

10. When, prior to the Annual General Meeting, any entitled shareholder has exercised the right to complete the agenda or present new proposals for resolution, the company:

- a) Shall immediately broadcast these new and additional proposals for resolution.
- b) Shall publicize the model attendance card or proxy or distance vote form with the necessary modifications so that they



can vote on the new points in the agenda and proposed alternatives for resolution in the same terms as those proposed by the board of directors.

- c) Shall submit all of those points and proposed alternatives to voting and apply the same voting rules as those set by the Board of Directors, including, in particular, the presumptions or inferences on how to vote.
- d) Following the Annual General Meeting, it shall communicate the breakdown of the vote on those additional points or proposed alternatives.

Compliant [] Partially compliant [] Explain [] Not applicable [X]

11. If the company plans to pay attendance premiums for the Annual General Meeting, it shall establish a general policy on those premiums previously and this policy must be permanent.

Compliant [X] Partially compliant [] Explain [] Not applicable []

12. The Board of Directors shall perform its functions with a unified purpose and independent judgment, treat all shareholders in the same position equally and be guided by corporate interest, understood as a profitable business that is sustainable in the long term and that promotes the continuation and maximization of the economic value of the company.

In the pursuit of corporate interest, in addition to compliance with the laws and regulations and a behavior based on good faith, ethics and in compliance with the commonly accepted uses and good practices, it shall seek to reconcile, as appropriate, corporate interest with the legitimate interests of its employees, providers, clients and those of the other stakeholders that may be affected, as well as the impact of the company's activities on the community as a whole and the environment.

Compliant [X] Partially compliant [] Explain []

13. The board of directors shall be of the required size to permit its efficient and participatory operation, meaning that it is advisable for it to comprise between five and 15 members.

Complies [X] Explain []

14. The board of directors approves a policy aimed at promoting an appropriate composition of the board of directors and:

- a) It is specific and verifiable.
- b) It ensures that the appointment or reappointment proposals are based on a prior analysis of the required competencies of the board of directors.
- c) It promotes diversity of knowledge, experience, age and gender. For these purposes, working toward the company having a significant number of female senior executives is deemed to promote gender diversity.

The results of the prior analysis of the required competencies of the board of directors shall be included in the explanatory report of the appointments committee that is published when the Annual General Meeting is called, to which the ratification, appointment or reappointment of each board director is submitted.

The appointments committee shall verify the compliance with this board policy annually and shall inform on this in the annual corporate governance report.

Compliant [X] Partially compliant [] Explain []

15. The nominee and independent board directors shall constitute a large majority of the board of directors, and the number of executive board directors should be the minimum required to deal with the complexity of the corporate group and reflect the percentage of shares held in the company by the executive board directors.

And the number of female board directors will account for at least 40% of members of the board of directors by the end of 2022 and thereafter, and remain above 30% until then.

Compliant [X] Partially compliant [] Explain []

16. The percentage of nominee board directors of the total number of non-executive board directors should not be greater than the ratio between the company capital represented by these board directors and the rest of the capital.

This criterion can be relaxed:

- a) In large cap companies where there are few equity stakes that are legally considered as significant.
- b) In companies with a plurality of shareholders represented on the board of directors who are not related.

Complies [X] Explain []

17. Independent directors should account for at least half of the total number of board directors.

However, when the company is not large cap, or when, even though it is, it has one or several shareholders acting in unison controlling **more than 30% of the share capital, the number of** independent board directors should represent at least a third of all board directors.

Complies [X] Explain []

18. Companies shall publish the following board director particulars on their website and keep them permanently updated:

- a) Professional and biographical profile.
- b) Other boards to which they belong, whether or not listed companies, as well as other paid activities performed, whatever their nature.
- c) An indication as to whether the directorship is executive, indicating shareholder-nominated or independent; in the case of nominee directors, stating the shareholder they represent or to whom they are affiliated.
- d) The date of first and subsequent appointments as a company board director, as well as later reappointments.
- e) Company shares, and share options, of those which are held.

Compliant [X] Partially compliant [] Explain []

19. The annual corporate governance report, following verification by the appointments committee, shall disclose the reasons for the appointment of nominee board directors at the behest of shareholders controlling less than three percent of capital; and it should explain any rejection of a formal request for a board place from shareholders whose equity stake is equal to or greater than that of others appointed for a nominee directorship.

Compliant [] Partially compliant [] Explain [] Not applicable [X]



20. Nominee board directors must resign when the shareholders they represent transfer their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to nominee board directors, the number of such nominee board directors should be reduced accordingly.

Compliant [] Partially compliant [] Explain [] Not applicable []

21. The board of directors must not propose the removal of independent board directors before the expiry of their term in office pursuant to the bylaws, except where due cause is found by the board of directors, based on a report from the appointments committee. In particular, it must be understood that there is just cause when the director takes on new positions or contracts new obligations that prevent him/her from devoting the necessary time to the performance of the functions of a director, fails to comply with the work inherent to his/her position or is involved in any of the circumstances that cause the loss of his/her independent status, in accordance with that established in applicable legislation.

The removal of independent directors can also be proposed as a result of public takeover bid, merger or similar corporate actions that cause changes in the capital structure of the company, when these changes in the structure of the Board of Directors are supported by the proportionality criteria, indicated in recommendation 16.

Complies [] Explain []

22. Companies shall establish rules obliging board directors to inform the board of directors of any circumstance that might undermine the organization's name or reputation, tendering their resignation when situations arise affecting them that are related or not to their conduct in the company, with particular mention of any criminal charges brought against them and the progress of any subsequent proceedings.

And companies shall examine the case as soon as possible and decide, following a report from the appointments and remuneration committee, whether or not to take any measures such as the opening of an internal investigation, request the resignation of the director or propose their removal if the board has been informed or otherwise become aware of any of the situations mentioned in the preceding paragraph. Companies shall inform on such matters in the annual corporate governance report unless special circumstances exist that would justify their omission, where such circumstances should be recorded in the minutes. This is without prejudice to the information the company must disclose, if appropriate, when adopting due measures.

Compliant [] Partially compliant [] Explain []

23. The board directors should clearly express their opposition when they consider that a resolution submitted to the board of directors may go against the corporate interest. In particular, independent board directors and other board directors unaffected by the potential conflict of interest should challenge any decision that could go against the interests of shareholders lacking representation in the board of directors.

When the board of directors adopts important or reiterated resolutions on issues about which a board director has expressed serious reservations, it must draw the pertinent conclusions. If chosen to resign, the reasons for this must be set out in the letter referred to in the following recommendation.

This recommendation should also apply to the secretary of the board of directors, even if the secretary is not a board director.

Compliant [] Partially compliant [] Explain [] Not applicable []

24. When a board director leaves their position prior to the end of their term of office, he/she should adequately explain the reasons for their resignation or,

in the case of non-executive directors, their opinion of the reasons for the removal by the general meeting in a letter to all the members of the board of directors.

And the company shall publish as soon as possible the resignation, including sufficient explanation of the reasons or circumstances cited by the board director, without prejudice to provision of due explanations in the annual corporate governance report, in so far as the matter is significant to investors.

Compliant Partially compliant Explain Not applicable

25. The appointments committee must ensure that non-executive board directors have sufficient time available to perform their functions correctly.

The board regulations establish the maximum number of company directorships that can form part of their board directors.

Compliant Partially compliant Explain

26. The board of directors should meet with the necessary frequency to perform its functions properly, and at least eight times a year, following the schedule of dates and matters established at the beginning of the fiscal year, to which each board director may propose the addition of other items individually.

Compliant Partially compliant Explain

27. Board directors should keep their absences to a bare minimum. Absences should be quantified in the annual corporate governance report. When they have to be absent, they should delegate their representation with instructions.

Compliant Partially compliant Explain

28. When board directors or the company secretary express concerns about a proposal or, in the case of board directors, about the company's performance, and such concerns are not resolved by the board of directors, the person expressing them may request that they be recorded in the minutes.

Compliant Partially compliant Explain Not applicable

29. The company must establish the appropriate channels for the board directors to obtain precise advice for the fulfillment of their functions, including, if the circumstances demand it, external advice at the company's expense.

Compliant Partially compliant Explain

30. Irrespective of the knowledge demanded of the board directors to perform their functions, companies also offer refresher programs, when the circumstances so dictate.

Complies Explain Not applicable

31. The agenda of the sessions must clearly indicate the points about which the Board of Directors must make a decision or a resolution that enables the board directors to study or previously obtain the information required for this to take place.



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part of the agenda to the board of directors, prior and express consent must be obtained from the directors present, which must be duly recorded in the minutes.

Compliant Partially compliant Explain

32. The board directors must be informed periodically on the transactions of the shareholders and the opinions that the significant shareholders, investors and ratings agencies have on the company and group.

Compliant Partially compliant Explain

33. The chairman, as the person responsible for the effective functioning of the board of directors, in addition to exercising the functions that he has been legally and statutorily assigned, must prepare and submit to the board of directors a program of dates and matters to be discussed; organize and coordinate the periodic evaluation of the board, as well as, where appropriate, that of the company's chief executive; and must be responsible for the management of the board and the effectiveness of its operation; and must ensure that sufficient discussion time is devoted to strategic issues, and agree and review refresher programs for each board director, when the circumstances so dictate.

Compliant Partially compliant Explain

34. When there is a lead board director, the bylaws or regulations of the board of directors, as well as the powers that are legally entitled, he/she is assigned the following: to chair the board of directors in the absence of the chairman and vice chairmen, if applicable, voice the concerns of the non-executive board directors, maintain contact with investors and shareholders to be aware of their points of view in order to form an opinion on their concerns, particularly in relation to the corporate governance of the company, and coordinate the succession of the chairman.

Compliant Partially compliant Explain Not applicable

The company complies with the entire recommendation, except with respect to assigning the lead director with the power to chair the Board of Directors in the absence of the Chairman, to maintain contact with investors and shareholders, and to coordinate the succession of the Chairman. The Regulations of the Board of Directors assigns the Lead Board Director the powers to request the Board of Directors to be convened, or the inclusion of new points in the agenda from a Board meeting already convened, to coordinate and bring together the non-executive Board Directors and, if required, direct the periodic evaluation of the Chairman of the Board of Directors.

In accordance with the Board of Directors Regulations, in the absence of the Chairman and Vice Chairmen, the oldest board director is called upon to chair the meeting. However, the Lead female Director is also the Second Vice Chairwoman of the Board and, accordingly, is entrusted with chairing meetings in the absence of the Chairman and the First Vice Chairman.

With respect to relationships with shareholders and investors, Article 21 of the Board of Directors Regulations establishes that the Board of Directors is responsible for establishing and supervising appropriate communications and relations mechanisms with shareholders and investors, establishing the pertinent communications channels in the Policy for Communication of Financial, Non-Financial and Corporate Information with Shareholders, Institutional Investors and Proxy Advisors. The company considers that this configuration ensures better and more efficient coordination of the company's relationships with its investors and shareholders.

Finally, the Board of Directors' Regulations assign the Appointments and Remuneration Committee the power to examine and organize the succession of the Chairman of the Board, as established in Article 529 of the Companies Act.

35. The secretary of the Board of Directors should in particular ensure that Board of Directors has the recommendations on good governance at hand during its actions and decisions applicable to the company. These are contained in this Good Governance Code.

Complies Explain

36. The board of directors should evaluate and adopt an action plan in full once a year, if applicable, that corrects the weaknesses detected, in relation to:

a) The quality and efficiency of the operational aspects of the board of directors.

- b) The operational aspects and composition of its committees.
- c) The diversity in the composition and responsibilities of the Board of Directors.
- d) The performance of the Chairman of the Board of Directors and the chief executive of the company.
- e) The performance and contribution of each board director, paying special attention to those responsible for the different board committees.

The various committees are evaluated on the basis of the report that they present to the board of directors, and for the latter, on the report presented to the appointments committee.

Every three years, the board of directors shall be assisted by an external advisor to perform the evaluation, the independence of whom shall be verified by the appointments committee.

The business relationships maintained by the advisor or any company in its group with the company or any company in its Group must be indicated in the Annual Corporate Governance Report.

The process and the areas evaluated must be described in the annual corporate governance report.

Compliant Partially compliant Explain

37. When there is an executive committee, there must be at least two non-executive members, at least one of whom should be independent; and its secretary should be the secretary of the board of directors.

Compliant Partially compliant Explain Not applicable

38. The board of directors should be kept fully informed of the matters discussed and resolutions adopted by the executive committee. To this end, all members of the board of directors should receive a copy of the executive committee's minutes.

Compliant Partially compliant Explain Not applicable

39. Members of the audit committee, particularly its chairman, should be appointed with regard to their financial and non-financial knowledge and experience in accounting, auditing and risk management matters.

Compliant Partially compliant Explain

40. Under the supervision of the Audit Committee, there should be a unit that assumes the internal audit function that ensures the proper performance of the information and internal control systems, and functionally operates under the non-executive director of the Board or the Audit Committee.

Compliant Partially compliant Explain

41. The head of the unit handling the internal audit function should present an annual work program to the audit committee, for approval by this committee or the board, inform it directly of any incidents or scope limitations arising during its implementation, the results and monitoring of its recommendations, and submit an activities report at the end of each year.

Compliant Partially compliant Explain Not applicable

42. In addition to the provisions of the law, the audit committee has the following functions:

1. In relation to the information and internal control systems:
 - a) To monitor and evaluate the preparation process and the integrity of the financial and non-financial information, as well as the control and management systems for financial and non-financial risks related to the company and, where appropriate, to the group – including operating, technological, legal, social, environmental, political and reputational risks or those related to corruption – reviewing compliance with regulatory requirements, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.
 - b) To monitor the independence of the unit handling the internal audit function; propose the selection, appointment and removal of the head of the internal audit service; propose the service’s budget; approve or make a proposal for approval to the board of the priorities and annual work program of the internal audit unit, ensuring that it focuses primarily on the main risks the company is exposed to (including reputational risk); receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.
 - c) To establish and supervise a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report irregularities of potential significance, including financial and accounting irregularities,
 - or those of any other nature, related to the company, that they notice within the company or its group. This mechanism must guarantee confidentiality and, in any case, envision situations where communications can be made anonymously, respecting the rights of the whistleblower and the accused party.
 - d) To ensure in general that the internal control policies and systems established are effectively implemented in practice.
2. With respect to the external auditor:
 - a) Should the external auditor resign, to examine the circumstances leading to the resignation.
 - b) To ensure that the remuneration of the external auditor for his/her work does not compromise his/her quality or independence.
 - c) To ensure that the company notifies any change of external auditor through the CNMV, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.
 - d) To ensure that the external auditor holds an annual plenary meeting of the board of directors to inform them about the work performed, the accounting situation and any risks to the company.
 - e) To ensure that the company and the external auditor respect the prevailing standards on the provision of services other than auditing, the limits on the concentration of the auditor’s business and, in general, other standards established to guarantee auditors’ independence.

Compliant [X] Partially compliant [] Explain []

43. The audit committee can summon any company employee or executive, even ordering their appearance without the presence of another executive.

Compliant [X] Partially compliant [] Explain []

44. The audit committee must be informed of any corporate and structural modifications which the company plans to make so that, in advance of the next board of directors meeting, the committee can analyze these modifications and draw up a report about any economic conditions and accounting impact, particularly as regards the proposed exchange ratio.

Compliant Partially compliant Explain Not applicable

45. Risk control and management policy should identify or establish at least:

- a) The different types of financial and non-financial risk the company is exposed to (including operational, technological, financial, legal, social, environmental, political and reputational risks, and risks relating to corruption), with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks.
- b) A risk control and management model based on different levels, of which a specialized risk committee will form part when sector regulations provide or the company deems it appropriate.
- c) The level of risk that the company considers acceptable.
- d) The measures established to mitigate the impact of the risks identified, should they materialize.
- e) The internal oversight and reporting systems that will be used to control and manage these risks, including contingent liabilities and off-balance-sheet risks.

Compliant Partially compliant Explain

46. Under the direct supervision of the Audit Committee, or, if applicable, a specialized committee of the Board of Directors, there should be an internal risk control and management function performed by a unit or department within the company that is expressly assigned the following functions:

- a) To ensure that the risk control and management systems function properly and, in particular, that they identify, manage and quantify all the significant risks that affect the company.
- b) To actively participate in the development of the risk strategy and important decisions regarding its management.
- c) Ensure that the risk control and management systems are mitigating risks effectively in the frame of the policy drawn up by the board of directors.

Compliant Partially compliant Explain

47. The members appointed to the Appointments and Remuneration Committee—or the Appointments Committee and Remuneration Committee if separate—must have the knowledge, skills and experience appropriate for the functions that they are called to fulfill. The majority of these members should be independent directors.

Compliant Partially compliant Explain

48. The large cap companies have a separate appointments committee and a remuneration committee.

Complies Explain Not applicable

The company considers the issues regarding appointments and remuneration to be closely related, and it is therefore seen as appropriate for them to be analyzed by the same committee.

49. The appointments and remuneration committee must consult with the chairman of the board of directors and the chief executive, particularly with respect to matters relating to executive board directors.

Any board director may ask the appointments committee to take into consideration any candidates he/she deems suitable to fill a board director vacancy.

Compliant Partially compliant Explain

50. The remuneration committee must perform its functions independently and, in addition to the functions assigned by law, the following ones:

- a) To propose the basic conditions for the contracts of the top executives to the Board of Directors.
- b) To verify compliance with the compensation policy established by the company.
- c) To periodically review the compensation policy applied to directors and senior managers, including share-based remuneration systems and their application, as well as guarantee that their individual remuneration is proportionate to that paid to the company's other directors and senior managers.
- d) To ensure that possible conflicts of interest do not compromise the independence of the external advice provided to the committee.
- e) To check the information on remuneration of board directors and top executives contained in the different corporate documents, included in the annual report on the remuneration of board directors.

Compliant Partially compliant Explain

51. The remuneration committee must consult with the chief executive, especially with respect to matters related to executive board directors and senior managers.

Compliant Partially compliant Explain

52. The rules governing the composition and operation of the supervision and control committees must be included in the regulations of the board of directors and be consistent with those applicable to legally obliged committees in line with the previous recommendations, including:

- a) They are formed exclusively of non-executive board directors, with a majority of independent board directors.
- b) Their chairmen are independent board directors.
- c) The board of directors should appoint the members of such committees with regard to the knowledge, skills and experience of its directors and each committee's terms of reference; discuss their proposals and reports; and provide report-backs on their activities and work at the first board plenary following each committee meeting.
- d) The committees may engage external advice when it is considered necessary for the performance of their functions.
- e) Minutes must be taken at their meetings and made available to all board directors.

Compliant Partially compliant Explain Not applicable

53. The task of supervising compliance with the policies and rules of the company in the environmental, social and corporate governance areas, and internal rules of conduct, should be assigned to one board committee or split between several, which could be the audit committee, the nomination committee, a committee specialized in sustainability or corporate social responsibility, or a dedicated committee established by the board of directors under its powers of self-organization. Such a committee should be made up solely of non-executive directors, the majority being independent and specifically assigned the following minimum functions.

Compliant Partially compliant Explain



codes of conduct.

Regarding the supervision of compliance with policies and rules in environmental and social matters, the company has a Corporate Sustainability Committee, an internal body with executive functions and powers of information, advice and proposal in matters of sustainability. In accordance with the provisions of the Corporate Sustainability Policy approved by the Board of Directors on April 29, 2021, this Committee periodically reports to the Board of Directors of MAPFRE S.A., and/or to the competent delegated body of the latter, on the degree of progress in compliance with the Policy and the sustainability strategy.

However, the Board of Directors has proposed modifying the corporate bylaws at the Annual General Meeting, to be held on March 11, 2022, to assign the Risk Committee, a delegate body of the Board of Directors, powers in matters of sustainability and rename it the Risk and Sustainability Committee, which will fully comply with this recommendation.

54. The minimum functions referred to in the previous recommendation are as follows:

- a) To monitor compliance with the company's internal codes of conduct and corporate governance rules, and ensure that the corporate culture is aligned with its purpose and values.
- b) To monitor the implementation of the general policy regarding the disclosure of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, proxy advisors and other stakeholders. Similarly, the way in which the company communicates and relates with small and medium-sized shareholders should be monitored.
- c) To periodically evaluate and review the company's corporate governance system and environmental and social policy, in order to confirm that they fulfilling their mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of other stakeholders.
- d) To ensure that the company's environmental and social practices are in accordance with the established strategy and policy.
- e) Supervision and evaluation of the relational processes with other stakeholders.

Compliant [] Partially compliant [] Explain []

Functions a) and c) are under the express responsibility of the Audit and Compliance Committee, where function c) relates to the periodic evaluation and review of the corporate governance system.

As indicated in recommendation 34), the Board of Directors itself is responsible for establishing and supervising appropriate communication mechanisms and relations with shareholders and investors and, therefore, it performs the indicated functions b) and e).

Lastly, as indicated in recommendation 53 above, the Corporate Sustainability Committee performs functions c) and d) in environmental and social matters. In addition, the Board of Directors is responsible for determining the Company's Sustainability Policy, in accordance with Article 2 of the Regulations of the Board of Directors.

However, as indicated in recommendation 53) above, the Board of Directors has proposed modifying the corporate bylaws at the Annual General Meeting, to be held on March 11, 2022, to assign the Risk Committee, a delegate body of the Board of Directors, responsibilities in the area of sustainability.

55. Environmental and social sustainability policies should identify and include at least:

- a) The principles, commitments, objectives and strategy regarding shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of corruption and other illegal conduct
- b) The methods or systems for monitoring compliance with policies, associated risks and their management.
- c) The mechanisms for overseeing non-financial risk, including that related to ethical aspects and business conduct.
- d) Channels of communication, participation and dialog with stakeholders.
- e) Responsible communication practices that prevent information manipulation and protect honor and integrity.

Compliant [] Partially compliant [] Explain []

56. The remuneration of directors must be sufficient to attract and retain board directors from the desired profile and reward the commitment, qualification and responsibility demanded by the position, but not so high that the independence of criteria for non-executive board directors is compromised.

Complies Explain

57. The executive board directors must receive the variable remuneration relating to the performance of the company and their individual performance, as well as remuneration in the form of shares, options or rights on shares and instruments referenced to the share value and long-term saving systems such as pension plans, retirement systems or other social protection systems.

The delivery of shares shall be considered as remuneration for non-executive board directors on condition that the shares are held for the duration of the directorship. This does not apply to the shares that a board director needs to transfer, if necessary, to meet the costs related to their acquisition.

Compliant Partially compliant Explain

58. In the case of variable remuneration, the compensation policies must include the limits and specific technical safeguards to ensure that the remuneration reflects the professional performance of the beneficiaries and not simply the general progress of the markets, the company sector or similar circumstances.

In particular, the variable elements of the remuneration:

- a) Are linked to performance criteria that are predetermined and measurable, and these criteria must take into account the risk accepted for achieving a result.
- b) Promote the sustainability of the company and include non-financial criteria that are suitable for creating long-term value, such as compliance with the internal rules and procedures of the company and its policies for risk control and management.
- c) These are established on the basis of a balance between the fulfillment of short-, medium- and long-term objectives that allow remuneration of performance for continued performance over a sufficient period of time for its contribution to the sustainable creation of value to be appreciated, so that the elements of measurement of that performance do not revolve solely around specific, occasional or extraordinary events.

Compliant Partially compliant Explain Not applicable

59. The payment of the variable components of remuneration is subject to sufficient verification that previously established performance, or other, conditions have been effectively met. Entities should include in their annual directors' remuneration report the criteria relating to the time required and methods for such verification, depending on the nature and characteristics of each variable component.

Additionally, entities should consider establishing a reduction clause ('malus') based on deferral for a sufficient period of the payment of part of the variable components that implies total or partial loss of this remuneration in the event that prior to the time of payment an event occurs that makes this advisable.

Compliant Partially compliant Explain Not applicable

60. Remuneration linked to the company's results takes into account any reservations that are mentioned in the external auditor's report and may compromise the results.



ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED COMPANIES

Compliant Partially compliant Explain Not applicable

61. A significant percentage of the variable remuneration of the executive board directors is linked to the delivery of shares or financial instruments referenced to the share value.

Compliant Partially compliant Explain Not applicable

62. Following the award of shares, options or financial instruments corresponding to the remuneration schemes, executive directors should not be able to transfer their ownership or exercise them until a period of at least three years has elapsed.

Except for the case in which the director maintains, at the time of the transfer or exercise, a net economic exposure to the variation in the price of the shares for a market value equivalent to an amount of at least twice his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The foregoing shall not apply to the shares that the director needs to dispose of to meet the costs related to their acquisition or, upon favorable assessment of the nomination and remuneration committee to address an extraordinary situation.

Compliant Partially compliant Explain Not applicable

In 2019, the Board of Directors of MAPFRE S.A., at the behest of the Appointments and Remuneration Committee, approved the Medium-Term Incentives Plan 2019-2021, which is extraordinary, non-binding and multi-annual. The period of evaluation of the degree of attainment of the objectives of the Plan runs from January 1, 2019 to December 31, 2021, where the executive directors take part in their capacity as senior executives.

If applicable, the incentive will partly be paid in cash and partly by means of shares in MAPFRE S.A. The receipt of 60% of the incentive by each executive board director will be deferred for a period of three years, in thirds, with 50% of the deferred part paid in cash and the remaining 50% in shares. The Plan includes the obligation for the shares to be kept for a maximum period of two years, starting from the payment date.

63. The contractual agreements include a clause that allows the company to file a claim for re-payment of variable elements of remuneration when payment has not been adjusted to the performance conditions or when it has been awarded on the basis of data which is subsequently shown to be incorrect.

Compliant Partially compliant Explain Not applicable

64. Termination payments should not exceed a fixed amount equivalent to two years of the director's total annual remuneration and should not be paid until the company confirms that he or she has met the predetermined criteria for receiving them.

For the purposes of this recommendation, payments for contractual termination include any payments whose accrual or payment obligation arises as a consequence of or on the occasion of the termination of the contractual relationship that linked the director with the company, including previously unvested amounts for long-term savings schemes and the amounts paid under post-contractual non-compete agreements.

Compliant Partially compliant Explain Not applicable

For external directors, there is no compensation for leaving the position.

Regarding executive board directors, leaving the position means lifting the suspension of the relationship prior to the appointment as executive board director.

The early termination of the previous relationship (prior, in all cases, to the approval of the Good Governance Code for listed companies), except when there is good cause for dismissal, implies indemnification under the terms established by the workers' statute in relation to unfair dismissal.

OTHER USEFUL INFORMATION

1. If there is any relevant aspect regarding corporate governance in the company or in the group companies that has not been covered in the remaining sections of this report, but that should be included in order to provide more complete and explanatory information about the structure and governance practices of the company or group, please provide a brief explanation here.
2. This section may also include any other relevant information, clarification or detail related to previous sections of the report so long as they are relevant and not repetitive.

Specifically, indicate whether the company is subject to the corporate governance legislation of any country other than Spain and, if so, include the compulsory information to be provided when different from that required by this report.

3. The company may also indicate if it has voluntarily adhered to other codes of ethical principles or best practices, international, sectoral or of another scope. If applicable, the code in question and the date of accession will be identified. In particular, it shall mention whether it has adhered to the Code of Good Taxation Practices, of July 20, 2010:

SECTION C.2.1 CONTINUED

Audit and Compliance Committee

The Committee is made up of a minimum of three and a maximum of five members, all of which must be non-executive, and the majority of which must be independent directors, one of which must be designated based on his or her knowledge and experience in the area of accounting or auditing or both. Overall, the members of the Committee should have the pertinent technical knowledge in relation to the company's sector of activity. Its Chairman must be an Independent Board Director and they must be substituted in this position every four years, and may be reelected to the position one year after leaving it. The secretary of this Committee will be the secretary to the Board of Directors. The Internal Audit General Manager of the Group shall attend the meetings as a guest.

In 2021 the Audit and Compliance Committee was responsible for, among other things, issuing an opinion on the Financial Statements for fiscal year 2020, supervising the efficacy of the Company's internal control, supervising the information of the Company and its Group in the framework of Solvency II, supervising the internal audit and the risk management systems of the Company and the Group, reporting on transactions with significant shareholders and senior management, approving extra fees from the External Auditor, reporting on the relationship with the External Auditor, favorably reporting the renewal of the External Auditor to the Board of Directors, being familiar with appointments in Internal Audit and being familiar with the intermediary financial information presented to the National Securities and Exchange Commission, and ensuring the correct application within the company and Group of the good governance rules and external and internal regulations.

For more information, please consult the Report on the Composition and Functioning of the Committee during fiscal year 2021, available on the Company's website, which is made available to shareholders for the General Meeting.

SECTION E.3 CONTINUED

3. Strategic and Corporate Governance Risks

The ethical principles applied to business management, whose strict application is considered as the most effective action to mitigate this type of risk, have been a constant in MAPFRE and are part of its bylaws and daily work.

MAPFRE's global dimension and its presence in markets with very different corporate governance regulations suggest the need for basic regulations that contain the institutional and governance principles applicable to all of them. In order to standardize the business culture, the Board of Directors of MAPFRE S.A., on June 24, 2015, approved the "Institutional, Business and Organizational Principles of the MAPFRE Group" which, along with the Code of Ethics and Conduct and the Policy of Corporate Governance constitute the minimum framework binding on all companies that make up MAPFRE and their respective governing bodies.

Together with the foregoing, also of note are the Corporate Fiscal Policy, the Corporate Sustainability Policy, the Internal Code of Conduct relating to listed securities issued by MAPFRE, and the Policy for Management of Conflicts of Interest and Operations Linked to Significant Shareholders and Senior Roles of Representation and Management.

To reinforce the strict application of the ethical principles of business management and the corporate values set forth in these standards, MAPFRE has a corporate structure and executive organization that is determined by high and rigorous control and supervision at all levels: local, regional and global.

To ensure compliance and monitoring of any possible irregularities, MAPFRE has established channels for consultation and communication of complaints, which are accessible to employees:

- Financial and Accounting Whistleblower Channel, through which MAPFRE Group employees, as well as board directors, shareholders, providers, contractors and subcontractors can confidentially and, if they wish, anonymously report any potentially significant financial and accounting irregularities observed within the company or its Group to the Audit and Compliance Committee of MAPFRE S.A.

During the 2021 fiscal year, a total of three reports/complaints were received through the Financial and Accounting Reporting Channel, which were not processed for dealing with matters unrelated to said channel.

- Ethics queries and complaints. The Code of Ethics establishes three channels of communication: Internet, accessible to employees and suppliers, available in Spanish, English, Portuguese and Turkish; postal mail; and email. To guarantee confidentiality, the secretary of the Ethics Committee receives queries and complaints directly.

During fiscal year 2021, the Ethics Committee registered, through the different reporting channels, a total of 12 reports/complaints, of which 11 were not processed for dealing with matters outside the Code of Ethics and Conduct and one has been processed and resolved. Information on the complaint admitted for processing by the Ethics Committee in 2021 is detailed below: complaint by an employee in Spain for alleged breaches of the technical standards for action in the assignment of unbundled loss adjustment expenses. The appropriate investigation was carried out, concluding that there was no breach of the Code of Ethics and Conduct as it was not proven that MAPFRE's internal regulations had been breached, nor was there any discrimination, arbitrariness or comparative grievances in the assignment of unbundled loss adjustment expenses.

Additionally, the Criminal Risk Prevention Model approved in April 2017 by the Board of Directors of MAPFRE S.A. establishes the basis of the Criminal Risk Prevention System adopted by MAPFRE, providing the organization with a supervisory model to prevent the commission of crimes that may be attributed to the Group companies. This model is used to raise awareness, stressing the regulatory aspects with criminal significance to which companies are exposed, and to establish the methodology for the management and evaluation of the controls implemented to prevent or mitigate potential crimes. The Criminal Risk Prevention Model applies to MAPFRE's legal representatives, its associates, its executives, its employees and all the other persons who are under the authority or control of the above-mentioned persons or who work in their area of management, supervision, vigilance or control. This includes all groups of individuals who act in the name of, on behalf of, or in some way or other in the interest of the Group.

4. Operational Risks

Operational risks are identified and assessed through the risk control model, which is based on a dynamic analysis of each company process by process, in which the managers of each area or department assess the potential risks that affect their activities and the effectiveness of the controls related to each process. This control is conducted using risk self-evaluation questionnaires, internal control manuals, inventory of controls associated with risks, assessment of their effectiveness, and the corrective measures in place to mitigate or reduce the risks and/or improve the control environment.

In relation to tax risks, the Group's actions have always been governed by compliance with current tax regulations in the territories in which it operates, constituting a practical application of the institutional principle of ethical and socially responsible action in tax matters and the principles of the Corporate Tax Policy approved in 2015. These risks are managed internally in each jurisdiction by the Administration and Tax Advisory departments, subcontracting the tax advisory services required at all times with important firms in the sector.

Among operational risks, it is worth highlighting the rise in cybersecurity risk or Cyber Risk. Due to the large-scale use of technology by companies and clients, accelerated by the widespread practice of remote working during the COVID-19 pandemic, together with the increased threat in terms of the frequency and sophistication of attacks, citizens and companies must be protected against this type of risk, which can compromise digital assets (information), the information systems that process, transfer and store them, and the information systems used to manage critical infrastructures associated with basic services. For Cyber Risk management, the MAPFRE Group has a Corporate Security Division that has highly specialized certified personnel, specific technological tools, and an Incident Response Monitoring Center. Additionally, in the event that a Cyber Risk materializes, the Group has specific insurance protection in this regard, aimed at reducing the possible economic impact that may occur.

Since July 22, 2010, the company has adhered to and complies with the Code of Good Taxation Practices approved and sponsored by the Forum for Large Companies and the Spanish Tax Agency.

This annual report on corporate governance was approved by the company's Board of Directors at its meeting on:

[2/9/2022]

Indicate whether any board directors voted against the report or abstained.

[] Yes
[v] No

ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS

In accordance with the provisions of article 538 of the consolidated text of the Companies Act, the Annual Report on Remuneration of Directors is presented here.



ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF PUBLICLY TRADED COMPANIES

ISSUER'S IDENTITY DATA

End date of the reference fiscal year::

[12/31/2021]

Tax ID
Number
(CIF):

[A08055741]

Company name:

[**MAPFRE S.A.**]

Registered office:

[CARRETERA DE POZUELO A MAJADAHONDA, 52 EDIF.1 (MAJADAHONDA) MADRID]

A. COMPANY COMPENSATION POLICY FOR THE CURRENT FISCAL YEAR

A.1.1 Explains the current compensation policy for board directors applicable to the current fiscal year. If applicable, certain information regarding the compensation policy approved by the Annual General Meeting may be included, provided that such inclusion is clear, specific and definite.

The resolutions specific to the current fiscal year shall be described, both for compensation of board directors for their status as such and for the performance of executive functions that may be performed by the board in compliance with the provisions in contracts signed with the executive directors and with the compensation policy approved by the Annual General Meeting.

In any event, at a minimum the following items shall be indicated:

- a) Description of the procedures and entities within the company involved in determining, approving, and applying the compensation policy and its conditions.
- b) Indicate and, if applicable, explain whether comparable companies have been taken into consideration in establishing the company's compensation policy.
- c) Information regarding whether any external advisor took part, and if so, that individual's identity.
- d) Procedures contemplated in the current directors' compensation policy for applying temporary exceptions to the policy, conditions under which such exceptions may be used, and components that may be subject to exception under the policy.

i) General principles underpinning the current policy:

The remuneration of board directors is determined in accordance with the provisions of regulations applicable to corporations, the corporate bylaws and regulations of the company's Board of Directors, and the decisions adopted by the Annual General Meeting.

In the meeting held on February 9, 2022, the Board of Directors agreed to refer a new Remuneration Policy for Board Directors for the period 2022--2024 to the Annual General Meeting on March 11. The general principles are:

- Priority of the creation of value and profitability in the medium- and long-term over short-term results.
- Reasonable proportion between the Company's economic situation and the market standards of comparable companies.
- Alignment with the commercial and risk management strategy, risk profile, objectives, and risk management practices.
- Appropriate and efficient risk management within the established risk tolerance limits.
- Attraction and retention of talent.
- Appropriate compensation for dedication, qualification and responsibility.
- Appropriate proportion of fixed and variable components, avoiding excessive reliance on variable components.
- Deferred payment of a significant portion of the variable remuneration.
- Possibility of ex-post adjustments to the variable remuneration.
- Avoidance of conflicts of interest.
- Alignment of the compensation system for executive directors with that of the Company's executives as a whole.
- Non-discrimination on the basis of gender, race or ideology, and equal remuneration for positions of equal value.

Based on the principles indicated above, the remuneration system for board directors, in their status as such, is defined by the following characteristics:

- It is transparent in terms of the board directors' remuneration information.
- It is an incentive to reward their dedication, qualification, and responsibility, without constituting an obstacle to their duty of loyalty.
- It consists of a fixed amount for membership of the Board of Directors and, where applicable, of the Steering Committee and sub-steering committees, which may be higher for people with positions on the Board or who chair the sub-steering committees. In addition, members of the Steering Committee shall receive an allowance for attending its meetings. This remuneration is supplemented with other non-monetary compensation, as established for Company staff in general in the MAPFRE Insurance Group Collective Agreement.
- It does not include variable components or those indexed to share value.
- Board directors are reimbursed for traveling expenses and other costs incurred to attend company meetings or carry out their functions.

The compensation system for directors who perform executive functions in the Company has the following features and measures to ensure consistency with the strategy, interests and long-term sustainability of the Company and its Group, and with the compensation conditions of executives and employees in general, and to reduce exposure to excessive risks:

- Balanced relationship between the fixed and variable components of remuneration and long-term performance orientation.
- Variable remuneration linked to economic-financial objectives, those for shareholder value creation, and those linked to sustainability, in line with MAPFRE's Strategic Plan.
- Medium and long-term variable compensation through multi-year incentive plans, based on long-term results and partially orchestrated through the delivery of MAPFRE S.A. shares subject to a retention period.
- Variable remuneration with partial deferral and possibility of reduction (malus clause) or total or partial refund (clawback clause).

The remuneration policy, therefore, contributes to the business strategy, interests and long-term sustainability of the Company, with the objective of creating shareholder value in a sustainable manner over time, with prudent risk management and in strict compliance with current regulations on the compensation of directors of listed companies.

With regard to the criteria followed to determine the different components in the remuneration package for board directors, in the case of external board directors, the aim is compensate them in accordance with their professional experience, dedication to the position and the responsibility involved, while ensuring that their objectivity in the defense of company interests is not affected by the remuneration received.

For executive board directors, as for the rest of the Group's executive managers, the aim is to provide competitive remuneration packages that will attract and retain outstanding professionals while establishing and sustaining a stable relationship between remuneration, results and accepted risk (this risk therefore constitutes a determining factor of the variable remuneration in the medium and long-term).

[THE INFORMATION IN THIS SECTION CONTINUES IN SECTION D.1 OF THIS REPORT]

A.1.2 Relative importance of the variable remuneration items in relation to fixed items (remuneration mix) and which criteria and objectives have been considered in its establishment, and to guarantee a proper balance between fixed and variable remuneration items. In particular, explain the actions taken by the company relating to the remuneration system to reduce exposure to excessive risk and adjust it to the company's long term goals, values, and interests which will include, where appropriate, reference to measures provided to guarantee that the compensation policy gives due consideration to the long-term results of the company, the measures adopted with regard to the categories of personnel whose professional activities have a material effect on the risk profile of the company, and measures designed to avoid conflicts of interest.

It also indicates whether the company has set any accrual or vesting period for specific items of variable remuneration, in cash, shares or other financial instruments, a deferral period for payment of sums or provision of accrued and vested financial instruments, or if any reduction clause has been established for deferred remuneration that is not yet vested, or that requires

the board director to reimburse the remunerations received, when such remunerations have been based on data whose inaccuracy has been later demonstrated in a manifest manner.

Executive directors have a short-term variable compensation system based mainly on an annual component linked to the Company's consolidated net profit and the Group's Return on Equity (ROE) and, additionally, another component linked to compliance with the Global Autos Combined Ratio and percentages of growth in earned premiums and variation in charged expenses (excluding life savings). They also have multi-year variable incentive schemes linked to the achievement of objectives established in line with the Group's Strategic Plan.

Regarding deferral of short-term variable remuneration for executive board directors, the payment of at least 30 percent of it will be deferred for a minimum of three years.

On the other hand, relevant personnel and other persons who perform key functions or whose professional activity has a material impact on the Company's risk profile have a variable remuneration system linked to the achievement of both financial and non-financial objectives directly matched to the strategic plans and also subject to deferral rules. In particular, the Company's executive directors are part of an extraordinary, non-vested, multi-year Medium and Long-Term Incentive Plan consisting of three overlapping cycles with a target measurement period of three years each (2022-2024, 2023-2025 and 2024-2026), which will be paid partially in cash and partially through the delivery of MAPFRE S.A. shares. The objectives of the first overlapping cycle (2022-2024) refer to (i) the relative Total Shareholder Return (TSR) (comparison between MAPFRE's TSR and the TSR of the group of companies comprising the Eurostoxx Insurance in the Plan's measurement period), (ii) the average Return on Equity (ROE), (iii) the average Non-Life Global Combined Ratio, and (iv) objectives linked to sustainability. The above objectives generally refer to averages over a three-year period, so it is only possible to obtain such remuneration through management that generates results and business models that are sustainable over time.

In the case of medium and long-term variable remuneration, the payment of at least 60 percent of the same will be deferred for a minimum of three years. In addition, executive directors must maintain ownership of all of the shares for a maximum period of two years from the date of delivery of the shares.

In accordance with the Remuneration Policy for Board Directors for the 2022-2024 period, the fixed and variable components of the remuneration package must be balanced in such a way that the fixed component constitutes a sufficiently large part of the total remuneration, thus enabling the application of a completely flexible policy with regard to the variable components of the remuneration package, including the possibility of not paying these. To avoid the excessive assumption of risk, the percentage of the variable component with respect to the fixed remuneration should not exceed 100 percent.

For the 2022 fiscal year, the weight of the target variable remuneration (sum of the annualized short-, medium- and long-term variable remuneration and the variable part of the long-term savings systems) over the fixed remuneration (sum of the annual fixed remuneration and the fixed part of the long-term savings systems, excluding the amounts corresponding to social benefits) of all executive directors is 68.73 percent.

For the purpose of an appropriate balance between fixed and variable components, the Company has used the remuneration practices of IBEX 35 companies as its reference.

Furthermore, contracts for executive board directors include the following clauses that may affect 100 percent of the variable remuneration:

- Reduction clause (malus): provides for the partial or total reduction of remuneration accrued and pending issue under certain serious circumstances, either for improper actions or situations that affect the settlement.
- Recovery cause (clawback): provides specifically for the partial or total return of variable remuneration paid within three years following its payout.

In relation to potential conflicts of interest, the internal regulations of the company establish that these must be reported to the governing bodies of MAPFRE through General Counsel by those affected. These governing bodies must establish whether or not there is a conflict of interest, and if this is the case they must establish measures to protect the company interest in accordance with the circumstances. These measures must be accepted by those affected.

A.1.3 Amount and form of fixed components that are provided will be accrued by the board directors within the fiscal year based on their position.

External board directors receive an annual fixed amount for their membership on the Board of Directors as basic remuneration and, where applicable, for membership on the Steering Committee and sub-steering committees, which may be higher for people who hold positions on the Board itself or who chair any of the Board committees or sub-committees. In addition, members of the Steering Committee shall receive an allowance for attending its meetings. This remuneration may be supplemented with other non-monetary remuneration as established for the company staff in general.

(i) Fixed allocation and attendance allowance.

The amounts for these categories for fiscal year 2022 shall be as follows:

- Membership of the Board of Directors: 110,000 euros
- - Vice Chairman of the Board of Directors - Independent Coordinating Director: 220,000 euros
- Membership of the Steering Committee: 10,000 euros plus an attendance allowance of 3,000 euros per meeting
- Chair of the Audit and Compliance Committee: 70,000 euros
- Members of the Audit and Compliance Committee: 49,000 euros
- Chair of the Appointments and Remuneration Committee: 62,000 euros
- Members of the Appointments and Remuneration Committee: 40,000 euros
- Chair of the Risk Committee: 62,000 euros
- Members of the Risk Committee: 40,000 euros

(ii) Non-monetary compensation.

External directors are beneficiaries of the non-monetary compensation as established in section A.1.5 below.

(iii) Amounts for membership of the Board of Directors of subsidiary companies

External board directors who are members of the Board of Directors of subsidiary companies also receive a fixed amount for this membership and, as applicable, for membership of their management committees.

These amounts vary depending on the size and geographic location of the subsidiary company.

A.1.4 Amount and form of fixed components that will be accrued in the fiscal year for performance of senior management functions of executive board directors.

Executive directors do not receive the fixed allowance and attendance fees established for board directors in their capacity as such.

Board directors' fixed remuneration for carrying out their executive functions is determined in line with the Remuneration Policy for Board Directors for the 2022-2024 period and in accordance with the stipulations of their respective contracts.

For 2022, the gross fixed salary remuneration of the four Executive Board Directors totals 2,307,499 euros, of which 1,878,241 euros corresponds to the company and 429,258 euros to other companies of the Group.

A.1.5 Amount and form of any remuneration component in kind that will be accrued in the fiscal year, including but not limited to insurance premiums paid in favor of the director.

External directors receive the following non-monetary compensation, which is generally established for the Company's personnel in the MAPFRE Insurance Group Collective Agreement:

- Life insurance in case of death with an insured capital of 150,253 euros.
- Discounts on products sold by companies belonging to the MAPFRE Group.
- Christmas gift.

Executive directors are entitled to the following social benefits and benefits established in general for the Company's senior management:

- Defined contribution pension commitments described in section A.1.7 below.
- Specific health insurance and medical checkup.
- Burial insurance.

- Life Insurance with an insured capital in case of death or total disability of 400 percent of the fixed remuneration, with a double indemnity clause in case of accidental death.
- The private use of a company vehicle according to the terms and conditions established in the policy for assignment of MAPFRE vehicles.
- Scholarship program for children.

In addition, executive directors, like the rest of the Company's employees, are beneficiaries of other benefits, the main characteristics of which are set forth in the MAPFRE Insurance Group Collective Agreement.

A.1.6 Amount and form of variable components, distinguished by short- and long-term types. Financial and non-financial parameters, these including social, environmental and climate change parameters, selected to determine the variable remuneration in the current year, explanation of the extent to which such parameters relate to the performance of both the board director, the company and its risk profile, and the methodology, time required and techniques envisaged to determine, at year end, the actual degree of attainment of the parameters used in the design of variable remuneration, explaining the criteria and factors applied in terms of the time required and methods for verifying the effective fulfillment of the performance conditions, or any other type of conditions to which the accrual and vesting of each variable remuneration component was linked.

It indicates in monetary terms the range of the various variable components in relation to the degree of compliance with established objectives and parameters, and any maximum monetary amount in absolute terms, if applicable.

As indicated above, only executive board directors receive variable remuneration, three types of which can be distinguished:

(i) Short-term variable remuneration:

In accordance with the provisions of the Remuneration Policy for Board Directors for the 2022-2024 period, the Group's executive directors form part of the group of senior executives subject to a short-term variable remuneration system based mainly on an annual component linked to the Company's consolidated net profit and the Group's Return on Equity (ROE).

In 2022 this short-term variable remuneration may reach a gross maximum total of 3,429,395 euros, with 2,796,933 euros corresponding to the company and 632,462 euros to other companies in the Group.

This short-term variable remuneration component will depend on the degree of attainment of the Company's annual consolidated net profit target, according to the following scale:

- If the result after taxes and non-controlling interests is less than 50 percent of the objective, the degree of attainment would be 0 percent.
- If the result after taxes and non-controlling interests is 50 percent or more and less than 80 percent of the objective, the degree of attainment would be 50 percent.
- If the result after taxes and non-controlling interests is 80 percent or more and 100 percent or less of the objective, the degree of attainment would be proportional.
- If the result after taxes and non-controlling interests is greater than 100 percent and less than 125 percent of the objective, the degree of attainment would be 100 percent plus two times the excess over 100 percent.
- If the result after taxes and non-controlling interests meets 125 percent or more of the objective, the degree of attainment would be 150 percent.

After applying this scale, the result will be adjusted upwards or downwards by 5 points depending on the achievement of the Return on Equity (ROE) target.

Furthermore, the Remuneration Policy for Board Directors for the 2022–2024 period expressly provided that the Board of Directors may also establish short-term components linked to the fulfillment of specific objectives.

An element linked to two independent objectives has been established for fiscal year 2022: (i) Global Automobile Combined Ratio and (ii) growth percentages of earned premiums and change in charged expenses (excluding Life Savings).

In 2022, this remuneration may reach a gross maximum total of 318,750 euros, with 250,000 euros corresponding to the company and 68,750 euros to other Group companies.

This short-term variable remuneration component will be calculated as the weighted sum of the attainment of the following objectives, weighted at 50 percent each:

- Global Automobile Combined Ratio:
 - If it is less than or equal to the established target, the objective will be considered 100 percent met.
 - If it is greater than the target but less than or equal to 99 percent, compliance will be deemed 50 percent.
 - If greater than 99 percent, compliance will be deemed 0 percent.
- Joint target of percentage growth in earned premiums and percentage change in charged expenses (excluding life savings):
 - If both objectives are met, the objective is considered to be 100 percent met.
 - If the target percentage of earned premium growth is greater than the percentage change in charged expenses (excluding life savings), and provided that (i) the differential between the two is maintained and (ii) there is positive growth in earned premiums, attainment will be 50 percent.
 - Otherwise, compliance will be deemed 0 percent.

The short-term variable remuneration, which is paid, in all cases, in cash, is approved annually by the Board of Directors after the report by the Appointments and Remuneration Committee.

The evaluation of the effective degree of attainment of the objectives established for short-term variable remuneration is based on the annual accounts for the year prepared by the Board of Directors. The corresponding settlement, if applicable, will generally be made in the first quarter of the following year.

(ii) Medium- and long-term variable remuneration:

On February 9, 2022, the Board of Directors, acting on the recommendation of the Appointments and Remuneration Committee, approved an extraordinary Medium- and Long-Term Incentive Plan, non-cumulative and multi-year, for key executives of the MAPFRE Group, including executive directors.

The Plan's purpose is to align the interests of the management team with the Company and its Strategic Plan, linking their compensation to the creation of value for MAPFRE's shareholders and the sustainable achievement of strategic objectives.

The Plan is composed of three overlapping cycles with a three-year target measurement period each: 2022-2024, 2023-2025, and 2024-2026.

The Plan incentives are linked to the fulfillment of the objectives, both financial and non-financial, established for each of the cycles into which the Plan is divided and, in general and except for special, expressly established cases of the beneficiary's dissociation with the Group, to the maintenance of the relationship until the date of completion of each cycle.

The incentive corresponding to each cycle will be paid partially in cash and partially through the delivery of MAPFRE S.A. shares, with a deferral in both cases of 60 percent over a period of three years, by third parts.

The executive directors must maintain ownership of all the shares for a maximum period of two years from the date of delivery of the shares.

The Company's Board of Directors, at the proposal of the Appointments and Remuneration Committee, shall determine the objectives for each cycle and establish at the beginning of each one, the amounts of cash and MAPFRE shares to be received, if any, by each executive director, provided that the established objectives are met.

The Remuneration Policy for Board Directors for the 2022--2024 period, as submitted to the Annual General Meeting by the Board of Directors, establishes a total of 2,394,882 shares as the maximum number of shares that may be distributed as a result of the Plan's implementation.

The calculation and determination of the incentive will be carried out within thirty days following the approval by the General Shareholders' Meeting of the Company of the Consolidated Annual Accounts of MAPFRE corresponding to the year in which the corresponding cycle ends, and will be subject to compliance with the following requirements:

- (i) Maintaining an active employment or commercial relationship with the MAPFRE Group during the term of the Plan, and
- (ii) that the Company is not making a loss according to the latest approved financial statements.

The objectives of the first overlapping cycle (2022-2024) refer to (i) relative Total Shareholder Return (TSR) (comparison between MAPFRE's TSR and the TSR of the group of companies comprising the Eurostoxx Insurance in the Plan's measurement period), the weighting of which is 40 percent, (ii) average Return on Equity (ROE), the weighting of which is 30 percent, (iii) average Non-Life Global Combined Ratio, with a weighting of 20 percent, and (iv) objectives linked to sustainability, with a weighting of 10 percent.

The calculation rule to determine the incentive for the first cycle, 2022-2024, is as follows:

- Once the weighted sum of attainment of the objectives is determined, if attainment is greater than or equal to 0 percent and up to 135 percent, the percentage of final attainment will be proportional. The limit is 135 percent.

If the assumptions of maximum compliance with the Plan for the first cycle, 2022-2024, were to be met: (i) the amount in cash could reach a total of a total gross amount of 1,721,250 euros, with 1,350,000 euros corresponding to the Company and 371,250 euros to other Group companies; and (ii) the amount in shares could reach a total of 957,953 shares, with 751,336 shares corresponding to the Company and 206,617 shares to other Group companies.

To avoid excessive assumption of risk, the percentage of the variable element (short, medium and long-term) in relation to the executive directors' fixed remuneration must not exceed 100 percent.

Finally, as indicated in the previous section, short, medium and long-term variable remuneration will be subject to deferral rules and malus and clawback clauses as described in section A.1.2 above.

A.1.7 Principal characteristics of the long-term savings systems. The information will include the contingencies covered by the system, if it is of definite contribution or benefit, the annual contribution to be made to the defined contribution systems, the benefit to which the beneficiaries are entitled in the case of defined benefit systems, the conditions for consolidation of the board directors' economic rights and their compatibility with any type of payment or indemnification for termination or early termination, or arising from the termination of the contractual relationship, in the terms provided, between the company and the board director.

It must be indicated whether or not the vesting or accrual of any of the long-term savings plans is linked with the attainment of specific objectives or parameters related to the long and short-term performance of the board director.

Executive directors, in their capacity as members of the Group's management team, are beneficiaries of the following pension commitments for defined contributions in the event of retirement, death or permanent disability, commitments externalized through group life insurance policies:

(i) Life insurance through which the Company and other Group companies undertake to pay annually, as a premium, 75 percent—with a limit of 102.5 percent of the premium for the previous year—in the case of the Chairman and the First Vice Chairman) or 20 percent (for the other executive directors) of the director's gross annual compensation, premiums which are expected to amount to 1,389,886 euros in 2022.

The economic rights of all executive directors derived from the insurance policies that implement these commitments are vested.

(ii) Supplemental life insurance, in favor of the First Vice-Chairman, whereby the Company undertakes to pay annually a fixed premium for a specified period, the maximum amount of which will be €400,000 in 2022.

The economic rights of the insurance policy shall only be considered as vested rights, and therefore, shall be considered accrued, in the event of the occurrence of the covered contingencies (retirement, permanent disability, and death), as well as in the event of unfair dismissal or termination of the relationship by MAPFRE for reasons not attributable to the insured.

(iii) Supplemental life insurance, in favor of all executive directors, except for the Chairman and the First Vice-Chairman, whereby the Company and other Group companies undertake to pay annually a constant periodic premium for each director ranging from 545,298 euros to 600,000 euros, a premium that is expected to amount to 1,145,298 euros in 2022.

The economic rights of the insurance policy shall only be considered as vested rights in the cases indicated in (ii) above.

In addition, executive directors, like the rest of the Company's employees, are beneficiaries of the MAPFRE Employment System Pension Plan and of a savings insurance policy and a mixed savings insurance policy, the main characteristics of which are set forth in the MAPFRE Insurance Group Collective Agreement.

There is no incompatibility of the rights accrued and vested by the pension commitment systems described above with any type of compensation for early termination or termination of the contractual relationship between the company and the director.

A.1.8 Any type of payment or indemnification due to early termination or dismissal, or arising from the contractual relationship between the company and the board director under the terms provided between the company and the board director, whether at the behest of the company or the board director, as well as any agreements such as agreements for exclusivity, post-contractual non-competition and permanence or loyalty, which give the board director the right to any type of payment.

In the case of external board directors, there is no indemnification agreed or paid if they terminate their functions as board directors.

In the case of executive board directors, the termination of their role implies lifting the suspension of the relationship prior to their appointment as such. Early termination of the previous relationship entails indemnification under the terms established in the workers' statute in relation to unfair dismissal, except where there is good cause for dismissal.

A.1.9 Indicate the terms and conditions that must be included in the contracts of people who perform senior management functions as executive board directors. This information should cover aspects such as duration, limits to compensation amounts, continuity of service clauses, notice periods, as well as the amount paid in lieu of this notice period, and any other clauses related to hiring bonuses, indemnification or financial protection in the event of early termination or the conclusion of the contractual relationship between the company and the executive board director. Include non-compete agreements or accords, exclusivity, non-separation or loyalty and post-contractual non-competition, unless they have been indicated in the previous paragraph.

The commitment must be exclusive.

There are no contractual conditions relating to post-contractual non-compete agreements or continuity of service, or clauses relating to signing bonuses.

The term of the contracts of the executive directors is related to their time as an executive director. Removal from this position entails the lifting of the suspension of the relationship prior to the appointment as such.

Once the special senior management employment relationship has been resumed, if the Company decides to unilaterally terminate the senior management contract, maintaining the previous common employment relationship in force, or in the event that the common employment relationship is also terminated, at least three months' notice must be given.

The expiration on the date of maturity of this previous relationship will not lead in itself to any economic right, without prejudice to the right of the Board of Directors to agree, on the recommendation of its Chairman and the Appointments and Remuneration Committee, extraordinary bonuses based on performance during their career.

Except where there is good cause for dismissal, the early termination of the previous relationship will entail indemnification under the terms established in the Workers' Statute in relation to unfair dismissal.

Contracts governing the prior relationship establish the termination of this relationship as on January 1 of the year after which the board director reaches the age of 60, unless annual extensions are implemented at the initiative of the company until, at most, the date on which the executive reaches the age of 65. The termination on the date of its expiration of the previous relationship shall not in itself entail any economic right, unless the company chooses not to extend the contract until the age of 65, in which case the board director would receive indemnification up to one monthly payment for the number of months remaining until they reach the aforementioned age.

A.1.10 The type and estimated amount of any other supplementary remuneration that shall be accrued by the board directors in the current fiscal year in compensation for services rendered other than those involved in their position.

Board directors will receive no remuneration whatsoever for services other than those involved in their responsibilities as board directors or executive functions, if applicable, with the exception of (i) Ms. Rosa María García García, who is a member of MAPFRE's Technology, Innovation and Transformation Council, for which she will receive an attendance allowance of 7,500 euros per meeting; and (ii) Mr. Alfonso Rebuelta Badias, who is a member of the MAPFRE GLOBAL RISKS Council, for which he will receive 35,000 euros in 2022.

A.1.11 Other remunerative items such as those arising, if applicable, from the granting by the company of advance payments, loans and guarantees and other remunerations to board directors.

None of the Group companies have granted any payments in advance or loans to board directors or provided guarantees on their behalf.

A.1.12 The type and estimated amount of any other supplementary remuneration provided that is not covered in the above sections, whether paid by the company or another company of the group, that will be accrued by the board directors in the current fiscal year.

There are no remuneration items other than those described above.

A.2. Explain any relevant change to the compensation policy applicable in the current fiscal year arising due to:

- a) A new policy or a modification of a policy already approved by the Annual General Meeting.
- b) Relevant changes in specific rulings agreed upon by the board for the current fiscal year on the current compensation policy regarding remuneration for the previous year.
- c) Proposals that the Board of Directors may have agreed to present to the Annual General Meeting to which this annual report will be submitted and that it is proposed to be adopted for the current fiscal year.

As indicated in section A.1.1, the Board of Directors of the Company, following a favorable report from the Appointments and Remuneration Committee, agreed at its meeting held on February 9, 2022, to submit to the Annual General Meeting of March 11, 2022, a new Remuneration Policy for Board Directors for the 2022-2024 period. In this way, its content will be adapted to the new provisions established in Article 529 novodecies of the Companies Act, following the entry into force of Act 5/2021, of April 12, amending the Recast Text of the Companies Act with respect to the promotion of long-term shareholder involvement in listed companies and for the replacement of consecutive three-year incentive plans for executive directors with overlapping three-year incentive plans, in line with current remuneration practices for senior management of listed companies in the industry.

A.3. Provide the direct link to the document presenting the current compensation policy for the company that should be available on the company's website.

<https://www.mapfre.com/media/accionistas/2020/10-politica-remuneracion-consejeros-2020-2022.pdf>

A.4. In light of the data provided in section B.4, explain how the vote of the shareholders at the Annual General Meeting at which the annual report on remuneration for the previous fiscal year was submitted to vote on an advisory basis was taken into consideration.

As indicated in section B.4, the annual report on remuneration for fiscal year 2020 was approved with the support of 89.38 percent of the votes cast in the meeting of the Annual General Meeting held on March 12, 2021. The Remuneration Policy for Board Directors for the 2022-2024 period was prepared in consideration of the results of the last vote at the Annual General Meeting, the aforementioned report, and the Remuneration Policy for Board Directors 2020-2022, as well as the regulations established in the Companies Act, the European Commission Delegated Regulation 2015/35 supplementing Directive 2009/138 on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II), and the recommendations of the Good Governance Code for Listed Companies of the Spanish National Securities and Exchange Commission. It was also based on the recommendations of the competent supervisory bodies of the securities and insurance markets and the practices of IBEX 35 companies and international insurance groups, in accordance with which the Company's remuneration practices have the approval of a very significant majority of the shareholders.

In this regard, the Remuneration Policy for Board Directors for the 2022-2024 period shares the general principles and main characteristics of the policies in force in previous years, its main change being the modification of the medium-term variable remuneration in the terms described in section A.2 above.

B. GENERAL SUMMARY OF HOW THE COMPENSATION POLICY WAS APPLIED DURING THE CLOSED FINANCIAL YEAR

B.1.1 Explain the process that was followed to apply the compensation policy and determine the individual remuneration indicated in section C of this report. This information shall include the role played by the remuneration committee, the decisions taken by the Board of Directors and, where appropriate, the identity and role of external advisers whose services have been used in the process of applying the compensation policy in the closed fiscal year.

At the proposal of the Appointments and Remuneration Committee, the Board of Directors unanimously approved the items and amounts assigned to each of the directors for the 2021 fiscal year at its meeting held on February 10, 2021.

Regarding the short-term variable remuneration for executive board directors, at the close of the 2021 fiscal year, the amount was determined based on the degree of attainment of the objectives in relation to the consolidated net profit obtained by the Company, Return on Equity (ROE) and Combined Global Non-Life Ratio for the 2021 fiscal year.

Finally, for medium-term variable remuneration, once fiscal year 2021 ended, its amount was determined based on the degree of attainment of the Earnings per Share (EPS), the Total Shareholder Return (TSR), the Return on Equity (ROE), and the Transformation Index (TI) in the measurement period from January 1, 2019, to December 31, 2021.

B.1.2 Explain any deviations from the established procedure for the application of the compensation policy that have occurred during the fiscal year.

There has been no deviation from the procedure established for the application of the remuneration policy in fiscal year 2021.

B.1.3 State whether any temporary exceptions to the compensation policy have been applied. If applied, explain the exceptional circumstances that led to the application of these exceptions, the specific components of the compensation policy affected, and the reasons why the company considers that these exceptions have been necessary to serve the long-term interests and sustainability of the company as a whole or to ensure its viability. Also quantify the impact of the application of these exceptions on the remuneration of each director during the year.

No temporary exception to the Remuneration Policy for Board Directors has been applied in 2021.

B.2. Explain the various actions adopted by the company related to the remuneration system and how they have contributed to reducing exposure to excessive risk and adapting it to the long-term objectives, values and interests of the company, including a reference to measures provided to guarantee that the compensation policy gave due consideration to the long-term results of the company and reached an adequate balance between the fixed and variable remuneration components, which measures were adopted with regard to the categories of personnel whose professional activities have a material effect on the risk profile of the company, which measures were adopted to avoid conflicts of interest, if applicable.

In accordance with the Remuneration Policy for Board Directors for the 2020-2022 period, in force in fiscal year 2021, the fixed and variable components (short, medium and long-term) of the remuneration package must be balanced in such a way that the fixed component constitutes a sufficiently large part of the total remuneration, thus enabling the application of a completely flexible policy with regard to the variable components of the remuneration package, including the possibility of not paying these. To avoid the excessive assumption of risk, the percentage of the variable component with respect to the fixed remuneration should not exceed 150 percent.

For the purpose of an appropriate balance between fixed and variable components, the Company used the remuneration practices of IBEX 35 companies as its reference.

On the other hand, relevant personnel and other persons who perform key functions or whose professional activity has a material impact on the Company's risk profile have had a variable remuneration system linked to the achievement of pre-set objectives directly linked to the strategic plans and also subject to deferral rules. In particular, in 2021, the Company's executive board directors were part of the Medium-Term Incentive Plan 2019–2021, an extraordinary, multi-year, non-vested plan whose objectives—Earning per Share (EPS), Total Shareholder Return (TSR), Return on Equity (ROE), and the Transformation Index—were generally pegged to averages of a period of three years, so that it is only possible to obtain the remuneration through management that generates results and business models that are sustainable over time.

Lastly, during the 2021 fiscal year, the rules for deferral of short, medium and long-term variable remuneration, the malus and clawback clauses and the measures to avoid conflicts of interest under the terms described in sections A.1.1 and A.1.2 above have been applicable.

B.3. Explain how the remuneration accrued and consolidated in the year complies with the provisions of the current compensation policy and, in particular, how it contributes to the sustainable and long-term performance of the company.

Also report on the relationship between the remuneration obtained by board directors and the company's results or other measures of performance, in the short- and long-term, explaining where applicable how variations in the company's performance have affected the variation in the remuneration for board directors, including accrued payments that have been deferred, and how these contribute to the company's short- and long-term results.

As indicated in section B.2 above, the Annual General Meeting approved, at its meeting held on March 13, 2020, the Remuneration Policy for Board Directors for the period 2020–2022. Said policy provides for the existence of fixed remuneration components and, in the case of executive board directors, short-, medium- and long-term variable components, the characteristics of which are established therein.

All remunerative items for which remuneration has been accrued and vested during the 2021 fiscal year, both by board directors acting as such and by executive board directors, are expressly provided in the policy, without any remuneration being accrued or distributed in the fiscal year for items not provided therein.

As indicated in section A.1.2, only executive board directors receive variable remuneration.

The linkage of the main component of short-term variable remuneration to the results of the company has been total in all board directors (100 percent). Therefore, and given the relative importance of this component in remuneration, total linking of the directive to favorable management of the Company has been achieved.

Information regarding the ratio between after-tax results and non-controlling interests of the Company and the average variable annual remuneration for the last three fiscal years is broken down below:

A. Fiscal year 2021:

- After-tax result and non-controlling interests of MAPFRE S.A.: 765,190,656 euros.
- Average short-term variable remuneration: 507,808 euros.
- Ratio 0.066 percent

B. Fiscal year 2020:

- After-tax result and non-controlling interests of MAPFRE S.A.: 526,532,677 euros.
- Average short-term variable remuneration: 434,678 euros.
- Ratio 0.083 percent

C. Fiscal year 2019:

- After-tax result and non-controlling interests of MAPFRE S.A.: 609,239,000 euros.
- Average short-term variable remuneration: 389,673 euros.
- Ratio 0.064 percent

There is a high correlation between ordinary Company results and the amount of the main component of short-term variable remuneration received by the executive board directors.

In relation to the additional component of short-term variable remuneration, this was quantified based on the achievement of Return on Equity (ROE) and the Global Combined Ratio for the 2021 fiscal year. In this case, this remuneration component is also closely linked to the Company's performance.

With respect to medium- and long-term remuneration, in fiscal year 2019, the Medium-Term Incentive Plan

2016–2018 was settled, the description of which can be consulted in the Annual Report on Remuneration for Board Directors for the 2019 fiscal year, having settled the deferred amounts of said Plan under the terms described in section C of this report.

Likewise, the Medium-Term Incentive Plan 2019-2021 was quantified, an extraordinary, non-vested and multi-year plan approved by the Board of Directors of MAPFRE S.A. in fiscal year 2019, to which the executive directors belonged in their capacity as senior executives, based on the fulfillment of the objectives relating to share value (TSR - Total Shareholder Return and EPS - Earnings per Share), ROE and the Transformation Index (TI) of the Company, with weights between 20 percent and 30 percent, which implies a strong link between this remuneration component and the Company's long-term performance.

Therefore, and in line with the calculation standards for compliance with the objectives indicated in section A.1, medium- and long-term variable remuneration is directly tied not only to the medium- and long-term company results but also to various indicators related to the profitability of the company and its sustainability to avoid any excessive assumption of risk.

B.4. Report on the result of the advisory vote at the Annual General Meeting on the annual report on remuneration for the previous fiscal year, indicating the number of abstentions, negative votes, blank votes, and votes in favor cast:

	Number	% of total
Votes cast	2,481,958,302	92.79
	Number	% of issued
Negative votes	263,305,754	10.61
Votes in favor	2,218,390,443	89.38
Blank votes		0.00
Abstentions	262,105	0.01

B.5. Explain how the fixed elements accrued and vested during the fiscal year for the board directors in their positions as such were determined, their proportion relative to each board director, and how they varied from the prior year.

External board directors received a fixed amount in 2021 as basic remuneration for their membership on the Board of Directors and, as applicable, on the Steering Committee and delegate bodies, which was higher for those who held positions on the Board or chaired its committees. This remuneration was supplemented with other non-monetary remuneration of a general nature established for company personnel.

(i) Fixed allocation and attendance allowance.

The amounts relating to these items for fiscal years 2021 and 2020 are indicated below, which have not seen any changes:

- Membership of the Board of Directors: 110,000 euros in 2021 and 2020.
- Vice-Chairman of the Board – Lead Board Director: 220,000 euros in 2021 and 2020.
- Membership of the Steering Committee: 10,000 euros plus an attendance allowance of 3,000 euros per meeting in 2021 and 2020.
- Chair of the Audit and Compliance Committee: 68,000 euros in 2021 and 2020.
- Members of the Audit and Compliance Committee: 48,000 euros in 2021 and 2020.
- Chair of the appointments and remuneration Committee: 60,000 euros in 2021 and 2020.
- Members of the appointments and remuneration Committee: 39,000 euros in 2021 and 2020.
- Chair of the Risk Committee: 60,000 euros in 2021 and 2020.
- Members of the Risk Committee: 39,000 euros in 2021 and 2020.

(ii) Life insurance and other non-monetary benefits.

The external directors have received the same non-monetary compensation described in section A.1.5 above.

(iii) Amounts for membership of the Board of Directors of subsidiary companies.

External board directors who are members of the Board of Directors of subsidiary companies also receive a fixed amount for this membership and, as applicable, for membership of their management committees, under the same conditions described in section A.1.3 above.

(iv) Relative proportion of the remuneration of each external director out of their total remuneration in 2021:

- Ms. Catalina Miñarro Brugarolas 14.12 percent.
- Mr. José Antonio Colomer Guiu 11.41 percent.
- Ms. Ana Isabel Fernández Álvarez 10.80 percent.
- Ms. María Leticia de Freitas Costa 5.83 percent.
- Ms. Rosa María García García: 7.44 percent.
- Mr. Antonio Gómez Ciria 8.91 percent.
- Mr. Luis Hernando de Larramendi Martínez 10.14 percent.
- Mr. Antonio Miguel-Romero de Olano 11.72 percent.
- Ms. María Pilar Perales Viscasillas 9.46 percent.
- Mr. Alfonso Rebuelta Badías 10.18 percent.

B.6. Explain how the balances accrued and vested during the closed fiscal year for each of the executive board directors for the performance of their senior management functions were determined, and how they varied from the prior year.

As indicated in section C.1, the gross salary of the executive board directors in fiscal year 2021 totals 2,644,441 euros, of which 2,236,401 euros corresponds to the Company and 408,040 euros to other Group companies.

These amounts were set by the Board of Directors in its meeting on February 10, 2021, on the recommendation of the Appointments and Remuneration Committee, with consideration of the external reports and executive conclusions provided by the Ernst & Young and KPMG consulting firms, as well as the Willis Towers Watson Executive Compensation Survey.

The individual breakdown of the gross balances received by the people that held the position of executive board director in fiscal year 2021 are indicated below, with its variance from the prior fiscal year:

- Antonio Huertas Mejías: 853,357 euros gross in 2021 and 844,908 euros gross in 2020 (increase of 1 percent).
- Ignacio Baeza Gómez: 547,026 euros gross in 2021 and 541,610 euros gross in 2020 (increase of 1 percent).
- José Manuel Inchausti Pérez: 408,040 euros gross in 2021 and 404,000 euros gross in 2020 (increase of 1 percent).
- Francisco José Marco Orenes: 397,122 euros gross in 2021 and 393,190 euros gross in 2020 (increase of 1 percent).
- Mr. Fernando Mata Verdejo 438,896 euros gross in 2021 and 434,550 euros gross in 2020 (increase of 1 percent).

B.7. Explain the nature and the principal characteristics of the variable elements of the remuneration systems accrued and vested in the closed fiscal year.

In particular:

- a) Identify each of the remuneration plans that governed the different variable forms of remuneration accrued by each of the board directors during the closed fiscal year, including information on their extent, their date of approval, date of implementation, conditions for vesting (if any), accrual periods and term, criteria used to evaluate performance and how this affected the determination of the variable amount accrued, as well as the measurement criteria used, and the time required to be able to adequately measure all the

stipulated conditions and criteria, explaining in detail the criteria and factors applied in terms of the time required and methods for verifying that the performance conditions or any other conditions to which the vesting and accrual of each component of variable remuneration was linked have been effectively met.

- b) In the case of plans involving stock options or other financial instruments, the general characteristics of each plan will include information regarding their conditions both for acquiring unconditional title (vesting) and for enabling the exercise of such options or financial instruments, including the price and period for exercise.
- c) Each of the board directors, and their category (executive board directors, nominee external board directors, independent external board directors and other external board directors) who are beneficiaries of remuneration systems or plans which include variable remuneration.
- d) If applicable, include information on the applied accrual or postponement periods for payment established and/or the retention/non-disposal periods for any shares or other financial instruments.

Explain the short-term variable elements of the remuneration systems:

The executive board directors have accrued and vested a short-term variable remuneration comprising a main component linked to the company's consolidated net profit and an additional component jointly linked to Return on Equity (ROE) and the Combined Global Non-Life Ratio for the 2021 fiscal year. This remuneration is always paid in cash.

As indicated in section C.1, the accrued and vested short-term variable remuneration of executive board directors for the 2021 fiscal year was overall 2,754,425 euros gross, with 2,312,702 euros corresponding to the company and 441,723 euros to other Group companies.

The amounts shown in section C.1 are composed of 70 percent of the short-term variable remuneration accrued in 2021, as this part is not subject to the malus clause, and 10 percent of the short-term variable remuneration corresponding to 2017, 2018 and 2019 that were deferred (in this case, only the main component of annual variable remuneration) and have been paid in 2021, after the Company verified that the application of the malus clause did not apply.

The short-term variable remuneration of each executive director is approved annually by the Board of Directors following a report from the Appointments and Remuneration Committee, which at the end of the fiscal year also assesses the degree to which the objectives have been met.

Short-term variable remuneration for executive board directors accrued from January 1 to December 31, 2021. Once the 2021 fiscal year ended and the annual financial statements for said year were obtained, the effective degree of attainment of the objectives established for short-term variable remuneration was evaluated, in accordance with the provisions of the contractual documentation signed with the executive board directors.

The quantification of the main component of the short-term variable remuneration to be paid was determined in accordance with the degree of attainment of the Company's consolidated net profit, budgeted in accordance with the scale of attainment for the fiscal year previously approved by the Board of Directors, as proposed by the Appointments and Remuneration Committee, under the following terms:

- If the result after taxes and non-controlling interests meets less than 40 percent of the objective, the degree of attainment would be 0 percent.
- If the result after taxes and non-controlling interests meets 40 percent or more of the objective, the degree of attainment would be 25 percent.
- If the result after taxes and non-controlling interests meets 50 percent or more of the objective, the degree of attainment would be proportional.
- If the result after taxes and non-controlling interests meets 100 percent or more of the objective, the degree of attainment would be 100 percent.
- If the result after taxes and non-controlling interests meets 105 percent or more of the objective, the degree of attainment would be 110 percent.
- If the result after taxes and non-controlling interests meets 110 percent or more of the objective, the degree of attainment would be 120 percent.

- If the result after taxes and non-controlling interests meets 115 percent or more of the objective, the degree of attainment would be 130 percent.
- If the result after taxes and non-controlling interests meets 120 percent or more of the objective, the degree of attainment would be 140 percent.
- If the result after taxes and non-controlling interests meets 125 percent or more of the objective, the degree of attainment would be 150 percent.

For its part, the quantification of the additional component of the short-term variable remuneration to be paid, which is jointly linked to Return on Equity (ROE) and the Global Combined Ratio for the financial year, was determined in accordance with the degree of attainment of these objectives in accordance with the target for the fiscal year previously approved by the Board of Directors, as proposed by the Appointments and Remuneration Committee.

Regarding deferral of variable remuneration for board directors, the payment of at least 30 percent of the annual variable remuneration will be deferred for a minimum of three years.

In addition, the executive board directors' contracts include the reduction (malus) and recovery (clawback) clauses in the terms described in section A.1.2 above.

The Company has no option plans involving stock or other financial instruments.

Explain the long-term variable elements of the remuneration systems

The executive board directors receive variable medium- and long-term remuneration. These directors are part of the group of beneficiaries of the 2019-2021 Incentive Plan described in section B.3.

The payment from this Plan was subject to the fulfillment of the Plan objectives, as well as remaining within the Group, under the terms set out in that Plan. The incentive shall be partly paid in cash and partly by means of MAPFRE S.A. shares. The receipt of 60 percent of the incentive by each executive board director is deferred for a period of three years, in thirds, with the deferred part paid in cash and the other part to be paid in shares. The incentive shall be subject to malus or clawback clauses and the shares must be kept for a maximum period of two years, starting from the date on which the shares were delivered.

The quantification of the incentive has depended on the degree of achievement of the objectives referred to Earnings per Share (EPS), whose weighting is 30 percent, Total Shareholder Return (TSR), whose weighting is 20 percent, Return on Equity (ROE), whose weighting is 30 percent, and the Transformation Index (TI), whose weighting is 20 percent.

The rules for calculating the incentive are as follows:

- The fulfillment of the objectives weighted as a whole must reach an average of 50 percent, otherwise there is no entitlement to receive the incentive.
- For any percentage of fulfillment of the objectives between 50 and 80 percent, the degree of attainment of the incentive would be 60 percent.
- If the fulfillment of the objectives is between 80 and 100 percent, the degree of attainment of the Incentive is calculated proportionally.
- If the fulfillment of the objectives is equal to or higher than 100 percent, with an upper limit of 150 percent, the degree of attainment of the incentive corresponds to a fulfillment of 100 percent of the objectives, applying a multiplication coefficient of 2 on the excess fulfillment above 100 percent.
- For any percentage of fulfillment of the objectives above 150 percent, the degree of attainment would be 200 percent.

The Remuneration Policy for board directors for the period 2019-2021 established a total of 2,586,212 shares as the maximum number of shares to be distributed for this purpose.

The quantification of the 2019-2021 Medium-Term Incentive Plan has been determined based on the degree of attainment of the plan's objectives, and no compensation has been accrued or vested because the minimum degree of attainment of the objectives has not been reached.

B.8. Indicate whether there has been any reduction of or claims for the return of specific accrued variable components, in the first case, when payment of non-vested amounts is deferred or, in the second case, vested and paid, based on data which was

clearly demonstrated as inaccurate at a later date. Describe the amounts reduced or returned due to the application of reduction (malus) or return (clawback) clauses, why they were applied and the fiscal years involved.

No remuneration amount has ever been reduced or claimed for any reason.

B.9. Explain the principal characteristics of the long-term savings plans whose amount or annual equivalent cost appear in the tables in section C, including retirement and any other survival benefit provision that is financed in whole or part by the company, whether provided internally or externally, indicating the type of plan, whether it is a defined contribution or defined benefit plan, the situations that it covers and the conditions for vesting in any type of indemnification due to early cancellation or termination of the contractual relationship between the company and the board director.

During fiscal year 2021, the executive directors were beneficiaries of the same long-term savings systems in force described in section A.1.7 above, except for the supplementary life insurance in force in 2021, in favor of the Chairman, whereby the Company undertook to pay a fixed annual premium of 300,000 euros gross plus a variable premium of up to 300,000 euros gross depending on the attainment of the budgeted consolidated result. The Board of Directors of the Company, following a report from the Appointments and Remuneration Committee, resolved to terminate the insurance policy on June 30, 2021.

B.10. Explain, if applicable, the indemnifications or any other type of payment related to early cancellation, whether at the behest of the company or the director, or the termination of the contract under the terms provided therein, accrued and/or received by the directors during the closed fiscal year.

Due to the termination of Mr. Francisco José Marco Orenes' contract in 2021, a payment has been accrued in his favor for a total amount of 745,748 euros gross.

Additionally, under the provisions of clause 4.4 of the Remuneration Policy for Board Directors for the 2020-2022 period, which provides, on an extraordinary basis, the possibility of granting bonuses based on performance during one's professional career, the Board of Directors, at the proposal of the Appointments and Remuneration Committee, agreed to grant an extraordinary bonus to Mr. Francisco José Marco Orenes in the amount of 375,000 euros gross.

B.11. Indicate whether any significant modifications were made to the contracts of those individuals that held senior management positions as executive directors, and if so, explain them. Also, explain the principal conditions of the new contracts signed with executive directors during the fiscal year, unless they have been explained in section A.1.

In 2021, Mr. Antonio Huertas Mejías' contract was amended to eliminate the pension commitment described in section B.9 above, and Mr. Ignacio Baeza Gómez's contract was modified to incorporate the supplementary life insurance described in section A.1.7 above, whereby the Company undertakes to pay an annual fixed premium for a determined period and whose maximum amount in 2021 was 400,000 euros.

With the exception of the foregoing, there have been no significant changes in the contracts of the other members who carry out C-Suite functions as board directors.

B.12. Explain any supplementary remuneration earned by the board directors for services rendered other than those inherent to their position.

No board director has performed any services other than those involved in their responsibilities as directors or executive functions, if applicable, with the exception of those performed by Ms. Rosa María García García for her membership of MAPFRE's Technology, Innovation and Transformation Advisory Board, for which she received 20,000 euros; and (ii) Mr. Alfonso Reuelta Badías for his membership of the MAPFRE GLOBAL RISKS Advisory Board, for which he received 35,000 euros.

B.13. Explain any remuneration derived from the concession of advance payments, loans or guarantees, specifying the interest rate, their essential characteristics and the amounts returned and any obligations undertaken on their behalf by way of a guarantee.

[None of the Group companies have granted any payments in advance or loans to board directors, or provided guarantees on their behalf.]

B.14. Provide details on the remuneration in kind accrued by the directors during the fiscal year, briefly explaining the nature of the different salary components.

[During fiscal year 2021, the board directors were beneficiaries of social security benefits that are also in place for the 2022 fiscal year, under the terms already described in section A.1.5.]

B.15. Explain the remuneration earned by board directors by virtue of the payments made by the company to a third party for which the directors render services, when such payments are intended to compensate the board directors for the services provided to the company.

[No such remuneration was earned under this item during 2021.]

B.16. Explain and detail the amounts accrued in the year in relation to any other remuneration item than the above, whatever its nature or the group company that pays it, including all benefits in any form, such as when it is considered a related-party transaction, and especially when it significantly affects the accurate reflection of the total remuneration accrued by the director. Explain the amount granted or pending payment, the nature of the consideration received and the reasons why it would have been considered, if applicable, that it does not constitute remuneration of the director for their status as such or in consideration of the performance of their executive duties, and whether or not it has been considered appropriate to be included among the amounts accrued under "other items" in section C.

[There were no other remuneration items than the ones cited above in fiscal year 2021.]

C. BREAKDOWN OF THE INDIVIDUAL REMUNERATION EARNED BY EACH BOARD DIRECTOR

Name	Type	Vesting period fiscal year 2021
Mr. ANTONIO HUERTAS MEJÍAS	Chairman and CEO	From 1/1/2021 to 12/31/2021.
Mr. IGNACIO BAEZA GÓMEZ	Executive Vice Chairman	From 1/1/2021 to 12/31/2021.
Ms. CATALINA MIÑARRO BRUGAROLAS	Independent Vice Chairwoman	From 1/1/2021 to 12/31/2021.
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	Executive Vice Chairman	From 1/1/2021 to 12/31/2021.
MR. JOSÉ ANTONIO COLOMER GUJU	Independent Board Director	From 1/1/2021 to 12/31/2021.
Ms. ANA ISABEL FERNÁNDEZ ÁLVAREZ	Independent Board Director	From 1/1/2021 to 12/31/2021.
Ms. ROSA MARÍA GARCÍA GARCÍA	Independent Board Director	From 1/1/2021 to 12/31/2021.
Mr. ANTONIO GÓMEZ CIRIA	Independent Board Director	From 1/1/2021 to 12/31/2021.
MS. MARÍA LETICIA DE FREITAS COSTA	Independent Board Director	From 1/1/2021 to 12/31/2021.
Mr. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	Nominee Director	From 1/1/2021 to 12/31/2021.
Mr. FRANCISCO JOSÉ MARCO ORENES	Executive Board Director	From 1/1/2021 to 12/31/2021.
Mr. FERNANDO MATA VERDEJO	Executive Board Director	From 1/1/2021 to 12/31/2021.
Mr. ANTONIO MIGUEL-ROMERO DE OLANO	Nominee Director	From 1/1/2021 to 12/31/2021.
MS. MARÍA DEL PILAR PERALES VISCASILLAS	Independent Board Director	From 1/1/2021 to 12/31/2021.
Mr. ALFONSO REBUelta BADÍAS	Nominee Director	From 1/1/2021 to 12/31/2021.

C.1. Complete the following tables on the individual remuneration for each of the directors (including the remuneration for executive functions) earned during the year.

a) Remuneration from the company that is the subject of this report:

i) Remuneration in cash (thousands of €)

Name	Fixed remuneration	Travel, subsistence and accommodation allowances	Remuneration for membership of Board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total fiscal year 2021	Total fiscal year 2020
Mr. ANTONIO HUERTAS MEJÍAS				853	915			12	1,780	1,698
Mr. IGNACIO BAEZA GÓMEZ				547	570			71	1,188	1,082
Ms. CATALINA MIÑARRO BRUGAROLAS	220	12	70					2	304	298
MR. JOSÉ MANUEL INCHAUSTI PÉREZ										
MR. JOSÉ ANTONIO COLOMER GUIU	110	12	157					2	281	275
Ms. ANA ISABEL FERNÁNDEZ ÁLVAREZ	110		107					1	218	218
Ms. ROSA MARÍA GARCÍA GARCÍA	110		39					20	169	150
Mr. ANTONIO GÓMEZ CIRIA	110		39					2	151	151
MS. MARÍA LETICIA DE FREITAS COSTA	110								110	110
Mr. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	110	12	49					3	174	168
Mr. FRANCISCO JOSÉ MARCO ORENES				397	415		713	420	1,945	799
Mr. FERNANDO MATA VERDEJO				439	412			19	870	816
Mr. ANTONIO MIGUEL-ROMERO DE OLANO	110	12	97					2	221	215
MS. MARÍA DEL PILAR PERALES VISCASILLAS	110		48						158	158
Mr. ALFONSO REBUERTA BADÍAS	110		39					2	151	151

Remarks

[

]

ii) Table of remuneration system movements based on shares and gross profits from shares or vested financial instruments.

Name	Name of Plan	Financial instruments at the beginning of the fiscal year 2021		Financial instruments granted during fiscal year 2021		Financial instruments vested in fiscal year				Expired but not exercised instruments	Financial instruments at the end of the fiscal year 2021	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/vested shares	Price of vested shares	Gross profits from shares or vested financial instruments (thousands €)	No. of instruments	No. of instruments	No. of equivalent shares
Mr. ANTONIO HUERTAS MEJÍAS	Medium-Term Incentive Plan 2019-2021 with delivery of shares	775,864	775,864					0.00				
Mr. IGNACIO BAEZA GÓMEZ	Medium-Term Incentive Plan 2019-2021 with delivery of shares	560,346	560,346					0.00				
Mr. FRANCISCO JOSÉ MARCO ORENES	Medium-Term Incentive Plan 2019-2021 with delivery of shares	387,932	387,932					0.00				
Mr. FERNANDO MATA VERDEJO	Medium-Term Incentive Plan 2019-2021 with delivery of shares	387,932	387,932					0.00				

Remarks

As indicated in section B.7, the previous board directors who are beneficiaries of the Medium-Term Incentive Plan 2019-2021 with delivery of shares have not received any incentive because the degree of achievement regarding the objective outlined in the aforementioned plan has not been achieved.

iii) Long-term savings systems.

Name	Remuneration by vesting of rights to savings systems
Mr. ANTONIO HUERTAS MEJÍAS	570
Mr. IGNACIO BAEZA GÓMEZ	497
Mr. FRANCISCO JOSÉ MARCO ORENES	4,852
Mr. FERNANDO MATA VERDEJO	160

Name	Contribution during the year made by the company (thousands of euros)				Amount of accumulated funds (thousands of euros)			
	Savings systems with vested economic rights		Savings systems without vested economic rights		Savings systems with vested economic rights		Savings systems without vested economic rights	
	Fiscal year 2021	Fiscal year 2020	Fiscal year 2021	Fiscal year 2020	Fiscal year 2021	Fiscal year 2020	Fiscal year 2021	Fiscal year 2020
Mr. ANTONIO HUERTAS MEJÍAS	570	555	600	1,200	5,785	5,126	8,240	7,540
Mr. IGNACIO BAEZA GÓMEZ	497	484	400		3,617	3,058	400	
MR. JOSÉ MANUEL INCHAUSTI PÉREZ					947	908		
Mr. FRANCISCO JOSÉ MARCO ORENES	905	145		753	5,037	970		3,157

Name	Contribution during the year made by the company (thousands of euros)				Amount of accumulated funds (thousands of euros)			
	Savings systems with vested economic rights		Savings systems without vested economic rights		Savings systems with vested economic rights		Savings systems without vested economic rights	
	Fiscal year 2021	Fiscal year 2020	Fiscal year 2021	Fiscal year 2020	Fiscal year 2021	Fiscal year 2020	Fiscal year 2021	Fiscal year 2020
Mr. FERNANDO MATA VERDEJO	160	152	545	545	1,173	1,037	2,858	2,290

Remarks

iv) Breakdown of other items

Name	Item	Amount of remuneration
Mr. ANTONIO HUERTAS MEJÍAS	Life insurance premiums	24
Mr. IGNACIO BAEZA GÓMEZ	Life insurance premiums	18
Ms. CATALINA MIÑARRO BRUGAROLAS	Life insurance premiums	1
MR. JOSÉ ANTONIO COLOMER GUIU	Life insurance premiums	4
Ms. ANA ISABEL FERNÁNDEZ ÁLVAREZ	Life insurance premiums	1
Mr. ANTONIO GÓMEZ CIRIA	Life insurance premiums	2
MS. MARÍA LETICIA DE FREITAS COSTA	Life insurance premiums	1
Mr. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	Life insurance premiums	4
Mr. FRANCISCO JOSÉ MARCO ORENES	Life insurance premiums	17
Mr. FERNANDO MATA VERDEJO	Life insurance premiums	15
Mr. ANTONIO MIGUEL-ROMERO DE OLANO	Life insurance premiums	3

Name	Item	Amount of remuneration
Mr. ALFONSO REBUELTA BADÍAS	Life insurance premiums	4

Remarks

b) Remuneration to the directors of the listed company for their membership in the administrative bodies of its subsidiaries:

i) Remuneration in cash (thousands of €)

Name	Fixed remuneration	Travel, subsistence and accommodation allowances	Remuneration for membership in committees of the board	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total fiscal year 2021	Total fiscal year 2020
Mr. ANTONIO HUERTAS MEJÍAS										
Mr. IGNACIO BAEZA GÓMEZ										
Ms. CATALINA MIÑARRO BRUGAROLAS	96		11						107	107
MR. JOSÉ MANUEL INCHAUSTI PÉREZ				408	442	45		31	926	865
MR. JOSÉ ANTONIO COLOMER GUJU	48								48	48
Ms. ANA ISABEL FERNÁNDEZ ÁLVAREZ	96								96	96
Ms. ROSA MARÍA GARCÍA GARCÍA	48								48	48
Mr. ANTONIO GÓMEZ CIRIA	96		11						107	107
MS. MARÍA LETICIA DE FREITAS COSTA	59								59	63
Mr. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	107		11						118	118
Mr. FRANCISCO JOSÉ MARCO ORENES										

ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF PUBLICLY TRADED COMPANIES

Name	fixed remuneration	Travel, subsistence and accommodation allowances	Remuneration for membership in committees of the board	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total fiscal year 2021	Total fiscal year 2020
Mr. FERNANDO MATA VERDEJO										
Mr. ANTONIO MIGUEL-ROMERO DE OLANO	96		22						118	118
MS. MARÍA DEL PILAR PERALES VISCASILLAS	107		11						118	118
Mr. ALFONSO REBUERTA BADÍAS	107							35	142	142

Remarks

ii) Table of remuneration system movements based on shares and gross profits from shares or vested financial instruments.

Name	Name of Plan	Financial instruments at the beginning of the fiscal year 2021		Financial instruments granted during fiscal year 2021		Financial instruments vested in fiscal year				Expired but not exercised instruments	Financial instruments at the end of the fiscal year 2021	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/vested shares	Price of vested shares	Gross profits from shares or vested financial instruments (thousands €)	No. of instruments	No. of instruments	No. of equivalent shares
Mr. JOSÉ MANUEL INCHAUSTI PÉREZ	Plan Medium-Term Incentive 2019-2021 with	474,138	474,138					0.00				

Name	Name of Plan	Financial instruments at the beginning of the fiscal year 2021		Financial instruments granted during fiscal year 2021		Financial instruments vested in fiscal year				Expired but not exercised instruments	Financial instruments at the end of the fiscal year 2021	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/vested shares	Price of vested shares	Gross profits from shares or vested financial instruments (thousands €)	No. of instruments	No. of instruments	No. of equivalent shares
	delivery of shares											
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	Medium-Term Incentive Plan 2016-2018 with delivery of shares	41,416	41,416			20,708	20,708	1.71	35		20,708	20,708

Remarks

As indicated in section B.7, Mr. José Manuel Inchausti Pérez, beneficiary of the Medium-Term Incentive Plan 2019-2021 with delivery of shares, has not received any incentive because the degree of attainment outlined in said Plan was not achieved.

iii) Long-term savings systems.

Name	Remuneration by vesting of rights to savings systems
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	166

ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF PUBLICLY TRADED COMPANIES

Name	Remuneration by vesting of rights to savings systems
Mr. FRANCISCO JOSÉ MARCO ORENES	314

Name	Contribution during the year made by the company (thousands of euros)				Amount of accumulated funds (thousands of euros)			
	Savings systems with vested economic rights		Savings systems without vested economic rights		Savings systems with vested economic rights		Savings systems without vested economic rights	
	Fiscal year 2021	Fiscal year 2020	Fiscal year 2021	Fiscal year 2020	Fiscal year 2021	Fiscal year 2020	Fiscal year 2021	Fiscal year 2020
Mr. ANTONIO HUERTAS MEJÍAS					768	748		
Mr. IGNACIO BAEZA GÓMEZ					2,055	1,998		
Mr. JOSÉ MANUEL INCHAUSTI PÉREZ	166	157	600	600	1,124	998	2,896	2,272
Mr. FRANCISCO JOSÉ MARCO ORENES					1,517	1,153		306
Mr. FERNANDO MATA VERDEJO					513	494		

Remarks

iv) Breakdown of other items

Name	Item	Amount of remuneration
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	Life insurance premiums	10

Remarks

c) Summary of remuneration (thousands of €)

The summary must include the amounts corresponding to all remuneration items described in this report that have been earned by directors, in thousands of euros.

Name	Remuneration earned within the Company					Remuneration earned within Group companies					Total 2021 company + Group
	Total cash remuneration	Gross profits from vested financial instruments	Remuneration via savings systems	Remuneration by other means	Total 2021 company	Total cash remuneration	Gross profits from vested financial instruments	Remuneration via savings systems	Remuneration by other means	Total 2021 Group	
Mr. ANTONIO HUERTAS MEJÍAS	1,780		570	24	2,374						2,374
Mr. IGNACIO BAEZA GÓMEZ	1,188		497	18	1,703						1,703
Mrs. CATALINA MIÑARRO BRUGAROLAS	304			1	305	107				107	412
MR. JOSÉ MANUEL INCHAUSTI PÉREZ						926	35	166	10	1,137	1,137

ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF PUBLICLY TRADED COMPANIES

Name	Remuneration earned within the Company					Remuneration earned within Group companies					Total 2021 company + Group
	Total Cash remuneration	Gross profits from vested financial instruments	Remuneration via savings systems	Remuneration by other means	Total 2021 company	Total cash remuneration	Gross profits from vested financial instruments Consolidated	Remuneration via savings systems	Remuneration by other means	Total 2021 Group	
MR. JOSÉ ANTONIO COLOMER GUIU	281			4	285	48				48	333
Ms. ANA ISABEL FERNÁNDEZ ÁLVAREZ	218			1	219	96				96	315
Ms. ROSA MARÍA GARCÍA GARCÍA	169				169	48				48	217
Mr. ANTONIO GÓMEZ CIRIA	151			2	153	107				107	260
Mr. MARÍA LETICIA DE FREITAS COSTA	110			1	111	59				59	170
Mr. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	174			4	178	118				118	296
Mr. FRANCISCO JOSÉ MARCO ORENES	1,945		4,852	17	6,814			314		314	7,128
Mr. FERNANDO MATA VERDEJO	870		160	15	1,045						1,045
MR. ANTONIO MIGUEL-ROMERO DE OLANO	221			3	224	118				118	342
Ms. MARÍA DEL PILAR PERALES VISCASILLAS	158				158	118				118	276

Name	Remuneration earned within the Company					Remuneration earned within Group companies					Total 2021 company + Group
	Total cash remuneration	Gross profits from vested financial instruments Consolidated	Remuneration via savings systems	Remuneration by other means	Total 2021 company	Total cash remuneration	Gross profits from vested financial instruments Consolidated	Remuneration via savings systems	Remuneration by other means	Total 2021 Group	
Mr. ALFONSO REBUELTA BADÍAS	151			4	155	142				142	297
TOTAL	7,720		6,079	94	13,893	1,887	35	480	10	2,412	16,305

Remarks

- C.2. Indicate the evolution over the last 5 years of the amount and percentage variation of the remuneration accrued by each of the listed company's directors who have been directors during the year, of the consolidated results of the company and of the average remuneration on a full-time equivalent basis of the employees of the company and its subsidiaries who are not directors of the listed company.

	Total amounts accrued and % annual variation									
	Fiscal year 2021	% Change 2021/2020	Fiscal year 2020	% Change 2020/2019	Fiscal year 2019	% Change 2019/2018	Fiscal year 2018	% Change 2018/2017	Fiscal year 2017	
Executive directors										
Mr. ANTONIO HUERTAS MEJÍAS	2,374	4.35	2,275	-13.23	2,622	-1.94	2,674	4.01	2,571	
Mr. IGNACIO BAEZA GÓMEZ	1,703	7.65	1,582	-4.18	1,651	4.10	1,586	8.26	1,465	
MR. JOSÉ MANUEL INCHAUSTI PÉREZ PEREZ	1,137	7.37	1,059	-22.42	1,365	63.87	833	0.00	0	

	Total amounts accrued and % annual variation								
	Fiscal year 2021	% Change 2021/2020	Fiscal year 2020	% Change 2020/2019	Fiscal year 2019	% Change 2019/2018	Fiscal year 2018	% Change 2018/2017	Fiscal year 2017
Mr. FRANCISCO JOSÉ MARCO ORENES	7,128	642.50	960	13.48	846	9.73	771	1.05	763
Mr. FERNANDO MATA VERDEJO	1,045	6.42	982	10.09	892	3.00	866	14.85	754
External directors.									
Ms. CATALINA MIÑARRO BRUGAROLAS	412	1.48	406	-1.69	413	3.77	398	3.65	384
MR. JOSÉ ANTONIO COLOMER GUIU	333	2.15	326	1.24	322	7.69	299	22.04	245
Ms. ANA ISABEL FERNÁNDEZ ÁLVAREZ	315	0.00	315	4.30	302	7.09	282	19.49	236
MS. MARÍA LETICIA DE FREITAS COSTA	170	-2.30	174	-11.22	196	24.05	158	43.64	110
Ms. ROSA MARÍA GARCÍA GARCÍA	217	9.60	198	407.69	39	0.00	0	0.00	0
Mr. ANTONIO GÓMEZ CIRIA	260	0.00	260	11.11	234	0.00	0	0.00	0
Mr. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	296	2.42	289	-3.02	298	4.20	286	7.52	266
MR. ANTONIO MIGUEL-ROMERO DE OLANO	342	2.09	335	-2.62	344	3.93	331	7.47	308
MS. MARÍA DEL PILAR PERALES VISCASILLAS	276	0.00	276	0.00	276	5.34	262	0.00	0
Mr. ALFONSO REBUELTA BADÍAS	297	0.34	296	-0.34	297	0.34	296	7.25	276

	Total amounts accrued and % annual variation								
	Fiscal year 2021	% Change 2021/2020	Fiscal year 2020	% Change 2020/2019	Fiscal year 2019	% Change 2019/2018	Fiscal year 2018	% Change 2018/2017	Fiscal year 2017
Consolidated results of the company	1,355,100	21.16	1,118,400	-12.57	1,279,200	-3.85	1,330,460	-11.81	1,508,710
Average employee compensation	45	4.65	43	-4.44	45	4.65	43	0.00	43

Remarks

The following criteria were used to prepare the table:

- Since the report form in 2017 was different from that of consecutive years, as the "accrued amount" for that year, the recorded amount was the "Total for 2017" from the Annual Report on Board Directors' Remuneration for 2017 plus the contributions to long-term savings systems, subtracting those that were not vested.

- In order to calculate "Average employee compensation," we have taken into account (i) personnel and headcount expenses worldwide, excluding executive directors; and (ii) accounting information, including the items of fixed and variable remuneration and social action.

On the other hand, the "accrued amount" box for fiscal year 2021 of Mr. Francisco José Marco Orenes, among others, reflects (i) the amount of the accumulated funds of the savings systems whose economic rights were not vested and which have been vested in 2021 as a result of his leaving the Company on December 31 of that year; and (ii) the payments recorded in section B.10 above.

D. OTHER USEFUL INFORMATION

If there is any relevant aspect regarding the remuneration of directors which has not been covered in the other sections of this report but which should be included to provide more complete and explanatory information about the remuneration structure and practices of the company in relation to its board directors, please provide a brief explanation here.

[SECTION A.1.1 CONTINUED]

ii) Description of the procedures and entities within the company involved in determining, approving and applying the Remuneration Policy:

MAPFRE is aware of the importance of having a corporate governance system to steer the structure and operations of its management bodies in the interests of the company and its shareholders.

The MAPFRE Board of Directors has implemented regulations that take into account the principles and elements of the corporate governance system and comprise the internal regulations and operations of the Board, the Steering Committee and the Delegate Committees, as well as the rights and duties of the directors in carrying out their functions.

In order to comply with the legal requirements for remuneration of directors and to continue adhering to corporate governance best practices regarding remuneration, the Regulations of the Board of Directors govern the areas related to remuneration of the Board of Directors and the Appointments and Remuneration Committee.

In this regard, it is incumbent upon the Board of Directors, following a favorable report from the Appointments and Remuneration Committee, to adopt decisions relating to the remuneration of directors, within the statutory framework and the remuneration policy approved by the Annual General Meeting, the individual establishment of the remuneration of each director in their capacity as such, and the individual establishment of the remuneration of each director for their executive duties and other conditions that must be respected in their contracts.

The Remuneration Policy for Board Directors for the 2022-2024 period has been submitted by the Board of Directors to the Annual General Meeting, with the prior report of the Appointments and Remuneration Committee, with the favorable vote of all members of both governing bodies.

Additionally, the Policy was prepared by the internal services responsible for compensation and corporate governance, services of a markedly technical nature and whose senior managers do not have the status of board members.

For these purposes, the Company has considered the following external reports:

- KPMG report: "Remuneration of Directors of Listed Companies- 2021 Edition."
- EY report: EYPay Perspective 2021 "Remuneration of IBEX35 Directors."
- "2021 Executive Survey Report- Spain" by Willis Towers Watson.

(iii) Procedures contemplated in the remuneration policy to apply temporary exceptions

The Remuneration Policy for Board Directors for the 2022-2024 period provides that the Company's Board of Directors, upon proposal by the Appointments and Remuneration Committee, may agree to apply temporary exceptions to the policy, which shall be limited, in any case, to exceptional situations in which the non-application of the policy is necessary to serve the long-term interests and sustainability of the Company as a whole or to ensure its viability.

Only the remuneration components of the compensation of executive directors shall be subject to exceptions, avoiding, in any case, the allocation of guaranteed extraordinary remuneration.

In the event of any circumstances that justify the application of such temporary exceptions, the Appointments and Remuneration Committee, with the opinion of an external third party, if deemed necessary, shall issue a report assessing the circumstances and the specific remuneration subject to its proposal for a temporary exception.

In any case, the Company shall take into consideration the principles of the aforementioned policy and shall duly report, in the corresponding Annual Report on Directors' Remuneration, the temporary exception approved and the exceptional situation that justifies it.

This annual report on remuneration was approved by the company's Board of Directors at its meeting on:

[2/9/2022]

Indicate whether any board directors voted against the report or abstained.

[] Yes

[] No



MAPFRE, S.A.

Auditor's Report on the "Information concerning the System of Internal Control over Financial Reporting (ICFR)" of MAPFRE, S.A. for 2021

(Free 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

Auditor's Report on the "Information concerning the System of Internal Control over Financial Reporting (ICFR)" of MAPFRE, S.A. for 2021

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the directors of MAPFRE, S.A.

As requested by the Board of Directors of MAPFRE, S.A. (the "Company") and in accordance with our proposal letter dated 21st December 2021, we have applied certain procedures to the "Information concerning the ICFR" attached in section F of the Annual Corporate Governance Report of MAPFRE, S.A. for 2021, which summarises the Company's internal control procedures for annual financial reporting.

The Board of Directors is responsible for adopting appropriate measures to reasonably ensure the implementation, maintenance and oversight of an adequate system of internal control, the development of improvements to that system and the preparation and definition of the content of the information concerning the ICFR attached.

In this respect, it should be borne in mind that irrespective of the quality of the design and operation of the internal control system adopted by the Company in relation to annual financial reporting, the system may only provide reasonable, but not absolute assurance in relation to the objectives pursued, due to the limitations inherent in any internal control system.

In the course of our audit work on the annual accounts and in accordance with Technical Auditing Standards, our evaluation of the Company's internal control was solely aimed at enabling us to establish the scope, nature and timing of the audit procedures on the Company's annual accounts. Consequently, the scope of our evaluation of the internal control, performed for the purposes of the audit of accounts, was not sufficient to enable us to issue a specific opinion on the efficiency of this internal control over regulated annual financial reporting.

For the purposes of issuing this report, we have applied only the specific procedures described below and set out in the Guidelines for preparing the auditor's report on the information on the system of internal control over financial reporting of listed entities, published on the website of the Spanish National Securities Market Commission (CNMV), which defines the work to be performed, the minimum scope of the work and the content of this report. As the scope of the work resulting from these procedures is in any event limited and substantially less than that of an audit or review of the internal control system, we do not express an opinion on its effectiveness or design or operational efficiency, with respect to the Company's annual financial reporting for 2021 described in the attached Information concerning the ICFR. Consequently, had additional procedures other than those defined in the aforementioned Guidelines been applied, or an audit or review been performed of the internal control system in relation to regulated annual financial reporting, other events or matters could have been identified, which would have been reported to you.



Moreover, as this special engagement does not constitute an audit of accounts nor is it subject to prevailing legislation regulating the audit of accounts in Spain, we do not express an audit opinion in the terms envisaged in such legislation.

The procedures applied were as follows:

1. Reading and understanding of the information prepared by the Company in relation to the ICFR – disclosures included in the directors' report – and evaluation of whether it covers all the information required, taking into account the minimum content described in Section F, concerning the description of the ICFR, the Annual Corporate Governance Report model set out in Spanish National Securities Market Commission (CNMV) Circular 5/2013 of 12 June 2013 and subsequent amendments, the most recent being Circular 3/2021 of 28 September 2021 (hereinafter, the CNMV Circulars).
2. Inquiries of personnel responsible for preparing the information detailed in point 1 above in order to: (i) gain an understanding of the preparation process; (ii) obtain information that allows us to assess whether the terminology used conforms to the definitions contained in the reference framework; (iii) obtain information on whether the control procedures described are in place and operational in the Company.
3. Review of explanatory documentation supporting the information detailed in point 1 above, and which will mainly include that made directly available to those responsible for preparing the descriptive information on the ICFR. This documentation includes reports prepared by internal audit, senior management and other internal or external specialists supporting the audit and compliance committee.
4. Comparison of the information detailed in point 1 above with the understanding of the Company's ICFR gained as a result of the procedures performed within the framework of the audit work on the annual accounts.
5. Reading of the minutes of the meetings of the Board of Directors, audit and compliance committee and other committees of the Company for the purposes of assessing the consistency of the matters discussed at these meetings in relation to the ICFR with the information detailed in point 1 above.
6. Procurement of a representation letter concerning the work performed, duly signed by those responsible for preparing and drawing up the information detailed in point 1 above.

As a result of the procedures applied to the Information concerning the ICFR, no inconsistencies or incidents have come to light that could affect it.



This report has been prepared exclusively in the context of the requirements established in article 540 of the Revised Spanish Companies Act and the CNMV Circulars for the purposes of the description of the ICFR in Annual Corporate Governance Reports.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Ángel Crespo

9 February 2022

The Consolidated Annual Accounts for MAPFRE S.A., on the preceding pages 1 to xxx herein, and the Consolidated Management Report on the preceding pages xxx to xxx herein, corresponding to the financial year 2021, endorsed in their entirety by the Secretary of the Board, were ratified by the Board of Directors at its meeting held on February 9, 2022. 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 and the companies comprising the consolidation as a whole. Likewise, the Management Report includes a true and fair view of the development of the results and of the position of the Company and of the Group, and broadly informs, along with the Consolidated Annual Report, of the risks and uncertainties they face.

Mr. Antonio Huertas Mejías
Chairmen

Mr. Antonio Gómez Ciria
Member

Mr. Ignacio Baeza Gómez
1st Vice Chairman

Mr. Luis Hernando de Larramendi Martínez
Member

Ms. Catalina Miñarro Brugarolas
2nd Vice Chairman

Mr. Francisco J. Marco Orenes
Member

Mr. José Manuel Inchausti Pérez
3rd Vice Chairman

Mr. Fernando Mata Verdejo
Member

Mr. José Antonio Colomer Guiu
Member

Mr. Antonio Miguel-Romero de Olano
Member

Ms. María Leticia de Freitas Costa
Member

Ms. Pilar Perales Viscasillas
Member

Ms. Ana Isabel Fernández Alvarez
Member

Mr. Alfonso Rebuelta Badías
Member

Ms. Rosa M.^a García García
Member

Mr. Ángel Luis Dávila Bermejo
Secretary and Non-Member

DILIGENCE to establish, in line with articles 253.2 of the Companies Act and 366.1.2 of the Mercantile Registry Regulations, that (i) Ms. María Leticia de Freitas Costa and Ms. Rosa María García García have endorsed the Consolidated Annual Accounts and the Consolidated Management Report for MAPFRE S.A. corresponding to 2021, but have not signed them, neither in writing nor electronically, as a result of them having attended the meeting via videoconference; and (ii) Mr. Luis Hernando de Larramendi has excused himself from attending the meeting, specifically delegating his representation and vote to Ms. Catalina Miñarro Brugarolas.

In Madrid, on February 9, 2022.
Ángel Luis Dávila Bermejo – Secretary of the Board of Directors

The English version is a translation of the original in Spanish for information purposes only. In case of discrepancy, the Spanish version shall prevail.

INTEGRATED REPORT 2021
MAPFRE

INTEGRATED REPORT 2021

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1. LETTER FROM THE CHAIRMAN AND CEO

Dear friends,

We would all have liked for this year that has just ended to also have marked the start of the end of this terrible pandemic that the world is dealing with. When we approved our Strategic Plan 2019-2021, we looked ambitiously at a future that, after a long and severe economic crisis, then seemed very promising – a future of recovery and growth in most economies, and even the beginning of a new cycle of economic and social development. Nobody expected what came next, truncating all the planning made by companies, governments and institutions, and the future of billions of people, between the infected and the deceased. The economic crisis caused by the paralysis of the economies has been, and is still in some regions, more devastating than the damage caused by the virus itself.

This is the reality that we all had to face during 2021 and, on which, before going into the purely financial details of the fiscal year, I would like to share some reflections.

The first is that not even a global pandemic has managed to move the needle on our essential road map that identifies us as a top-tier insurance group. The decisions to protect the value of the business that we adopted as early as March 2020 have also proven to be correct in 2021. What's more, in this second year of the pandemic we have managed to raise profitability and continue – albeit sometimes at a slower pace, conditioned by prevailing circumstances – with the company's intense transformation process in all markets. Nor has the virus stopped us in our intense commitments as a global company. We have successfully completed our Sustainability Plan 2019-2021, and we will submit the next three-year Sustainability Plan for approval at the Annual General Meeting 2022, taking one more step forward with an even more ambitious strategy that raises the demands of our commitments in environmental, social and governance (ESG) matters, both as a company and in our insurance and reinsurance activity.

Secondly, we have continued and reinforced the commitments of our powerful social action. We are a company that is, and is perceived to be, active in the pursuit of a more just, equal and inclusive world. Lastly, the new Sustainability Plan 2022-2024 will also facilitate us in improving the company's governance, where we are taking bold steps, as can be seen in this Report.

Thirdly, among the things that the pandemic has not diminished is our gratitude to you, the shareholders, with whom we maintain our characteristic commitment to a sustainable dividend over time, adjusted to the specific reality that we have been going through, but sustainable nonetheless, and in cash, as always. Over the last 10 years, MAPFRE has paid out dividends totaling almost 4.2 billion euros, with a dividend yield of between 4 and 8 percent, consistently one of the highest on the IBEX 35.

We are, and will continue to be, a company that strives to not only always maximize MAPFRE's financial profitability, but also its social profitability, and we are committed to doing this to the best of our ability, with rigorously ethical behavior and transparent relations with all our stakeholders.

Last year also was the final year of the Strategic Plan 2019-2021, a plan that, as I pointed out at the beginning, was born to govern an environment that turned out to be very different indeed from the one we later found ourselves in. This Integrated Report presents you with complete information about the plan. Allow me to give you my opinion: if we were a different company – if we weren't MAPFRE, a company that seeks excellence in everything it does and executes its activity under the most demanding parameters – the plan would have to be qualified as successful, taking into account the framework in which we have had to maneuver. The reality that we faced prevented us from meeting all the aspirational financial objectives we had set for ourselves, but in exchange we did make good on all the company's strategic initiatives for the future: intensifying the focus on the customer, strengthening our Digital Business, boosting our diversification, especially in relation to the Life business, positioning ourselves in the MAPFRE 3.0 automobile insurance that addresses the new reality of the automobile and mobility, perfecting the global efficiency model, extending the implementation of analytical data management, and managing the changes required in both people and the organization under what we called the MAPFRE Digital Challenge.

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Additionally, we have also surpassed the targets set for other equally important indicators, such as those pertaining to inclusion and talent. We are very proud that people with disabilities make up 3.5 percent of our total workforce, compared to the target of 3 percent that we had set for ourselves. In relation to talent, we have improved the digital skills index of the workforce to 73.6 percent, and we are managing our female talent better, also raising its growing presence in the decision-making levels of the company. We promised to promote this development so that at least 45 percent of vacancies were filled by women, and at the end of the plan, the corresponding figure was 49.1 percent.

Moving on to the business figures now, our revenues rose to in excess of 27.2 billion euros, an increase of more than 7 percent. Insurance premium growth - the very heart of what we do - was even better, at 8.2 percent, with both Iberia and LATAM turning in excellent performances, which is very relevant considering the contracted economic environment of that region. Earnings, which totaled 765 million euros, including the extraordinary receipt deriving from the breakup of one of the bancassurance alliances that we had in Spain, reflect the enormous resilience of your company. As far as the capital gain generated from this alliance goes, it is important to know that most of it has been used to strengthen the business, laying the foundations to increase the future profitability of the company, adapting and improving the operational efficiency of the operations in Spain and Italy, as well as optimizing the Group's financial structure.

MAPFRE's business model and our strategy are an example of how the company tackles 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 all geographies where it operates.

ESG risks are naturally integrated into our 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, all of which are key to consolidating trust with stakeholders.

We remain committed to the United Nations Global Compact and the Sustainable Development Goals (SDGs) of the 2030 Agenda. And as an insurer, we are accompanying our clients in the task of accelerating an orderly transition from carbon-based economies to more environmentally friendly processes and activities. At MAPFRE, we believe that this transition also has to be fair, considering not only future generations, but also those people who today depend on the current economic and social reality.

At a time when everything is questioned, the presence of solid and profitable companies that last through time and show that they are capable of giving the best of themselves even when the world grinds to a halt, is something to be valued. These are the times when having reliable, supportive and committed companies like MAPFRE matters.

We enthusiastically embrace our new Strategic Plan, where priority will be given to three main elements: growth, efficiency and productivity, and cultural and organizational transformation. This approach will allow us to make the most of the recovery that, although asymmetrical, is already beginning to be felt in the different regions of the world.

We are ambitious and we seek out new avenues for growth. We are competitive, and we want to be more and more so with the investments we have made in technology, which will enhance our efficiency and profitability. We work to continue to be perceived as an organization that is increasingly open, transparent and connected, in person and digitally, to all our stakeholders. And always maintaining a sharp focus on service excellence and the constant search for greater efficiency and profitability.

The figures presented here reflect a solid, profitable and solvent company. All of our transformation projects are progressing satisfactorily, and we are prepared to continue being the largest Spanish-owned insurer in the world and occupying leadership positions in most markets and, in addition, doing everything that we do with a profound social commitment, which is one of the hallmarks of our identity. Companies that do not understand that people expect a different, social, human and sustainable value proposition, and not just an economic one, run the risk of disappearing from view, and in this, MAPFRE, the company that you are a part of, is most definitely a few decades ahead of the pack.

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I invite you, dear readers, to study this publication in depth so as to gain a true appreciation of the progress of your company. I conclude by thanking you for your trust, that of all of our stakeholders, and especially that of the more than 250,000 employees, collaborators and providers who help us to demonstrate MAPFRE's values and our quest for excellence through our portfolio of goods and services, and who, in this second year of the pandemic, have once again been key to the stability and ongoing development of our operations.

Antonio Huertas

Chairman and CEO of MAPFRE

2. MAPFRE GROUP

2.1. About us

2.1.1. Main activity

We are a multinational group that since 1933 has focused mainly on insurance, reinsurance, and financial activities, offering global solutions to protect people, professionals, and companies against risks with a wide range of products and services that allow them to manage their current and future needs. We have a global presence, operating in 43 countries, and a corporate structure adapted to the evolution of business and the needs of our clients on the five continents.

We are the world's top Spanish insurer, one of the leading multinational insurance companies in Latin America, and we hold relevant and/or leadership positions in most of the countries in which we operate.

We offer a complete personal lines insurance program that is adapted to the different countries through a wide insurance offering for life, health, accident, general P&C (homeowners, automobile, third-party liability, family, etc.), cyber risks, savings and investment, retirement, burial, travel and lifestyle policies.

We help professionals, entrepreneurs, self-employed people and small companies to develop their commercial undertakings, offering a broad portfolio of products and services that enable them to concentrate on their professional activity (with solutions for vehicles, third-party liability and assets, agriculture and livestock, commercial establishments, cyber risks, etc.), while also insuring their personal risks (accidents, health, life, retirement, savings and investments).

We contribute actively to the Development Goals of the United Nations 2030 Agenda through an ambitious Sustainability Plan that involves not only business but also the actions we carry out in society.

We have specific solutions for small and medium-sized enterprises as well as large corporations, with a range of products and services adapted to the activity of each organization, at local, national and global level, and tailored to each client's management model, with products for vehicles, third-party liability and general P&C, engineering and construction, hulls and aviation, goods transportation, agribusiness, surety and credit, group health, accident, life and retirement insurance, among others.

We adapt our products and services to new digital trends, offering the client a simple and complete digital experience at all touchpoints throughout their relationship with MAPFRE.

We have a reinsurance offering in place that complements our insurance activity.

We develop our own networks in the countries in which we operate, which are compatible with the other distribution channels, in order to customize the service we offer clients and to contribute to job creation and activity in each market. MAPFRE's own networks are supplemented by online channels and its distribution capacity as a result of the signing of agreements with different companies, notably its bancassurance agreements, but also including those with other financial companies, automobile dealerships, shopping malls and service companies, etc.

Present in 43 countries	
Revenues 27.3 billion euros	32,341 employees
Shareholders' equity 8.46 billion euros	77,754 intermediaries
Attributable earnings 765.2 million euros	15,354 offices

2.1.2. Mission, vision and values

We work with the Mission to constantly make progress with our service and improve our relationship with clients, distributors, providers, shareholders and society in general

Our Vision is to become **THE MOST TRUSTED GLOBAL INSURANCE COMPANY** of all our clients worldwide, through a global presence and a wide range of insurance, reinsurance products and services. We aim to become a leader in the markets in which we operates, through its sustainable, proprietary and differentiated business model, based on transformation and innovation. It is designed to achieve profitable growth with clear and decisive focus on the client, both private and corporate, creating relationships based on equity and transparency, with a multi-channel approach and a firm vocation for service.

Our commitment to constant improvement is supported by the following Values, which help us develop the company's Mission and achieve its Vision:

- Solvency: financial strength with sustainable outcomes over time and full capacity to meet all its obligations with stakeholders.
- Integrity: ethical conduct as a core element in how everyone (executives, employees, agents and collaborators) behaves, with a socially responsible focus on all long-term activities and commitments.
- Vocation for service: the constant quest for excellence in the pursuit of its activities and a continuous focus on building strong relationships with clients.
- Innovation for leadership: differentiation as a key requirement to drive constant growth and improvement, using technology to service the different businesses and their objectives.
- Committed team: full engagement of employees, senior executives, agents and other collaborators with the MAPFRE project and continuous development of the team's skills and abilities.

Our business model promotes profitable growth and is geared toward contributing to the social development of the countries in which we operate.

Accordingly, MAPFRE:

- Is firmly committed to growth, both in terms of business volume and geographic development, generating suitable and sufficient profitability from its activities.
- Manages its business in an efficient manner and constantly improves productivity, reducing structural costs continuously in order to enhance its competitiveness.
- Professionally manages the risks it assumes, ensuring sustainable growth and results.
- Steers its development by diversifying its portfolio of insurance, reinsurance and service businesses as a means of boosting growth and minimizing risks.
- Deploys a global management model with ample capacity for local implementation, ensuring an appropriate balance between corporate involvement and business development in each country.
- Makes its resources available to the entire organization, thus harnessing the synergies derived from sharing talent, processes and tools.
- Promotes specialized management as a means of continuously optimizing results and enhancing service quality.

2.1.3. Geographic footprint

MAPFRE is a global company principally engaged in insurance and reinsurance activities in 43 countries around the world through 212 companies.



2.1.4. Brand and reputation

Consumer behavior is constantly transforming. Consumers have ever-increasing expectations that the brands they purchase can be a driving force for positive social change. Nowadays, the price and quality and the values, commitment, and social contribution associated with the brand have an increasing importance when consumers decide on one product or another. Therefore, the brand must be a true reflection of the company it represents.

Our positioning as a brand is defined from the business strategy, our vision, mission and values. In line with our vision, trust is the most important attribute and we have endowed this concept with content that adds value to the company, adapting it to the local particularities of each market. Likewise, we have deployed a series of actions that demonstrate our social and sustainable commitment, consistent with our strategy and values, reinforcing the concept of trust. Through continuous listening to the client, advertising, communication and sponsorship actions - always linked to our values - we seek to increase brand awareness and improve the perception not only of our clients but also of society in general in all markets where we are present.

As a result of all our activity, in 2021 MAPFRE was named as the top Spanish insurance company in terms of brand valuation in the Brand Finance global ranking.

Also, the Corporate Reputation Business Monitor (MERC) ranked MAPFRE in Spain sixth among the companies with the best reputation and first in the insurance sector, its best position in MERC's 20-year history. In Peru it is among the 50 best valued companies in this classification and in Mexico it is once again the insurer with the best reputation.

Furthermore, MAPFRE in Spain placed ninth on the Merco Talent ranking and once again led the insurance sector.

From an employer branding perspective, MAPFRE has been certified as a Top Employer in Spain. MAPFRE S.A. also holds the prestigious "Equality in Business" designation, awarded by the Spanish Ministry of Equality after an extensive evaluation of all equality measurements, and MAPFRE Insurance Group in Spain maintains its certification as a Family-Friendly Business. Likewise, MAPFRE has been recognized with the Randstad award as the most attractive insurance company to work for in Spain; in Uruguay, with the inclusive "Uruguay Valora" accreditation, which recognizes the commitment to develop an inclusive culture towards people with disabilities in the workplace, and in Turkey, with several distinctions recognizing her female leadership program.

In 2021, MAPFRE was named by Forbes as one of the 50 best companies to work for in Spain and is the first financial and the only Spanish insurance company in the Top 10 of the LinkedIn Top Companies 2021.

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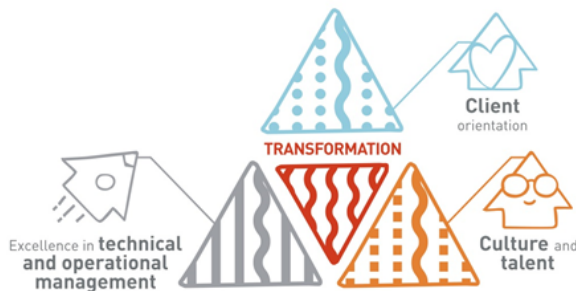
Regarding the evolution of reputation in 2021, i.e., the perception of the company by all stakeholders, the strategic indicator of reputational relevance, which reflects MAPFRE's reputation among its clients, employees and the general public, continues to recognize MAPFRE's reputation as good, which is synonymous with trust and respect.

Finally, MAPFRE has been included in The Financial Times list of 300 companies that have made the biggest contribution to reducing greenhouse gas emissions in recent years, and in Mexico the company is positioned as the sixth most responsible company in the country thanks to its sustainability practices.

2.2. Strategy

2.2.1. Strategic Plan

At MAPFRE, we are transforming ourselves to grow profitably. Digitization and innovation are key to this change. Transformation is evident in everything we do - it is transversal and acts as a true accelerator in all areas of the company. The Group's strategy is based on three pillars:



Client orientation:

Our team is client oriented. We are committed to a competitive model, which puts clients at the center of everything we do, with the aim of offering an optimal experience at every moment of contact with MAPFRE. We want to know, understand and enhance customer loyalty, increase productivity in all our channels and innovate in products, services and experiences for our clients.

Excellence in technical and operational management:

We work hard to improve our efficiency, adapting our structure to offer an excellent service, with a global, flexible and open technology that enables us to increase our competitiveness.

Culture and Talent:

Leveraging the commitment of all of us who work at MAPFRE, we want to continue adapting to changes with new skills that enable us to face future challenges. That's why we continue working to be sustainability, innovation, and trust leaders.

The Strategic Plan 2019-2021 “Transforming ourselves to grow and be profitable” has been marked by environmental catastrophes, by the global pandemic from which we are still emerging, and by volatility and political, economic and social uncertainty in the different markets where MAPFRE operates.

Progress with the plan in 2021 and future outlook

Progress with the plan in 2021

Strategy Map for 2019-2021 cycle

Profitable Growth	G1. Create sustainable value for Shareholders	G2. Grow sustainably above market levels	G3. Profitably boost the Life business
Client Orientation	C1. Gain and retain our Clients' TRUST	C2. Enhance productivity of distribution channels	C3. Innovate in products, services and capabilities
Excellence in technical and operational management	E1. Rigorously manage risks at all levels of the organization	E2. Achieve efficiency and quality in service delivery	E3. Reduce expenses to be more competitive E4. Have available open and flexible global technology that features integrated analytics
Culture and talent	H1. Boost employees' commitment to MAPFRE's Values	H2. Develop people with technical, global and transformational capabilities	H3. Position MAPFRE as a benchmark in sustainability, innovation and trust

In the current scenario, we have adjusted our public aspirational objectives, focusing on four and aligning them to the reality of the markets without losing the ambition that has always characterized MAPFRE

Our main progress on the plan's objectives and initiatives was as follows:

1 Aspirational objectives:

2021 data:

- ROE: 9 percent, (8.3 percent excluding the extraordinary gain resulting from the termination of the agreement with Bankia, the second and third phases of the retirement plan in the Iberia regional area, restructuring in Italy and debt buyback), compared to an established aspiration of 8.5 percent (excluding goodwill impairment adjustments).
- Net operating earnings: 765.2 million euros (703 million, excluding the extraordinary gain resulting from the termination of the agreement with Bankia, the second and third phases of the retirement plan in the Iberia regional area, restructuring in Italy and debt buyback), compared to an aspiration of 700 million euros.

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- Insurance premiums: 8.2 percent growth, against an expected growth of 3 percent.
- Non-Life combined ratio: 97.46 percent (96.1 percent excluding the first, second and third phases of the retirement plan in the Iberia regional area and restructuring in Italy), compared to an aspiration of 95 percent.

2 Corporate Strategic Initiatives

Client focus: we are adapting our commercial offering and value proposition, our operations, structure and technology, to offer a better quality and an enhanced client experience.

Digital business plan: we continue to strengthen our digital business by increasing investment in digital marketing, price comparison tools and digital tools.

Life: we are working to meet our growth objectives in premiums and results, creating long-term value as we promote the Life and Savings business in a homogeneous, efficient way, thus increasing MAPFRE's diversification.

SAM 3.0 (Seguros de Automóvil 3.0): we are developing capabilities in response to new trends in the world of cars and new mobility (ADAS, UBI etc.).

Global efficiency model: we seek to increase efficiency, productivity and a decrease of operational costs by means of the development of operational models that address standardization, integration, improvement of processes and automation, among other things, with full focus on the client, to improve the competitiveness of MAPFRE.

Advanced Analytics: we are making a determined investment in data, developing a platform that will enable us to move from a decision-making process based on structured information to incorporate new sources of unstructured data, which will allow us to better understand and meet the needs of our clients.

Digital Challenge: we are managing the change that our organization requires to adapt to the new digital requirements, providing flexibility and agility and tools to the work environment that allow for collaborative work and knowledge sharing.

Future prospects for the upcoming Strategic Plan 2022–2024

The next strategic cycle will cover the next three years (2022–2024) and consider a horizon of three additional years to attempt to manage and anticipate situations of uncertainty in the future, under a more iterative work model. After a year of deep reflection, we will draw up a new Strategic Plan based on three powerful strategic focuses: Growth, Efficiency, and Productivity and Cultural and organizational transformation.

2.2.2. Sustainability

The lessons learned from the global events of 2020 and 2021 highlight the need for sustainability to be an integral part of companies' strategies. MAPFRE has not been immune to the great challenges that the world experienced during this period, which perhaps served to bring even more relevance to our 88-year social commitment, our business model oriented towards sustainable development, and our focus on the present with a vision of the future.

Our sustainability model, published on the corporate website, aligns with MAPFRE's vision, mission, and values, with the Institutional and Business Principles and our strategy. We believe in our people, diversity, equal opportunity, and our talent. For this reason, we maintain a flexible, safe, and healthy work environment that helps to foster creativity and innovation.

Our strong social commitment manifests itself through corporate volunteering and social action, which are promoted with the help of employees. We foster honest and equitable relationships with our stakeholders to generate spaces for dialogue for sustainable development while identifying material issues for our company and stakeholders.

It is important for us to share principles and values with our providers, looking for a way to grow mutually within the area of ethical behavior.

Taking care of the environment is part of how we do business, and we show this through our public commitments and by focusing on climate change, on the circular economy and on the efficient management of our own facilities.

In short, our strategy was designed around the basic approaches to sustainability—environmental, social, and governance—together with profitable and sustainable growth.

Sustainability governance model

MAPFRE's previous Corporate Social Responsibility Policy (CSR), approved in 2015, evolved into a more complete Sustainability Policy model approved by the Board of Directors of MAPFRE S.A. on April 29, 2021. Like the previous CSR policy, the current Sustainability Policy establishes the reference framework so that any MAPFRE Group company can implement and promote socially responsible behavior, regardless of whether it focuses on conventional or digital business. Additionally, it now includes more complete criteria in environmental, social and governance (ESG) and international commitments, and its strategy of action related to stakeholders. The effective application of this policy and the monitoring and control of its actions are followed up by the Group's Sustainability Committee.

MAPFRE assumes the highest level of government approval and monitoring of the Sustainability Strategy. We have a Corporate Sustainability Committee in place, the members of which are appointed by the Executive Committee. This committee, positioned at the highest executive level, is responsible for proposing the Group's sustainability strategy to the Board of Directors, promoting the development of the plan and addressing matters relevant to the group in this area. Over the course of 2021, the Board of Directors and the Sustainability Committee took charge of the definition and monitoring of Environmental, Social and Governance issues.

In 2021 the Sustainability Committee met four times to, among other obligations, monitor each of the projects in the 2019-2021 Plan, identify trends, opportunities and regulatory requirements related to sustainability and establish action plans to make good on same, as well as to propose to the corresponding MAPFRE governing bodies the Sustainability Policy, Environmental Policy, the Socially Responsible Investment Framework and the Sustainability Plan 2022-2024.

There is also a Corporate Sustainability Management in place, tasked with the operations, coordination, and design of the sustainability strategy. This area participates in different internal and external committees to address sustainability issues, such as the Risk Committee at MAPFRE Asset Management, among others.

Sustainability strategy

The Sustainability Plan 2019–2021, approved by the Board of Directors, was our roadmap to sustainability until this year. It focused on the major global and social challenges we face: climate change, the circular economy, inclusion and talent, financial and insurance education, the economics of aging and the UN Agenda 2030.

A level of compliance of 98 percent was achieved with the Sustainability Plan 2019-2021. From this, we would like to highlight the following achievements:

ENVIRONMENTAL AXIS

Climate Change: As one of the results of our Energy Efficiency and Climate Change Plan, we have fulfilled our public commitment to make MAPFRE's operations in Spain and Portugal carbon-neutral by the end of 2021⁶. Likewise, since the Plan started in 2019, 11 countries have been added to the ISO 14064-certified carbon footprint calculation. Regarding energy efficiency and environmental management of buildings, in the past three years, 19 buildings in 8 countries have been ISO 14001 and ISO 50001-certified. We have also managed to certify the Annual General Meeting as a sustainable event.

Circular Economy: We have signed an agreement with the Spanish Chamber of Commerce to launch SMEs' competitiveness and sustainability project. We have removed all plastic containers and welcome packs from our facilities through the MAPFRE plastics-free project. In the Majadahonda complex, we have achieved zero waste.

SOCIAL AXIS

Inclusion and talent (as at the end of 2021):

- MAPFRE has filled 49.1 percent of vacancies for job positions of responsibility with women, and the network of female leadership has been consolidated in Spain, Brazil, USA, Mexico, Peru and Turkey.
- In terms of new work models and digital transformation, we have ensured that 81.5 percent of employees have technological mobility, and we have increased the digital skills index of our workforce to 73.6 percent.
- In terms of our objective of labor integration, we have ensured that persons with disabilities represent 3.5 percent of our workforce.

⁶ As of the closing date of this Report, 4,000 TonCO2e have been offset from the reported footprint. Full compensation will be made before the Annual General Meeting in March 2022.

Product Responsibility and Transparency:

- In the past three years, an ESG approval model for providers has been deployed in Spain, the United States, Brazil, Mexico, Colombia and Peru, with a total of 4,325 providers of the Automobile and Homeowner lines being approved to date.
- MAPFRE Economics published the study “Financial Inclusion in Insurance,” which aims to show mechanisms to help increase the population’s access to insurance, especially for those with lower incomes, enabling a wide segment of society to access greater welfare.
- During this period, action continued to take place around the MAPFRE Sustainable Finance Observatory, holding the annual forum on this topic.
- With the aim of specializing investment teams and financial advisers, between 2019 and 2021, 36 people from the investment teams were CESGA-certified (EFFAS Certified ESG Analyst program) and 518 financial advisers (employees and intermediaries) in ESG Essentials, a certification granted by the European Federation of Financial Analysts Societies.

Economics of Aging: During 2021, the work areas for the master plan of the Ageing project in Spain were defined, which aims to promote senior talent (over the age of 55), labor flexibility, and preparation for the transition to retirement, considering issues such as social security, health, and volunteering.

GOVERNANCE AXIS

2030 Agenda: MAPFRE has defined the map of priority Sustainable Development Goals (SDGs) for the Group and the goals and indicators that accompany their measurement [see Chapter 4.6 and Note 10]. We have helped to bring awareness to the 2030 Agenda with more than 4,500 internal and external communication actions, such as the Conversations on Sustainability, MAPFRE Sustainability Week, and our support for the Spanish Global Compact Network in the campaign for the sixth anniversary of the SDGs, among others.

Ethical Framework:

- In 2021, training has been given to 20,234 employees through the online course on the Code of Ethics and Conduct.

- Preparation and dissemination of Human Rights, Anti-Corruption, Sustainability and Environment policies.

Social Footprint: As part of our projects and activities related to social footprint, during 2021, we designed a methodology to measure the impact of the Corporate Volunteering project on society, which relates each volunteer action with the respective SDG’s aims, and a methodology to determine how employing the persons with disabilities who work at MAPFRE impacts society.

TRANSVERSAL AXIS

Energy Transition: In our pledges to adaptation and mitigation of climate change and the energy transition towards a low-carbon economy, during the 2019-2021 period, we met 100 percent of our public commitments in this area.

Underwriting: Development and implementation of the ESG risk measurement model in the global risk portfolio.

Investment: Definition of the Framework for Action in Responsible Investment that contemplates the principles of responsible investment established by the PRI. Measurement of the investment portfolio’s impact on the SDGs with the methodology developed in conjunction with the University of Siena. Launch of socially responsible investment products. (See section 3.3.2.1. Integration of ESG aspects in MAPFRE’s investment processes.)

Sustainability training

MAPFRE has two specific online courses available related to sustainability:

- “A walk through Corporate Social Responsibility”, launched in 2018, through which a total of 13,470 employees have been trained over the years.
- “MAPFRE and the Environment”, launched in 2017, through which a total of 14,539 employees have been trained over the years.

MAPFRE’s Global Intranet and corporate website (in the Sustainability and Zoom sections) also publish specific information, news and events related to sustainability for employees to access.

Future prospects, Sustainability Plan 2022–2024

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During 2021, work was done on the definition of a new Sustainability Plan covering the period 2022-2024, taking into account, among other issues, the Group's strategy, trends in sustainability, the study of material aspects for MAPFRE and the interest groups, and new regulations in environmental, social and governance matters. After this broad and deep reflection exercise, the new plan will be structured, emphasizing environmental and social issues and the integration of sustainability in the business; the product, services, underwriting and investment.

2.3. Shareholder and Functional structure

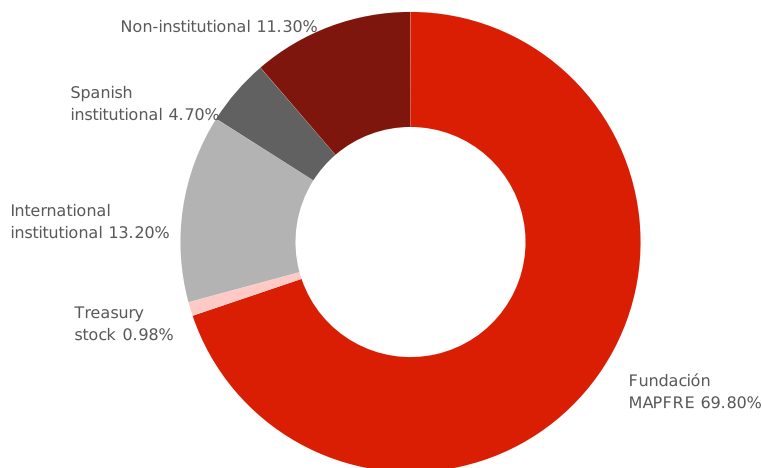
2.3.1. Shareholder structure

The Group's parent company is the holding company MAPFRE S.A., the shares of which are listed on the Madrid and Barcelona stock exchanges and are part of the following indices: IBEX 35, IBEX Top Dividend, FTSE All-World, FTSE Developed Europe and MSCI World SMID Cap Index. MAPFRE also belongs to the following sustainability indices: FTSE4Good, FTSE4Good IBEX, Bloomberg Gender Equality Index, IBEX Gender Equality Index, Ethibel Excellence and ESI Europe.

The majority of the shares in MAPFRE S.A. are owned by Fundación MAPFRE, which owns 69.8 percent of the share capital, which guarantees its independence and institutional stability. Fundación MAPFRE engages in activities of general interest in the fields of Social Action, Insurance and Social Protection, Culture, Accident Prevention and Road Safety, and Health Promotion.

At fiscal year-end, MAPFRE S.A. owned 30,064,020 treasury stocks, representing 0.9762 percent of the capital.

Shareholder composition



2.3.2. Functional structure

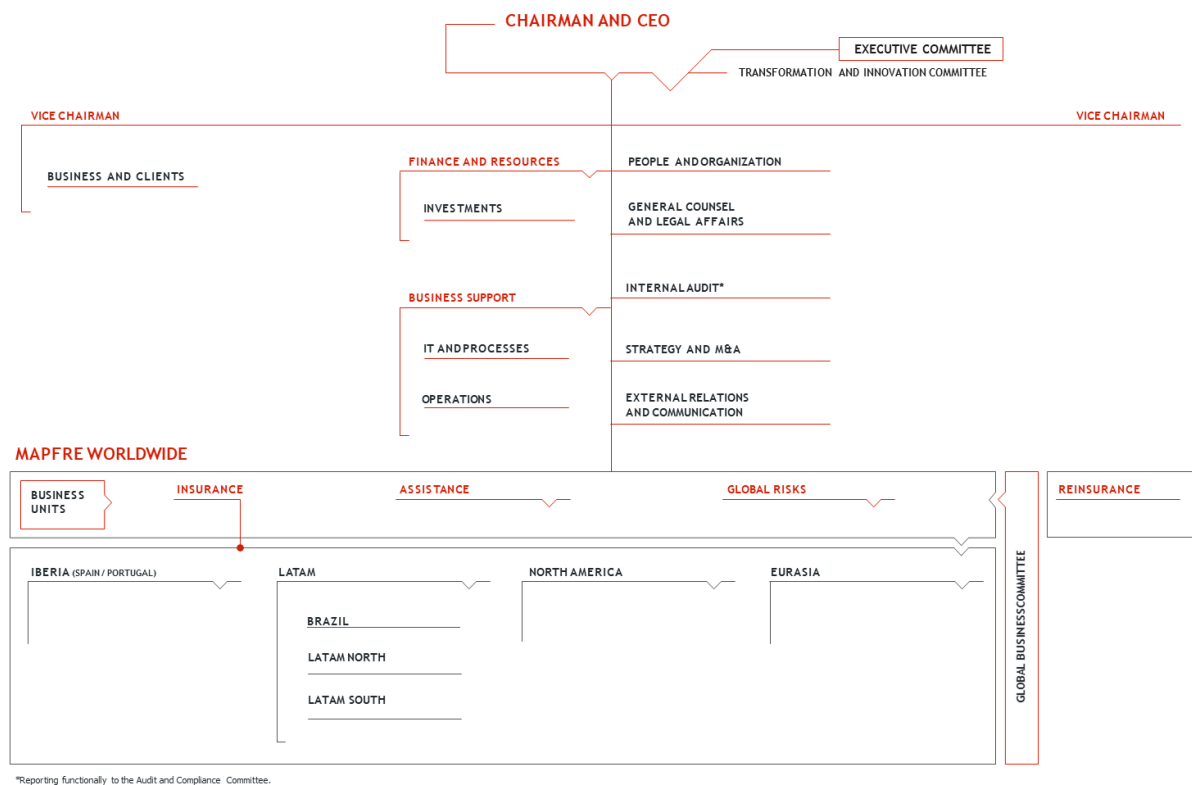
During 2021, the Group pursued its business activities through an organizational structure made up of four Business Units (Insurance, Assistance, Global Risks and Reinsurance) and six Regional Areas (Iberia (Spain and Portugal), Brazil, LATAM North (Mexico, Central America subregion and the Dominican Republic), LATAM South (Argentina, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay and Venezuela), North America (United States and Puerto Rico) and EURASIA (Europe, Middle East, Africa and Asia-Pacific).

The Insurance Business Unit is organized in line with the Regional Areas, which are the geographic units that plan, support and oversee the region. The Reinsurance and Global Risks units are integrated within MAPFRE RE.

The activities of the various Business Units are supplemented by those of the Corporate Areas (Internal Audit, Strategy and M&A, Finance and Resources, Investments, Business and Clients, Operations, People and Organization, External Relations and Communication, General Counsel and Legal Affairs, Transformation of the Operation, Technology and Operations), which have global competences for all MAPFRE companies in the world in terms of the development, implementation and monitoring of global, regional and local corporate policies.

The Group has changed its structure in recent years in order to adapt to the strategic challenges facing a company of its global size and presence.

The Group's current organizational chart is shown in the accompanying diagram.



2.4. Good Governance

2.4.1. Corporate Governance system

Corporate governance

The Annual General Meeting is the most senior governing body, while the Board of Directors is responsible for steering, administering and representing the Company, holding full powers of representation, disposition and management. Its actions are binding on the company, with no further limitation than the express powers of the Annual General Meeting in accordance with the law and the corporate bylaws.

The Board is the Company's main decision-making and supervisory body, and is also the supervisory body of all subsidiary companies, while day-to-day management is carried out by the Company's management and executive bodies and by the relevant corporate bodies of the aforementioned subsidiary companies.

The Board of Directors has a Steering Committee in place that acts as a delegate body on its behalf and with all of its powers, except those that cannot be ceded by law or, where applicable, if expressly prohibited by the corporate bylaws or the Regulations of the Board of Directors.

The Board of Directors also has three additional Delegate Committees:

- Audit and Compliance Committee.
- Appointments and Remuneration Committee.
- Risk Committee.

The functions and composition of the governing bodies are as follows:

Steering Committee

The Steering Committee's functions are the senior management and oversight of the day-to-day operations and strategies of the Company and its subsidiaries. It comprises a maximum of ten members, all of whom are also members of the Board of Directors.

Audit and Compliance Committee

The Audit Committee's functions include reporting to the Annual General Meeting on any issues that arise in relation to matters within its remit, overseeing the efficiency of internal control and the process for preparing and presenting financial and non financial information, submitting proposals to the Board of Directors for the appointment of an external auditor and building an appropriate relationship with the latter, and ensuring the independence and efficiency of the Internal Audit function. It is also the body responsible for supervising the proper application of good governance standards and external and internal regulations at the Company and the Group. It comprises a minimum of three and a maximum of five directors, all non-executive and most of them independent directors.

Appointments and Remuneration Committee

The Appointments and Remuneration Committee coordinates the implementation of the assignment and remuneration policy for Directors and Senior Executives of the Group. It comprises a minimum of three and a maximum of five directors, all non-executive and at least two of whom are independent directors.

Risk Committee

This committee provides support and advisory services to the Board of Directors in defining and evaluating risk management policies and in determining risk appetite and risk strategy. It comprises a minimum of three and a maximum of five members of the Board of Directors, all non-executive and at least two of whom are independent directors.

However, the Board of Directors has proposed modifying the corporate bylaws at the Annual General Meeting, to be held on March 11, 2022, to assign responsibilities in sustainability matters to the Risk Committee, which would be renamed the Risk and Sustainability Committee.

For more information on the operating system of the governing bodies, please consult the [MAPFRE S.A. Board of Directors Regulations](#).

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The composition of the governing bodies resulting from the agreements that are expected to be adopted on March 11, 2022 is as follows:

Board of Directors	Steering Committee	Appointments and Remuneration Committee	Audit and Compliance Committee	Risk and Sustainability Committee
Chairman				
Antonio Huertas Mejías ⁽¹⁾	Chairman			
First Vice Chairman				
Ignacio Baeza Gómez ⁽¹⁾	First Vice Chairman			
Second Vice Chairwoman				
Catalina Miñarro Brugarolas ⁽³⁾	Second Vice Chairwoman	Chairwoman		
Third Vice Chairman				
José Manuel Inchausti Pérez ⁽¹⁾				
Members				
José Antonio Colomer Guiu ⁽³⁾	Member	Member	Member	Chairman
Ana Isabel Fernández Álvarez ⁽³⁾			Chairwoman	Member
Maria Leticia de Freitas Costa ⁽³⁾				
Rosa María García García ⁽³⁾		Member		
Antonio Gómez Ciria ⁽³⁾				Member
Luis Hernando de Larramendi Martínez ⁽²⁾	Member	Member		
Francisco José Marco Orenes ⁽¹⁾				
Fernando Mata Verdejo ⁽¹⁾				
Antonio Miguel-Romero de Olano ⁽²⁾	Member		Member	Member
Pilar Perales Viscasillas ⁽³⁾			Member	Member
Alfonso Rebuelta Badías ⁽²⁾		Member		
Secretary				
Angel L. Dávila Bermejo	Secretary	Secretary	Secretary	
Jaime Álvarez de las Asturias Bohorques Rumeu	Vice Secretary	Vice Secretary	Vice Secretary	Secretary

(1) Executive board directors

(2) Nominee external board directors

(3) Independent external board directors

Executive Committee

Honorary Chairmen	
Julio Castelo Matrán*	
José Manuel Martínez Martínez	
Executive Committee	
Chairman	
Antonio Huertas Mejías	
Vice Chairman	
Ignacio Baeza Gómez	
Vice Chairman	
José Manuel Inchausti Pérez	
Members	
José Antonio Arias Bermúdez**	
Alfredo Castelo Marín	
Jesús Martínez Castellanos	
Fernando Mata Verdejo	
Eduardo Pérez de Lema	
Fernando Pérez-Serrabona García	
Elena Sanz Isla	
Jaime Tamayo Ibáñez	
Member-Secretary	
Angel L. Dávila Bermejo	

*On February 1, 2022, the death occurred of Mr. Castelo Matrán. RIP

** Francisco Marco Orenes was a member of the Executive Committee until December 31, 2021.

Diversity and experience

The Board of Directors of MAPFRE S.A. approved the Director Selection Policy on July 23, 2015, having been amended for the last time on December 21, 2020. This policy states that the selection process will promote the diversity of knowledge, experience, age and gender. The policy also states that efforts will be made to ensure that female directors shall represent at least 30 percent (and will be increased before the end of 2022 to at least 40 percent) of all members the Board of Directors.

As on the date of this Report, the number of women on the Company's Board of Directors represents 33 percent of all members. Most participate in Board committees and/or have a significant role:

- Catalina Miñarro Brugarolas: Second Vice Chairwoman of the Board of Directors and of the Steering Committee, Chairwoman of the Appointments and Remuneration Committee and independent coordinating director.
- Ana Isabel Fernández Álvarez: Chairwoman of the Audit and Compliance Committee and member of the Risk Committee.
- Rosa María García García: member of the Appointments and Remuneration Committee.
- Pilar Perales Viscasillas: member of the Audit and Compliance Committee⁷.

ITEM	2021	2020	2019	2018
% of women over Board total	33.3%	33.3%	33.3%	28.6%

The composition of the Steering Committee and the various Delegate Committees of the Board of Directors by gender as on December 31, 2021 is presented below.

ITEM	Steering Committee		Audit and Compliance Committee		Appointments and Remuneration Committee		Risk Committee	
	M	W	M	W	M	W	M	W
Number of Board Directors	5	1	2	2	3	2	3	1
% of total	83.3%	16.7%	50.0%	50.0%	60.0%	40.0%	75.0%	25.0%

M: Men, W: Women

Geographic and cultural diversity is also visible at Board level, with two nationalities represented: Spanish and Brazilian.

⁷ Effective January 1, 2022, Ms. Pilar Perales Viscasillas has been appointed as a member of the Risk Committee

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In accordance with the provisions of the MAPFRE S.A. Board of Directors Regulations, candidate selection will include an evaluation of the competences, knowledge and the experience necessary to hold a seat on the Board of Directors. For these purposes, the Appointments and Remuneration Committee approved in 2020 the MAPFRE S.A. Board of Directors' Competency Matrix, which defines the skills and knowledge of its members.

The Board currently consists of 15 members who, as a whole, possess knowledge, qualifications and experience relating, among others, to the following areas: insurance and financial markets, business strategy and business models, governance systems, financial and actuarial analysis and regulatory framework.

Other Corporate Governance indicators

ITEM	2021	2020	2019	2018
Quorum for Annual General Meeting	81.6%	86.9%	82.4%	82.1%
Board Directors	15	15	15	14
- Men	10	10	10	10
- Women	5	5	5	4
Executive board directors	5	5	5	5
Independent external board directors	7	7	7	6
Nominee external board directors	3	3	3	3
Board meetings	11	11	10	10
Steering Committee meetings	4	2	5	5
Audit and Compliance Committee meetings	11	11	10	14
Appointments and Remuneration Committee meetings ⁽¹⁾	5	5	6	5
Risk Committee meetings	7	9	6	6

Data in numbers

1. Regardless of the mentioned meetings, the Committee adopted agreements by written procedure, without a meeting, by means of circulars dated February 9 and April 5.

Remuneration system

The remuneration of board directors is determined in accordance with the provisions of regulations applicable to corporations, the corporate bylaws and regulations of the company's Board of Directors, and the decisions adopted by the Annual General Meeting.

The total remuneration of the Company's Directors during fiscal year 2021 was as follows:

ITEM	2021
Number of Directors	15
Accrued remuneration in the Company	13,893
Accrued remuneration in Group companies	2,412
TOTAL	16,305
Contributions to savings systems with vested rights and as an amount of accumulated funds	6,559

Figures in thousand euros

In order to comply with the legal requirements for remunerating directors and to continue adhering to corporate governance best practices regarding remuneration, the Regulations of the Board of Directors govern the areas related to remuneration of the Board of Directors and the Appointments and Remuneration Committee.

The Ordinary Annual General Meeting of March 13, 2020 approved the Compensation Policy for Directors for the 2020-2022 period, effective as on January 1, 2020. This policy includes the various components of the directors' remuneration package, which have been established based on the following general principles and foundations:

-Prioritization of the creation of value and profitability in the medium- and long-term over short-term results.

-Reasonable proportion between the Company's economic situation and the market standards of comparable companies.

-Alignment with the sales and risk management strategy, risk profile, objectives, and risk management practices.

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- Appropriate and efficient risk management within the established risk tolerance limits.
- Attraction and retention of talent.
- Appropriate compensation for dedication, qualification and responsibility.
- Appropriate proportion of fixed and variable components, avoiding excessive reliance on variable components.
- Deferred payment of a significant portion of the variable remuneration.
- Possibility of ex-post adjustments to the variable remuneration.
- Avoidance of conflicts of interest.

The remuneration system differentiates between external directors and executive directors:

A) External Board Directors

External directors receive a fixed amount as basic remuneration for their membership on the Board of Directors and, as applicable, on the Steering Committee and Delegate Committees, which may be higher for those who occupy positions on the Board or chair its Delegate Committees. Members of the Steering Committee also receive a travel, subsistence and accommodation allowance for attending its meetings. This remuneration shall be supplemented with other non-monetary benefits (Life or illness insurance, discounts on products sold by MAPFRE Group companies), which are established for the company's personnel in general.

B) Executive Board Directors

Executive directors do not receive the fixed amount established for external directors. The remuneration of Directors for carrying out their executive functions is determined according to said functions, levels of responsibility and professional profile, in accordance with the criteria governing the remuneration of MAPFRE Group senior executives and according to the stipulations of their respective contracts.

Executive directors are entitled to the allowances or social benefits established for Company personnel in general, as stipulated in the collective bargaining agreement signed by MAPFRE.

Only executive directors receive variable remuneration, of which there are two types:

(i) Short-term variable remuneration system based mainly on an annual component linked to the Company's consolidated net profit and, in addition, another component linked to the fulfillment of specific objectives established by the Board of Directors. This remuneration is always paid in cash.

(ii) Medium- and long-term variable remuneration, which corresponds to a medium-term incentive plan of an extraordinary and multi-annual nature that cannot be consolidated. The evaluation period for the degree of achievement of Plan objectives extends from January 1, 2019 until December 31, 2021, with deferred payment of incentives in the period 2023–2025 for some of its beneficiaries, which include executive directors in their capacity as senior management.

The payment of incentives is subject to the fulfillment of the Plan objectives and remaining within the Group, under the terms set out in that Plan. The Plan consists of a cash incentive and a stock incentive in MAPFRE S.A., and is subject to reduction and recovery clauses.

Notwithstanding the foregoing, the Board of Directors has agreed to submit to the Annual General Meeting on March 11, 2022, a new Director Compensation Policy for the 2022-2024 period, to adapt its content to the provisions of Law 5/2021, of April 12, which amends the Consolidated Text of the Capital Companies Act.

For the rest of the workforce, in order to establish an adequate balance between the fixed and variable components of remuneration, MAPFRE's remuneration policy contemplates a variable structure that is calculated as a percentage of total remuneration, and which is paid in line with the degree of compliance with the objectives achieved. The weight of the variable remuneration is determined by the position held within the organization, this being greater depending on the level of responsibility and impact of the professional actions of the employee on the company. Plus More information on the employee remuneration system is reflected in section 4.4.

Personnel categories that may have a material impact on the Company's risk profile have a variable remuneration system linked to the achievement of objectives directly connected to strategic plans that is also subject to deferral rules.

For more information on the organizational structure and good governance, please consult the Consolidated Management Report.

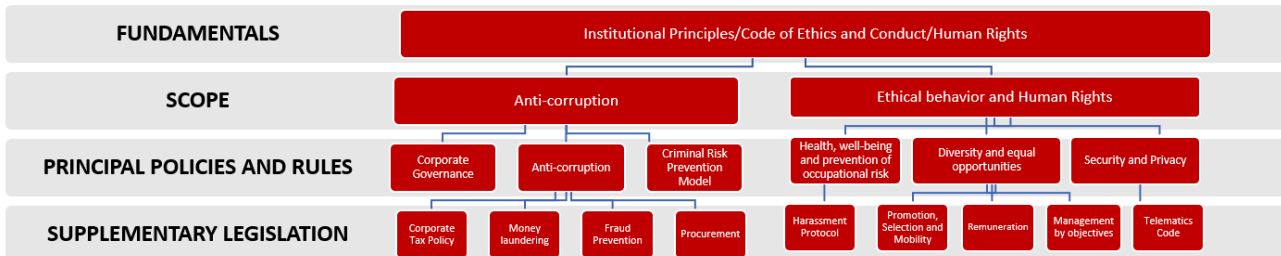
2.4.2. Ethical behavior: main prevention and compliance measures

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MAPFRE's ethical behavior pillars are the Group's Institutional, Business, and Organizational Principles. These principles are embedded in the company through its core values (solvency, integrity, vocation for service, innovation for leadership and commitment) and implemented through adherence to its international and local commitments.

The company has a set of policies, regulations, procedures, protocols and other reference documents in place, both corporate and local in nature, which serve as a guide to determine the behavior expected of all persons who work for or collaborate with MAPFRE.

Graphical structure of the model:



Moreover, MAPFRE publishes the policies on its website (www.mapfre.com), thereby making them available to all stakeholders.

Prevention measures

The Code of Conduct and the Human Rights Policy specify the measures for prevention and compliance with these Principles, serving as the basis for other prevention and compliance measures related to the anti-corruption and corporate governance framework, as well as protection against psychological and sexual harassment at work.

Code of Ethics and Conduct

Inspired by the Group's Institutional, Business and Organizational Principles, the Code of Ethics and Conduct reflects the corporate values and basic principles that should guide its people's actions, in both their everyday work and their relationships with other stakeholders. This code is public and available to all stakeholders on the MAPFRE website and to all employees on the corporate intranet.

To ensure its implementation as well as the supervision and control of its compliance, MAPFRE has an Ethics Committee whose composition, competencies and operating system are specified in the Code itself. This committee reports annually to the MAPFRE S.A. Audit and Compliance Committee on the activity carried out in the year.

As a surveillance measure, in line with what is stated in the compliance measures, the latest evaluation of the degree of implementation of the controls associated with a series of principles and standards of behavior included in the Code of Ethics and Conduct in matters of corruption and prevention of criminal risks was carried out in 2020.

In 2021, a new 45-minute e-learning course on the Code of Ethics was launched. During the year, a total of 15,273 hours of training in this area were carried out by a total of 20,234 employees, and by the end of the year, 60 percent of the workforce had been trained in this area. In addition, during this year 2021, "quick learning" training impacts related to this Code were also carried out through the MAPFRE People app.

Human Rights

MAPFRE recognizes the importance of human rights, which is why its protection is enshrined in the Group's internal regulations, approved at the highest level of the organization. The issue of human rights is expressly reflected in MAPFRE's institutional, organizational and business principles, in the Code of Ethics and Conduct, in the Sustainability Policy and in the Human Rights Policy itself.

The policy establishes MAPFRE's specific commitments in relation to employees, providers, business partners and customers; as well as the principles that should guide its actions on the basis of Human Rights.

These commitments are reinforced by the signing of various principles and adherence to a number of United Nations-led human rights initiatives: Global Compact and the Ten Guiding Principles; Principles for Sustainable Insurance (PSII); Principles of Responsible Investment (PRI); Women's Empowerment Principles (WEPI); and the Standards of Conduct for Business in relation to LGBTI rights.

Likewise, MAPFRE's commitments expressed in the Human Rights Policy are inspired by the principles and rights established in the main conventions of the International Labor Organization and the Declaration on Fundamental Principles and Rights at Work of said organization.

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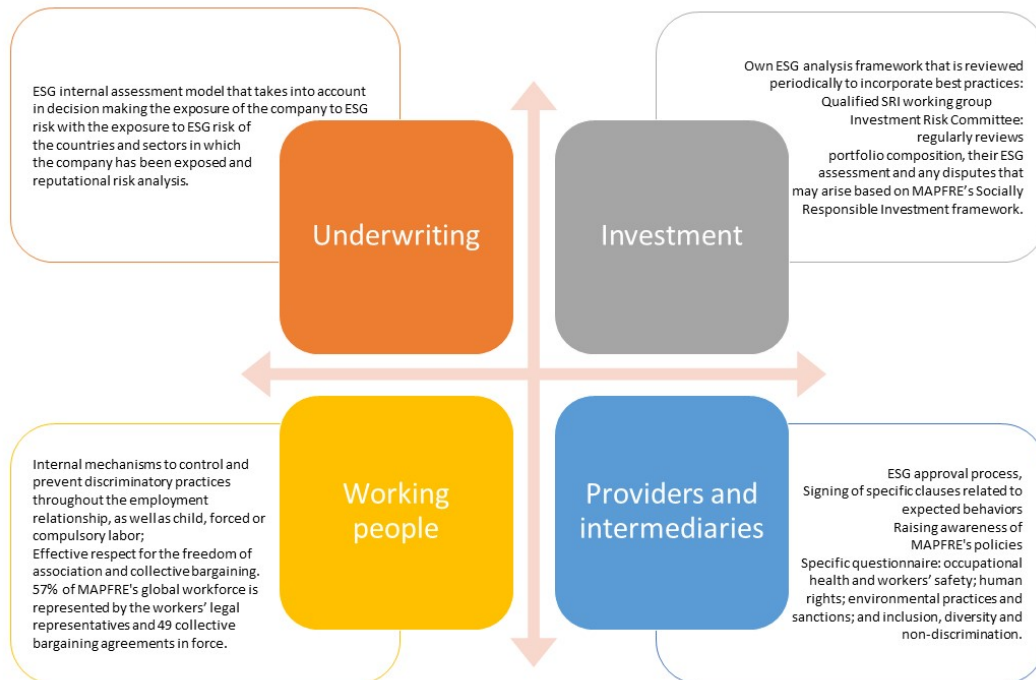
In 2021, MAPFRE maintained its objective of extending its commitment to human rights across its value chain, including providers and intermediaries. Specifically, 4,325 service providers have been trained on human rights, and 435 security providers were trained on this issue, which represents 89% of the total of this type of provider.

In 2021, 31,496 Group employees participated in training courses on procedures related to MAPFRE's Human Rights Policy and the ten Principles of the Global Compact. These training actions represent 81,962 hours. At the close of the financial year, 84 percent of the workforce had completed some or other of the training actions.

Along with training and awareness raising on human rights for employees and providers, in the exercise of due diligence on the matter, MAPFRE has different mechanisms in place for preventing and assessing risks related to the violation of fundamental rights derived from its activity along the value chain.

To learn about other measures taken to ensure respect for human rights, please refer to Note 1 in section 6.3 of this report.

The following chart outlines the main risk prevention and assessment mechanisms that help prevent the violation of fundamental rights in business and operations areas:



Ethical behavior and Human Rights

Among other behaviors, MAPFRE promotes at the global level a safe and healthy work environment both inside and outside the workplace, based on its Health and Well-being and Occupational Risk Prevention policy. It also fosters respect for people's individuality, recognizing their heterogeneity, and eliminating any discriminatory, exclusionary behavior through the Diversity and Equal Opportunities policy. These policies prevent, among other behaviors, psychological and sexual harassment in the workplace.

In terms of Human Rights, specifically with regard to; freedom of association and collective bargaining, child and forced or compulsory labor, as well as in the Rights of Indigenous Peoples, no operations or providers have been detected that could put at risk or violate the aforementioned rights.

In this regard, MAPFRE has a provider approval process in place, in addition to underwriting and investment procedures that ensure compliance with corporate principles and policies on the matter, when evaluating and addressing all its operations.

Likewise, based on the aforementioned approval process, no providers or operations with significant negative social impacts have been identified.

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Procedures initiated by the Company in relation to work practices contrary to the Code of Ethics

MAPFRE duly considers the possibility of initiating sanctioning procedures in the event that work practices contrary to current legislation are detected, which also entails a breach of the principles contained in the Code of Ethics.

During 2021, a total of six sanctioning procedures were initiated. As a consequence of non-compliance with article 4.6. of the Code of Ethics related to Brand, Image and Corporate Reputation, in four of the six cases, the situation was resolved through reprimands in two of the four cases, and suspensions of employment without pay in the remaining two. The other two remaining cases making up total of six involved the filing of reprimands as a result of non-compliance with article 6.8. of the Code of Ethics relating to the rules on Conflicts of Interest.

Protection of employees from psychological and sexual harassment in the workplace

MAPFRE rejects any show of workplace harassment, and any other behavior that is violent or offensive to the rights and dignity of people, whenever these situations contaminate the workplace, have negative effects on health, well-being, confidence, dignity and the performance of those who suffer from the same.

MAPFRE has a protocol for the prevention of harassment, applicable throughout the Group at a global level, and accessible to all employees through the Corporate Intranet and the website.

Based on this protocol, mechanisms are established in all the countries where MAPFRE operates that help to prevent harassment situations. And if they do occur, it has the appropriate procedures to address them and repair any possible damage caused to the person affected.

Training related to ethical conduct that expressly prohibits any intimidation and arrogant behavior was completed by 60 percent of the workforce. Specifically, since 2019, 1,699 employees have participated in training actions on protection against harassment, among these, 223 people who hold positions of responsibility.

MAPFRE's Anti-corruption Framework

MAPFRE has zero tolerance for corruption and bribery. Therefore, in addition to the provisions of the Code of Ethics and Conduct, the company has an anti-corruption framework in place that comprises, among other aspects, the following policies and regulations: Criminal Risk Prevention Model, Anti-corruption Policy, Prevention of money laundering and financing of terrorism and Prevention of fraud.

Throughout 2021, 23,491 employees underwent some training in the fight against corruption. By the end of the year, 69 percent of the active workforce had completed some training action related to this matter.

The accompanying table details those workers, actively employed as of December 31, trained in this matter, broken down by geographical area and by level of responsibility.

Region	Active workers trained
IBERIA	9,688
BRAZIL	2,760
LATAM NORTH	2,735
LATAM SOUTH	3,171
NORTH AMERICA	2,463
EURASIA	1,420
Total	22,237

Level	Active workers trained	% of total
Management	1,047	4.71 %
Middle management	2,793	12.56 %
Advisors	12,967	58.31 %
Associates	5,430	24.42 %
Total	22,237	100.00%

Board members also receive training on the matter, and in 2021, 100 percent of the external directors dedicated a total of 58 hours to training in relation to:

- Code of Ethics and Conduct
- Prevention of money laundering
- Prevention of criminal risks
- Internal capital control model
- IFRS 9 and 17 standards
- European insurance regulations and regulations approved by the council

Criminal Risk Prevention Model and Anti-corruption Policy

The Criminal Risk Prevention Model and the Anti-Corruption Policy specify and implement the commitment to reject corruption in its forms, including extortion and bribery.

The Criminal Risk Prevention Model identifies and assesses the crimes included in the Criminal Code that may impact MAPFRE in terms of exposure to risk and impact (monetary and non-monetary penalties, loss of reputation, and other financial losses). Likewise, the existing controls are identified and evaluated to prevent the aforementioned crimes from occurring along the value chain. The Corporate Compliance Management chairs the Criminal Risks Committee, enabling the company to react appropriately to the possible materialization of a criminal risk.

For its part, the Anti-Corruption Policy sets out the performance standards and framework for preventing and detecting corrupt practices in the Group's activities in any of the countries where MAPFRE is present. The policy is known to all the members of the Board of Directors, who approved it in December 2020, and over the course of 2021, it was made available to all MAPFRE employees via the intranet.

Both the Group's providers and intermediaries are familiar with the model, and all of them respect and embrace the principles and values of same, which are mandatory when they are working on behalf of MAPFRE.

In 2021, 16,251 hours of training were given on subjects included in the online corporate crime and criminal risk prevention course, with a total of 12,348 participants. To date, 37 percent of the people who work at MAPFRE have been trained in this area.

In accordance with the regulatory frameworks for financial services for the admission of clients, all MAPFRE operations are evaluated in order to prevent and avoid any operations related to corrupt practices. Additionally, each company has mechanisms in place to prevent practices such as money laundering or fraud.

The compliance departments of each company periodically evaluate the validity of the existing controls for those processes in which criminal risks associated with these practices have been identified.

Prevention of money laundering and financing terrorism

MAPFRE has a manual in place that is accessible to employees through the Intranet, which includes the internal prevention and communication policies and procedures and the control bodies established in the Group, as well as the catalogs of operations that may be related to money laundering or the financing of terrorism for insurance companies and for investment services companies.

Specifically, in the 2021 fiscal year, 3,773 people have participated in training related to the prevention of money laundering and the financing of terrorism, and a total of 4,762 hours have been dedicated to training in this area.

Fraud prevention

Since 2016, MAPFRE has had an operational model in place to combat fraud that includes the definition of the necessary structures and optimal functions, the design of specific processes and procedures for this matter, the definition of policies and business regulations, as well as the design of the indicators map (both operational and risk).

In addition, in 2019, the company's Anti-Fraud policy was defined and approved by the Executive Committee, which details MAPFRE's levels of protection against fraud and the areas responsible for said levels.

Also, the Group has developed an anti-fraud technological platform for the detection, prevention and analysis of fraud in different business and support processes.

Consultation and whistleblower channels

MAPFRE provides all its stakeholders with access to the query and whistleblower channels associated with the Group's pillars of ethical behavior.

Consultation and whistleblower channel for the Code of Conduct

The Code of Conduct also establishes different communication channels for ethical inquiries and complaints for employees, managers and members of the Group companies' management bodies, as well as for providers, contractors and other people who have a professional relationship with MAPFRE.

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To guarantee confidentiality, the secretary of the Ethics Committee receives queries and complaints directly, and it is possible to lodge complaints anonymously. The principles for processing and resolving them are included in the Code of Conduct itself, which also establishes the Committee's competence to hear them and propose the appropriate penalty for any breach of the Code. These penalties correspond to the current disciplinary system and may involve the termination of the existing contractual relationship.

During the 2021 fiscal year, the Ethics Committee registered, through the different complaint channels, a total of 12 complaints/grievances, of which 11 were not admitted for processing due to the fact that they dealt with matters outside the scope of the Code of Ethics and Conduct, while one was processed and resolved.

Information on the complaint admitted for processing by the Ethics Committee in 2021 is detailed below:

- Complaint by an employee in Spain for alleged breach of the technical standards of action in the assignment of expert reports. The appropriate investigation was carried out, concluding that there was no breach of the Code of Ethics and Conduct as it was not proven that MAPFRE's internal regulations had been breached, nor was there any discrimination, arbitrariness or comparative grievances in the assignment of expert opinions.

Procedure for complaints related to the Human Rights Policy

If a complaint is lodged, the procedure established in the Code of Ethics and Conduct shall be followed, being processed by the Ethics Committee, which is made up of the individuals who constitute the General Counsel of the MAPFRE Group, the General Management of People and Organization and three other Senior Management or representation positions in the Group.

No complaints of discrimination were received in 2021.

Procedure for complaints related to psychological and sexual harassment

Violence and harassment in the workplace, which include physical, psychological or sexual harm, constitute a breach or abuse of human rights. Given that special vigilance and protection is required, MAPFRE has a particular procedure in place for complaints related to moral and sexual harassment.

The MAPFRE harassment prevention and treatment protocol regulates the formal requirements that workers must follow to file complaints and the procedure for processing them by Human Resources.

This procedure contemplates the possible measures to be applied in the event that harassment is confirmed to exist and measures for repairing the damage to the victim.

During this financial year, 11 complaints of harassment were registered in the Group, which were processed through the established internal procedure. Of the total complaints, six related to moral harassment and five to sexual harassment.

Four of the complaints of moral harassment related to cases of minor labor disputes in which the existence of conduct qualifying as workplace harassment was not been proven. In the two remaining complaints, the existence of harassment was proven, with dismissal and written reprimand being adopted as the measures deemed appropriate, respectively.

The content of the five complaints of sexual harassment dealt with inappropriate behavior. In one of the cases, the conduct was carried out by external personnel toward internal MAPFRE personnel and in another case, the conduct was carried out outside the workplace. The existence of sexual harassment was confirmed in four of the cases, in which the measures adopted were dismissal, for two of them, suspension of employment and salary in another, and prohibiting communication with the victim by the external collaborator in the other case.

In all cases of harassment, the procedures established in the MAPFRE Harassment Prevention Protocol were followed.

Financial and Accounting Whistleblower Channel

The Financial and Accounting Whistleblower Channel allows Group employees, as well as directors, shareholders, providers, contractors and subcontractors to inform the Audit and Compliance Committee of MAPFRE S.A. of potentially significant financial and accounting irregularities that are reported within the company or its Group. This can be done confidentially and, optionally anonymously. Its operating rules are published both on the corporate intranet and MAPFRE's corporate website.

The Audit and Compliance Committee receives the complaints and reviews and resolves them by addressing each one as it deems appropriate. In order to perform its functions properly, it relies on assistance from General Counsel and the Corporate Internal Audit Area.

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General Counsel issues an annual report for the Audit and Compliance Committee outlining the activities conducted through the Whistleblower Channel and the final result of the complaints made.

During the 2021 financial year, a total of three reports/grievances were received through the Financial and Accounting Whistleblower channel, which were not admitted for processing due to the fact that they concerned matters outside of the scope of said channel.

Grievances and complaints

MAPFRE facilitates its clients, in any country in the world where it operates in direct insurance, with an internal channel to process the extrajudicial defense of their rights deriving from the contracts they have taken out, and also promotes the internal implementation of bodies dedicated to protecting their rights. More information on this can be found in Section 4.2 Protecting the Client.

Compliance measures

MAPFRE's Corporate Compliance periodically evaluates the degree of adherence to and integrity of the commitments established in each of the policies in force, as an additional monitoring measure.

In accordance with this measure, in 2021, the degree of compliance with the following policies was analyzed and assessed:

- a. Aptitude and Honorability Policy
- b. Internal Audit Policy
- c. Reinsurance Policy

The evaluation was carried out in 44 companies: MAPFRE S.A. and insurance and reinsurance companies resident in Spain, the United States, Brazil, Germany, Italy, Mexico, Peru, Puerto Rico, Turkey, Malta, Portugal, Argentina, Chile, Colombia, and Panama.

2.4.3. Control measures: the internal control model

MAPFRE has an Internal Control policy in place, duly approved by the Board of Directors. The Group's Internal Control System involves tasks and actions present in all the organization's businesses and, accordingly, they are fully integrated into its organizational structure.

Due to its very nature, MAPFRE's Internal Control involves all personnel, regardless of their role; overall, they contribute to providing a reasonable assurance that established objectives will be reached, most notably related to:

Operating objectives: Effectiveness and efficiency of operations, differentiating those which are internal from the insurance activity (mainly underwriting, claims, reinsurance, and investment) as well as supporting operations and functions (human resources, administration, finances, sales, legal, technology, etc.).

Information objectives: Reliability (financial and non-financial, internal and external) of information regarding opportunity or transparency, among others.

Compliance objectives: Compliance with applicable laws and regulations.

The MAPFRE S.A. Board of Directors is ultimately responsible for the Group's Internal Control System and defines the common framework for action in internal control.

The Internal Control System is integrated into the organizational structure under the three lines of defense model by assigning compliance responsibilities to internal control objectives in line with the model:

- A first line of defense consisting of employees, management, and the business and supporting operating areas that are responsible for maintaining effective control over the activities carried out as an inherent part of their day-to-day work. Therefore, they are the ones who assume the risks, and they are responsible for designing and applying the necessary control mechanisms to mitigate the risks associated with the processes they carry out to guarantee that the risks do not exceed the established limits.
- The second line of defense is made up of the key Risk Management, Actuarial and Compliance functions, which oversee the functioning of internal control.
- A third line of defense, consisting of Internal Audit, performs independent assessments of the suitability, adequacy and effectiveness of the Internal Control System and notifies of potential shortcomings as required to the parties responsible for applying corrective measures, including directors and the governing bodies, as appropriate.

The organization of the Group has three independent functions: Risk Management, Compliance and Internal Audit. They report directly to the Board of Directors or delegate bodies, thereby ensuring the effective functioning of the internal control model.

2.4.4. Cybersecurity and data privacy

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MAPFRE understands data privacy and cybersecurity as complementary, relevant and priority aspects, identifying, as a critical element, the protection of:

- a. The privacy and information of third parties (customers, employees and other interest groups) that are provided in return for the provision of the contracted services at the appropriate time.
- b. The information owned by MAPFRE on which it bases its competitive advantage and/or its brand value.
- c. The technological systems and information that support the company's business processes.

In order to achieve the aforementioned protection, MAPFRE articulates its action in the area of cybersecurity and data privacy in a series of strategic lines, contemplating in them the protection of information when it is collected, transmitted, stored or processed, and enabling action Diligent in establishing preventive measures and in detecting and responding to cyberattacks or business interruption events. (For more information on the strategic lines and measures, please see Note 2 on Cybersecurity and business continuity.)

In the last three years, a total of 18,118 hours have been allocated to training in cybersecurity and data privacy. The number of workers at MAPFRE trained, between 2019 and 2021, totals 25,778. At the close of the financial year, 68 percent of the workforce had completed training in this field.

It is worth mentioning that, during 2021, "Firewall Mindset MAPFRE, #CulturaCibersegura" was launched in Spain, comprising an innovative cybersecurity awareness campaign aimed at improving prevention and raising awareness of how to act against cyber risks. Within this activity, the employees had to work through a practical case, identifying a targeted Phishing attack. Already, 2,221 cyber agents (employees) have completed the course and it is expected that by the end of 2022, implementation will have expanded to more Group countries.

Cybersecurity

To meet the established objectives, MAPFRE, through Corporate Security, has advanced capabilities in place aimed at increasing the company's digital operational resilience. These capabilities include:

- a. Highly specialized and accredited personnel (MAPFRE holds a total of 275 personal certifications in cybersecurity and privacy, with a total of 131 certified employees).
- b. Specific technologies for monitoring, detection and protection against security incidents, integrated into the corporate technology platform.
- c. Tools, methodologies and specialists dedicated to continually reviewing and evaluating the company's cybersecurity level, covering all assets and actors involved (information systems, people, etc.) and identifying deficiencies and lack of control early .
- d. A General Control Center (CCG-CERT), integrated into the FIRST network and the CSIRT.es group, which receives alerts on global threats and attacks for continuous monitoring on a 24/seven basis.
- e. Crisis management and business continuity plans that are systematically updated and deployed.
- f. Production of added value for the business through actions such as the digitization of processes using electronic signature capabilities or the fight against fraud.

As a result of the increase in cyber threats, in 2021 the Group's Cyber Resilience Plan was developed, approved and launched, which, with an execution horizon of three years. This plan will constitute the master plan that articulates MAPFRE's evolution in matters pertaining to cybersecurity, privacy, data protection and digital operational resilience.

The plan consists of 11 large blocks of activity, which generate more than 120 lines of action. The resources allocated to its execution seek to guarantee the existence of the necessary and sufficient internal talent and know-how, both to carry out the plan and to maintain the level of protection achieved.

The capabilities deployed through the plan will be integrated into the corporate security model, based on risk management and comprehensive protection of tangible and intangible assets, establishing protection measures on all the elements that interact with them (people, information systems, facilities and processes).

(For more information on cybersecurity strategy and management, please see Note 2 in section 6.3.)

MAPFRE's absolute priority is to guarantee the privacy and adequate protection of personal data, understanding these aspects as essential elements that must be proactively pursued, not only with the aim of achieving compliance with the applicable regulations, but also as a fair correspondence to the trust placed by customers, providers, collaborators, employees and other interest groups.

To this end, the Group has the following prevention and compliance measures (see details in Note 3 on prevention and compliance measures regarding data privacy) in place:

- a. Reference model at corporate level in terms of privacy and data protection that is aimed at guaranteeing the highest standards of compliance with the pertinent obligations and regulations.
- b. Corporate Data Protection Officer (DPO) and an area specifically dedicated to ensuring the privacy and protection of personal data.
- c. Privacy and Corporate Data Protection Committee, which acts as an advisory and support body to the DPO in the performance of its functions.

In 2021, work was done on the automation and optimization of the processes associated with compliance with the different laws in force on the matter, guaranteeing the most timely and complete response to the exercises of the rights that they contemplate, on the part of the interested parties.

MAPFRE's privacy experts have joined specific working groups such as the Digital Transformation Working Group - GDPR of the Pan-European Insurance Forum (PEIF), the Working Group - Data Breach of the Data Privacy Institute (DPI) and have continued to collaborate on the Data Protection and Digitization and Innovation working groups of UNESPA; as well as in the COTEC Privacy and Digital Ethics Working Group.

In compliance with the provisions set down in the European General Data Protection Regulation (GDPR), throughout 2021, two potential incidents were reported to the control authorities of the countries in which the Group operates, and the cases were closed without a declaration of responsibility by MAPFRE.

Likewise, it is important to point out that in 2021, as in previous years, MAPFRE did not receive any sanctions for non-compliance with the GDPR by any of the control authorities of the different countries where it operates.

3. Milestones and key data

3.1. Regulatory framework and global context

3.1.1. Regulatory framework

The insurance and reinsurance business is a regulated activity in the European Union and other countries in which MAPFRE operates. The regulatory framework is reasonably homogeneous in various countries, with some convergence in the capital and risk-based management aspects occurring in recent years, especially following the introduction of Solvency II legislation in the EU.

Similarly, although to a lesser extent due to its lesser relevance to the Group, the regulation on the distribution of financial products has undergone significant regulatory development in recent years in the European framework, the most significant market for MAPFRE in these products.

The Group is also subject to regulations on capital markets, both within the European framework and in other countries, as both the shares of MAPFRE S.A. and certain debt issuances by this entity are subject to negotiation in official markets. Furthermore, the shares of subsidiaries in Indonesia and Malta are also subject to the laws of these countries. This situation requires the Group to prepare and publish financial information under the International Financial Reporting Standards (IFRS), regardless of the commercial and insurance regulations in force in each country and binds each subsidiary within its jurisdiction.

Furthermore, the Group's own activity determines that other regulatory requirements are relevant, highlighting, among others, labor regulations, data protection regulations, and the defense of consumer rights..

3.1.2. Insurance and economic environment

Recovery from the global economic crisis caused by the COVID-19 pandemic got off to a quick start in the first half of 2021, thanks to the rapid response of government fiscal support, monetary support from central banks, and the easing of health restrictions as vaccination programs around the world progressed. However, in the second half of 2021, circumstances contributed to the recovery starting to lose momentum. In this regard, the rise in energy prices (gas, electricity, and oil), problems in supply chains, monetary injections by central banks, the reduction in the effect of public aid and the savings accumulated by households in the previous year, all of which have led to price pressures beginning to build up, stand out.

In these circumstances, economic growth is expected to continue, mainly due to the effects of economic and monetary policy and normalization of activity, but the pace is expected to slow down due to supply chain problems and inflation pressure. In some countries, such as the United States, there are also labor shortages in some sectors and, to a lesser extent, in Europe.

In this context, the estimate for global growth in 2022 would stand at 4.9 percent, after growing by an estimated 5.9 percent in 2021. Thus, throughout 2022, most economies will recover pre-pandemic levels of activity, with some doing so as early as 2021, in those where the fall in 2020 was smaller or the aid very strong, as in the case of the United States. Despite this, uncertainty remains high. Industry and trade surveys suggest that the supply chain crisis, due to bottlenecks in shipping and unloading ports, may creep into the middle of 2022. Similarly, difficulties in the supply of semiconductors and other components accumulate delays in the manufacture of automobiles, household appliances, and electronic devices.

On the other hand, the rise in the prices of raw materials and energy continues, which, on the one hand, has been the result of the sudden increase in demand produced by the economic recovery, but which has also been the consequence of very specific factors. In the case of gas, price growth has been due to the sudden increase in demand, low stock levels, and geostrategic issues between Russia and the European Union and between Algeria and Morocco. On the other hand, electricity prices have shot up in many parts of the world due to low production levels in some clean energies (wind and hydro), and price increases in CO2 emission rights, gas, and coal. Similarly, the rise in oil prices has been linked, among other reasons, to OPEC's reluctance to increase production, declining investment in prospecting and exploration given pressures to reduce the use of fossil fuels, and a greater focus on electricity.

Inflation has been rising for months in many parts of the world, which has prompted central banks in emerging countries to raise interest rates. In contrast, in developed countries, which can afford to do so given the different structure of price formation and the credibility of their currencies, monetary policy has decided, for the time being, to keep them stable to continue supporting the economic recovery. However, the Federal Reserve has started tapering (asset purchase reduction) in the US, while expectations of interest rate hikes have been brought forward by an entire year, starting in the middle of 2022. For its part, the European Central Bank (ECB) has announced that it will maintain interest rates but will reduce the pace of purchases while explicitly increasing tolerance to inflation above 2 percent.

It should be noted that the ECB continues to defend the idea that inflation is essentially a transitional phenomenon, while the Federal Reserve's communication begins to consider that this transitional nature is beginning to wane. Energy and other commodity prices are indeed likely to fall again once supply problems are resolved and demand normalizes, thereby reducing inflationary pressures. However, it is also true that the rises observed in recent months are already being passed through to food and other products and services and thus anchoring in core inflation. Therefore, it is difficult to anticipate at this stage the extent to which there will be second-round effects by virtue of wage and pension indexation. However, it is estimated that the impact will differ by country and according to the specific nature of this type of indexation clauses incorporated in labor contracts.

At the level of other risks that could affect the recovery of the global economy, those related to the pandemic should be monitored, since, in Europe and some other countries, the incidence of infections is rising again, despite the high levels of vaccination achieved.

On the other hand, it should also be noted that China's economy is undergoing a transformation of its economic model. The well-known difficulties of large real estate developers (Evergrande, Fantasia, etc.) will have to be overcome through the support of the authorities, as they are considered "too big to fail". However, these difficulties are already having an impact on buyer confidence and are impacting real estate sales and construction activities.

China's central planning will promote other industry sectors and a reorientation of construction to minimize the impact of this slowdown. The bankruptcy of large developers is considered a low probability event, since, given its high potential impact on both the economy and the financial markets, it would most likely imply a government bailout.

On the positive side, economic growth could surprise if energy costs were to fall rapidly, inflation would ease, supply chain problems would be solved quickly, and consumer spending would increase due to accumulated savings in 2020. A faster recovery would also require that service, leisure, and tourism activities are fully restored, which is conditional on the pandemic receding. Likewise, in Europe, it will be essential to make good use of the Recovery and Resilience Plan and undertake structural reforms for stronger and more durable growth. For its part, in the United States, the approval of the ambitious infrastructure construction plan (1.2 trillion dollars) will give an economic boost over the next five years.

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Given this global environment, the recovery is expected to continue, albeit more slowly in 2022 and 2023, and to return to the pre-pandemic path by 2024.

The forecasts on the evolution of macroeconomic data for the main markets where MAPFRE operates are as follows:

ITEM	BRAZIL		SPAIN		UNITED STATES		MEXICO		TURKEY	
	2021 (E)	2022 (P)	2021 (E)	2022 (P)	2021 (E)	2022 (P)	2021 (E)	2022 (P)	2021 (E)	2022 (P)
GDP (% YoY, average)	4.6 %	0.5 %	4.9 %	5.5 %	5.6 %	4.0 %	5.2 %	2.6 %	10.0 %	2.8 %
CPI (% YoY, average)	9.8 %	5.3 %	5.9 %	1.1 %	6.7 %	2.4 %	7.5 %	3.8 %	36.1 %	31.6 %
Unemployment (% EAP*, average)	12.0 %	11.7 %	14.1 %	14.2 %	4.2 %	3.6 %	4.0 %	4.0 %	11.9 %	11.6 %
Official interest rate	9.3 %	11.5 %	— %	— %	0.3 %	1.0 %	5.5 %	6.0 %	14.0 %	14.0 %
Population (millions of people)	214.7	216.0	47.7	47.9	332.6	334.0	130.9	132.2	85.3	85.7

Source: MAPFRE Economic Research. Data 2021 estimated (E) and 2022 forecasted (F)

*EAP = Economically Active Population

With global economic growth for 2021 expected to come in at 5.9 percent, after a decline of 3.1 percent in 2020, the outlook for insurance markets worldwide continues to improve. The estimates for 2022 are expected to be revised slightly downward, but the expectation remains that the global economy will recover to levels above pre-pandemic levels, supported by strong growth in the US and emerging and developing Asian economies (particularly China and India). The predictions for Latin America are improving as well, given the strong performance shown by some of the region's largest economies, and this is having favorable repercussions on its insurance industry.

However, many economies will have to wait until 2022, and some longer still, before regaining the levels they were experiencing before the crisis, which means that their insurance markets could show an uneven recovery. Progress with vaccination campaigns is helping to significantly reduce the number of Covid-related deaths and admissions to hospitals, reducing global uncertainty. However, uncertainty has increased somewhat due to the upturn in commodity and energy prices caused by resumed activity and supply-chain disruption, with the inflationary impact that all of this entails against a backdrop of high liquidity. This means that the claim ratios of insurers is up due to the higher number of claims resulting from the reopening process (with a particular impact on the Auto and Health businesses) and the increase in costs that may occur as a result of the increase in inflation. These factors, combined with the drop in the profitability of investments, may adversely affect the profitability of insurers and put pressure on the cost of insurance as a result.

Elsewhere, central banks have started to consider the possible removal of these ultra loose monetary policies faced with the upturn in inflation and an improvement in the economic situation, reflected in the risk-free interest rate curves produced by the European Insurance and Occupational Pensions Authority (EIOPA), which has shown an increase in all rates in all sections of the curves analyzed, with notable exceptions, as in the case of China.

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There are also significant differences in the individual situations of the various economies, with certain developed and emerging countries having had to withdraw some of the economic support measures they had implemented. In some cases, there has even been a change in orientation in monetary policy, with sharp rises in interest rates, to counter inflation that has proven to be more persistent than expected while also substantially exceeding inflation targets.

The interest-rate rises seen in some emerging economies are creating more favorable interest-rate environments for the Savings Life business and traditional lifetime annuities, which were seriously affected during the crisis due to the significant cuts in interest rates made by central banks to support their respective economies. This makes it very difficult to market this type of product, as the interest rate that can be guaranteed in new policies launched on the market is reduced. It would also appear that the serious uncertainty that saw households and businesses shift toward liquidity positions during the most acute phases of the crisis is now behind us. As a result, there is an increased appetite for financial products that make it possible to protect inflation and obtain returns on savings, which favors Life insurance products where the policyholder assumes the risk of the investment. The appeal of these products increases in line with strong performance that is generally being seen in the world's main stock markets. These factors, along with the return to economic growth, are driving the recovery of the Life business, which contracted the most of all businesses during the crisis across practically all markets and that, based on the available information to date, is showing signs of a speedy recovery.

3.2. MAPFRE key figures

3.2.1. Key figures

ITEM	DECEMBER 2021	DECEMBER 2020	Var.% 21/20
RESULTS			
Revenues	27,257.2	25,419.1	7.2%
Written and accepted premiums	22,154.6	20,482.2	8.2%
- Non-Life	17,267.1	16,109.8	7.2%
- Life	4,887.5	4,372.4	11.8%
Attributable net result	765.2	526.5	45.3%
Non-Life Loss Ratio	68.2%	65.6%	2,6 p.p
Non-Life Expense Ratio	29.3%	29.1%	0,1 p.p
Non-Life Combined Ratio	97.5%	94.8%	2,7 p.p
Earnings per share (euros)	0.25	0.17	45.3%
BALANCE SHEET			
Total assets	63,854.2	69,152.6	-7.7%
Assets under management	57,994.3	55,181.8	5.1%
Shareholders' equity	8,463.6	8,536.0	-0.9%
Debt	3,091.5	2,993.6	3.3%
ROE	9.0%	6.1%	2,9 p.p
EMPLOYEES AT THE CLOSE OF THE PERIOD			
Total	32,341	33,730	-4.1%
- Spain	11,138	11,332	-1.7%
- Other countries	21,203	22,398	-5.3%
THE MAPFRE SHARE			
Market capitalization	5,560.1	4,905.7	13.3%
Share price (euros)	1.806	1.593	13.3%

ITEM	SEPTEMBER 2020	DECEMBER 2019	Var.% 20/19
SOLVENCY			
Solvency ratio	193.8%	192.9%	0,9 p.p

Figures in million euros

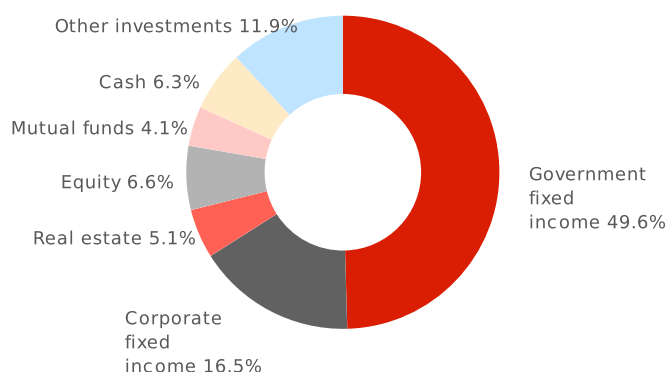
The Group's consolidated revenue reached 27.3 billion euros, an increase of 7.2 percent.

Direct insurance and accepted reinsurance premiums, which represent the majority of revenues, totaled 22.2 billion euros, a rise of 8.2 percent. Most countries showed significant growth both in local currency and in euros. In addition, the issuing in Mexico of a two-year policy amounting to 563 million dollars (477.3 million euros), the favorable evolution of issuing in the reinsurance business and the solid performance of Life Savings products in Spain contributed specifically to the growth in premiums.

If exchange rates had remained constant, premiums would have grown by 10.7 percent and if, in addition, the extraordinary effect of the biennial policy is also discounted, the growth would have been 8.3 percent.

Accumulated attributable earnings as of December 2021 amounted to 765.2 million euros, an increase of 45.3 percent.

Details of the investment portfolio by asset type is shown in the accompanying graphic:



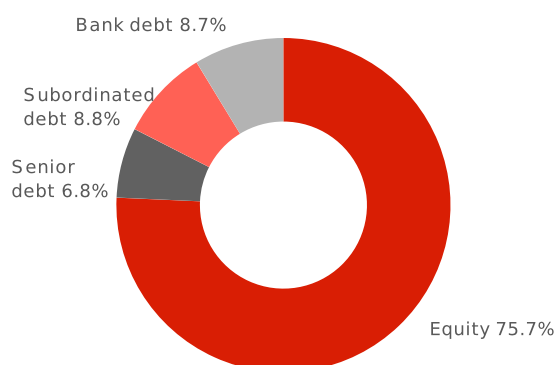
*Real Estate includes both investment property and real estate for own use

The breakdown of the Fixed Income portfolio by geographic area and by asset type is as follows:

ITEM	Government	Corporate Debt	Total
Spain	12,041.2	1,819.8	13,861.0
Rest of Europe	4,691.8	2,760.0	7,451.9
United States	1,537.8	2,058.1	3,595.9
Brazil	2,169.6	1.6	2,171.2
Latin America - Other	1,768.1	705.8	2,474.0
Other countries	670.5	272.0	942.5
TOTAL	22,879.0	7,617.4	30,496.4

Figures in million euros

Capital structure



The capital structure amounts to 12.8 billion euros, of which 75.8 percent corresponds to equity.

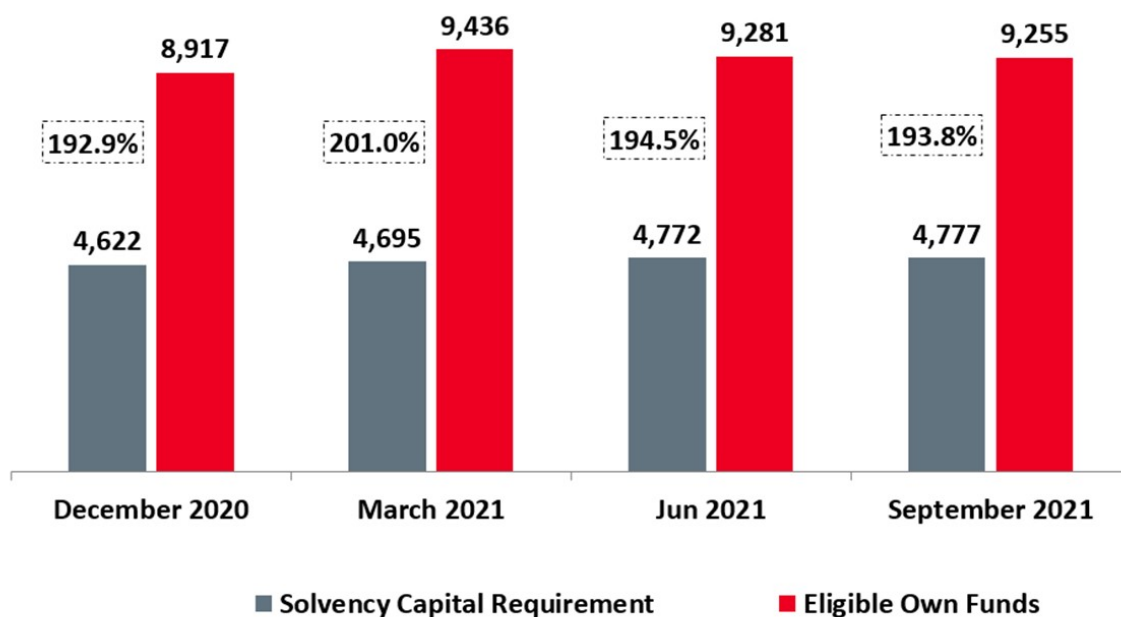
Consolidated equity amounted to 9.7 billion euros as of December 31, 2021, compared to 9.84 billion euros as of December 31, 2020. As of December 31, 2021, the participation of the non-controlling shareholders in subsidiary companies amounting to 1.2 billion euros corresponds mainly to financial companies in Spain and Brazil with which MAPFRE has bancassurance agreements in place. The consolidated equity attributable to the parent company per share represented 2.75 euros as of December 31, 2021 (2.77 euros as of December 31, 2020).

The Group has a leverage ratio of 24.2 percent, with an increase of 0.9 percentage points, compared to the end of the 2020 financial year.

Solvency and capitalization levels

The Solvency II ratio for the MAPFRE Group was 193.8% as of September 2021, compared to 192.9% at the close of December 2020, including transitional measures. This ratio would be 181.0%, excluding the effects of said measures. Eligible own funds reached just under 9.3 billion euros in the same period, of which 87.0% are high-quality funds (Tier 1).

The ratio shows a high level of solidity and stability, backed by high diversification and strict investment and asset and liability management (ALM) policies, as can be seen in the accompanying table.



Figures in million euros

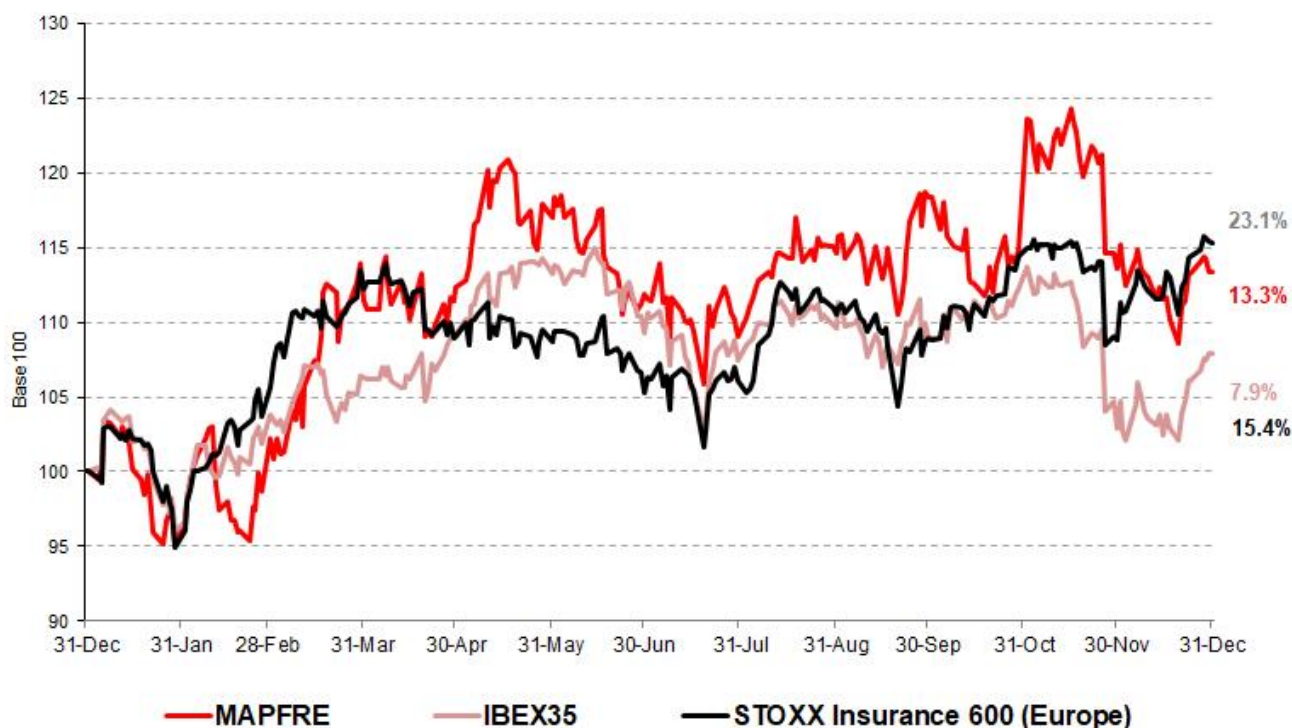
THE MAPFRE SHARE

PERFORMANCE / MAPFRE SHARE	
RESULT FOR THE PERIOD ATTRIBUTABLE TO THE CONTROLLING COMPANY	765.2
Earnings per share (euros)	0.25

Figures in million euros except for Earnings per share

ITEM	12/31/2021
Total outstanding shares	3,079,553,273.0
Market capitalization (million euros)	5,561.7
Share price (euros)	1.806
Book value per share (euros)	2.75
Price / Book value	65.7%
Dividend per share (last 12 months - euros)	0.135
Nominal share price (euros)	0.10

The accompanying chart shows information regarding the MAPFRE share and its performance for 2021.



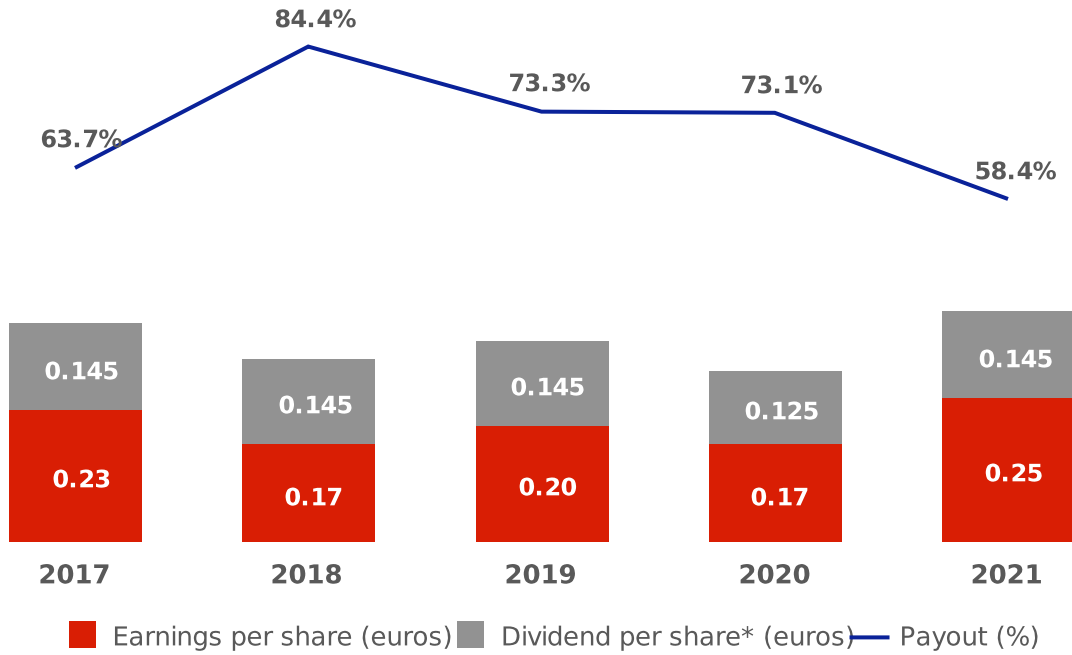
Source: Bloomberg and own calculations

Spanish banks: the six Spanish banks with the largest market capitalization

Dividend and payout

On November 30, the interim dividend charged to 2021 profits was paid at 0.0606 euros per share before tax, after the amount corresponding to treasury stock had been applied to the remaining shares on a proportional basis.

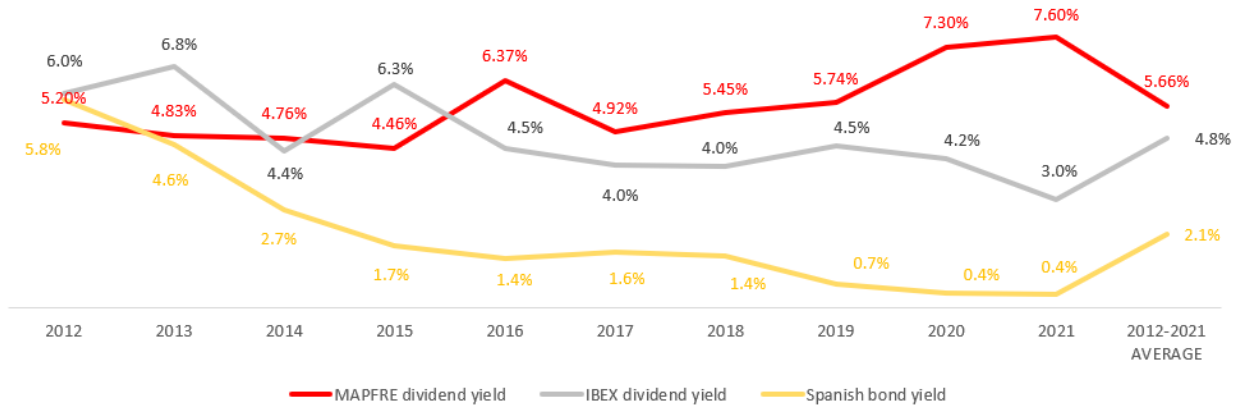
The dividend that is to be proposed to the Annual General Meeting as a final dividend for the 2021 financial year is 0.085 euros gross per share, which brings the total dividend charged against the results of the 2021 financial year to 0.145 euros gross per share, representing a pay-out ratio of 58.4 percent.



*Dividends paid against earnings

MAPFRE has a high dividend yield: MAPFRE's annual average dividend yield during the 2017-2021 period is around 230 basis points higher than that of the Spanish selective, not falling below 4.9 percent yield in any year.

The following table shows the evolution over the last five years of the dividend yield of the MAPFRE share compared to the dividend yield of the IBEX 35 and the average annual yield of the 10-year Spanish bond.



Source: Bloomberg and own calculations

Analyst coverage: summary of recommendations

Based on the analysts' reports that cover MAPFRE's stock, the average target price of the MAPFRE share stood at 2.11 euros at the close of 2021. As of 12.31.2020, the average target price stood at 1.89 euros.

Most analysts have given the MAPFRE stock a buy rating (69 percent), versus a hold rating for 6 percent of them, and a sell rating for 25 percent of them.

MAPFRE was recognized for the second time with the award for the "Security that has most improved its rating" in the 7th edition of the "Valor a Fondo" awards, presented by *El Economista* newspaper.

MAPFRE S.A.

The most significant credit ratings currently granted by the main ratings agencies are listed in the accompanying table.

Companies resident in Spain	S&P	Fitch	A.M. Best
MAPFRE S.A. - Issuer	A- (Stable)	A- (Stable)	-
MAPFRE S.A. - Senior debt	A-	BBB+	-
MAPFRE S.A. - Subordinated debt	BBB	BBB-	-
<i>Financial Strength</i>			
MAPFRE RE	A+ (Stable)	-	A (Stable)
MAPFRE ESPAÑA	-	-	A (Stable)
MAPFRE ASISTENCIA	-	A+ (Estable)	-
Companies not resident in Spain	S&P	Fitch	A.M. Best
<i>Financial Strength</i>			
MAPFRE SIGORTA A.S. (Tutkey)	-	AA+ tur (Stable)	-
MAPFRE SEGUROS GENERALES DE COLOMBIA	-	AA col (Stable)	-
MAPFRE BHD COMPAÑÍA DE SEGUROS (Dominican Republic)	-	AAA dom (Stable)	-
MAPFRE U.S.A. Group	-	-	A (Stable)
MAPFRE PRAICO (Puerto Rico)	-	-	A (Stable)
MAPFRE MÉXICO	-	-	A (Stable)
MAPFRE PANAMÁ	-	-	A (Stable)

3.2.2. Business Units information

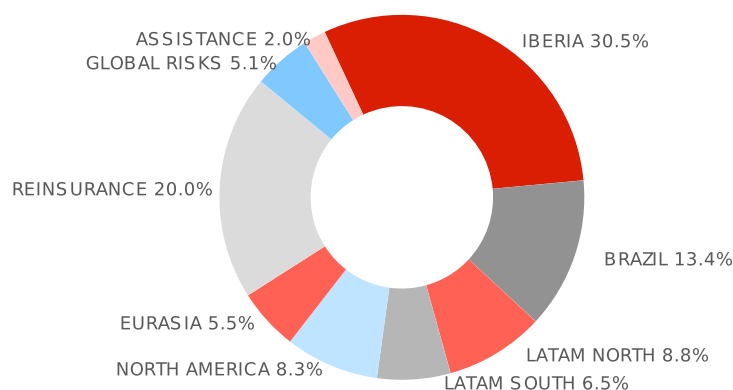
The Non-Life combined ratios, premiums and attributable results by business unit are detailed in the accompanying table.

Key Figures

	PREMIUMS		ATTRIBUTABLE RESULT		COMBINED RATIO	
	December 2021	Var.% 21/20	December 2021	Var.% 21/20	December 2021	December 2020
IBERIA	7,596.4	8.5%	540.7	19.3%	98.1%	92.0%
BRAZIL	3,340.1	8.3%	74.3	-26.8%	87.7%	87.6%
LATAM NORTH	2,187.7	38.9%	26.8	-61.6%	95.9%	90.5%
LATAM SOUTH	1,617.8	11.5%	54.1	-7.5%	96.6%	93.9%
NORTH AMERICA	2,073.1	-1.2%	88.8	16.3%	98.9%	97.7%
EURASIA	1,360.8	-8.3%	0.9	-97.0%	109.5%	98.9%
TOTAL INSURANCE	18,175.8	8.9%	785.6	-0.6%	97.4%	92.9%
REINSURANCE	4,991.6	12.7%	117.8	0.0%	98.2%	101.2%
GLOBAL RISKS	1,283.0	2.2%	33.9	123.9%	83.1%	93.3%
ASSISTANCE	486.4	-21.4%	0.6	102.9%	102.0%	98.4%
Holding, adjustments and others	-2,782.3	-10.7%	-172.9	33.6%	---	---
MAPFRE S.A.	22,154.6	8.2%	765.2	45.3%	97.5%	94.8%

Figures in million euros

Premiums by business unit



IBERIA

IBERIA encompasses the business activities of MAPFRE ESPAÑA and its subsidiary in Portugal, as well as the Life business managed by MAPFRE VIDA and its bancassurance subsidiaries. It represents 30.5 percent of the total premiums of the Group.

Information by country

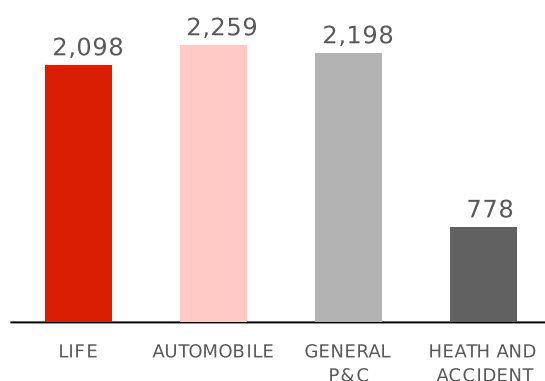
	PREMIUMS		ATTRIBUTABLE RESULT		COMBINED RATIO	
	DECEMBER 2021	Var. % 21/20	DECEMBER 2021	Var. % 21/20	DECEMBER 2021	DECEMBER 2020
IBERIA	7,596.4	8.5%	540.7	19.3%	98.1%	92.0%
SPAIN	7,466.0	8.8%	534.0	20.0%	98.1%	91.9%
PORTUGAL	130.4	-4.7%	6.6	-18.4%	98.0%	95.4%

Figures in million euros

Spain is MAPFRE's main market in terms of contribution to the business.

In 2021, MAPFRE ESPAÑA continued to lead the Non-Life insurance rankings in 2020, maintaining its position as a benchmark insurance company in Spain.

Premiums for main lines of business



Iberia leverages the support and strength of its integrated sales network made up of 8,992 offices and 17,490 intermediaries.

MAPFRE maintains a prominent position in the direct insurance market, growing for ten consecutive quarters above the market in Spain, leading most of the lines in which it operates.

MAPFRE S.A.
BRAZIL

This regional area encompasses insurance activity in Brazil.

Brazil represents 13.4 percent of the total premiums of the Group, and is the second largest market for MAPFRE based on contribution to business.

	PREMIUMS		ATTRIBUTABLE RESULT		COMBINED RATIO	
	December 2021	Var.% 21/20	December 2021	Var.% 21/20	December 2021	December 2020
BRAZIL	3,340.1	8.3%	74.3	-26.8%	87.7%	87.6%

Figures in million euros

Performance for main lines of business

	PREMIUMS		ATTRIBUTABLE RESULT	
	DECEMBER 2021	Var.% 21/20	DECEMBER 2021	Var.% 21/20
LIFE	1,154.6	(4.5)%	4.7	(85.0)%
AUTOMOBILE	461.4	4.0%	(6.5)	(144.1)%
GENERAL P&C	1,723.2	20.3%	56.1	28.1%

Figures in million euros

MAPFRE S.A. LATAM NORTH

This includes operations in Mexico and the sub-region of Central America and the Dominican Republic, which includes Panama, the Dominican Republic, Honduras, Guatemala, Costa Rica, El Salvador and Nicaragua. LATAM North represents 8.8 percent of the Group's total premium volume.

Performance of key countries

	PREMIUMS		ATTRIBUTABLE RESULT		COMBINED RATIO	
	DECEMBER 2021	Var. % 21/20	DECEMBER 2021	Var. % 21/20	DECEMBER 2021	DECEMBER 2020
LATAM NORTH	2,187.7	38.9%	26.8	(61.6)%	95.9%	90.5%
MEXICO	1,317.9	70.9%	17.3	(44.3)%	93.4%	92.2%
PANAMA	343.4	5.7%	9.5	(24.5)%	98.5%	90.8%
DOMINICAN REPUBLIC	223.7	5.4%	(4.1)	(139.0)%	100.5%	89.2%
HONDURAS	79.3	9.0%	(6.7)	—%	102.7%	83.1%
GUATEMALA	80.7	3.6%	4.9	(14.4)%	92.9%	84.9%

Figures in million euros

LATAM SOUTH

This regional area encompasses business activities in Peru, Colombia, Argentina, Chile, Uruguay, Paraguay and Ecuador, and contributes 6.5 percent of total premium volume.

Performance of key countries

	PREMIUMS		ATTRIBUTABLE RESULT		COMBINED RATIO	
	DECEMBER 2021	Var. % 21/20	DECEMBER 2021	Var. % 21/20	DECEMBER 2021	DECEMBER 2020
LATAM SOUTH	1,617.8	11.5%	54.1	(7.5)%	96.6%	93.9%
COLOMBIA	364.7	24.5%	8.7	(10.7)%	96.5%	96.8%
PERU	517.1	1.9%	20.9	(20.4)%	90.8%	88.5%
ARGENTINA	183.8	30.5%	9.0	30.5%	109.0%	102.0%
CHILE	338.9	8.8%	7.0	72.1%	98.5%	98.7%
URUGUAY	94.2	3.0%	4.7	0.4%	95.1%	94.1%
PARAGUAY	62.7	4.6%	3.4	(52.7)%	97.8%	88.0%

Figures in million euros

NORTH AMERICA

This regional area has its headquarters in Webster, MA (USA) and encompasses operations in the United States and Puerto Rico, which represent 8.3 percent of the Group's total premiums.

Performance of key countries

	PREMIUMS		ATTRIBUTABLE RESULT		COMBINED RATIO	
	DECEMBER 2021	Var. % 21/20	DECEMBER 2021	Var. % 21/20	DECEMBER 2021	DECEMBER 2020
NORTH AMERICA	2,073.1	-1.2%	88.8	16.3%	98.9%	97.7%
UNITED STATES	1,738.0	(0.3)%	72.6	(7.0)%	100.4%	96.6%
PUERTO RICO	335.1	(5.5)%	16.1	988.8%	88.1%	104.6%

Figures in million euros

The main regional market is the United States. MAPFRE holds a strong position on the Northeast coast, especially in Massachusetts, where it is the leading provider of automobile, homeowners and commercial lines insurance.

EURASIA

This regional area includes Italy, Germany, Turkey, Malta, Indonesia and the Philippines, and it contributes 5.5 percent of total Group premium volume.

Performance of key countries

	PREMIUMS		ATTRIBUTABLE RESULT		COMBINED RATIO	
	DECEMBER 2021	Var. % 21/20	DECEMBER 2021	Var. % 21/20	DECEMBER 2021	DECEMBER 2020
EURASIA	1,360.8	-8.3%	0.9	(97.0)%	109.5%	98.9%
TURKEY	304.1	(6.5)%	7.7	(52.2)%	123.9%	103.1%
ITALY	217.8	(44.4)%	(26.6)	—%	121.2%	99.8%
GERMANY	372.8	3.2%	8.6	39.5%	97.2%	97.9%
MALTA	405.2	17.6%	4.6	(5.6)%	91.8%	85.7%
PHILIPPINES	24.9	(1.7)%	0.3	93.7%	103.1%	101.7%
INDONESIA	36.0	3.9%	6.2	92.4%	88.6%	104.2%

Figures in million euros

ASSISTANCE UNIT

This unit specializes in travel assistance and other Group specialty risks. MAPFRE ASISTENCIA contributes 2.0 percent of total Group premiums.

MAPFRE ASISTENCIA covers all assistance needs of travelers, their companions and their luggage, before, during and after each trip, anywhere in the world.

Key figures

	DECEMBER 2021	Var. % 21/20'
Operational revenues	559.6	(21.1)%
- Written and accepted premiums	486.4	(21.4)%
- Other income	73.1	(19.4)%
Attributable net result	0.6	102.9%

Figures in million euros

REINSURANCE AND GLOBAL RISKS UNIT

MAPFRE RE is a global reinsurer and is the professional reinsurer of the MAPFRE Group. It offers reinsurance services and capacities, providing all kinds of solutions for reinsurance agreements and facultative reinsurance, in all Life and Non-Life lines. It operates worldwide.

MAPFRE S.A.

Premiums from this business unit represented 25.1 percent of the Group's total in the past financial year.

Key figures

	DECEMBER 2021	Var.% 21/20
Written and accepted premiums	6,274.6	10.3%
- Non-Life	5,644.6	10.0%
- Life	630.0	13.8%
Attributable net result	151.7	799.8%

Figures in million euros

Breakdown of premium distribution to December 2021 is as follows:

ITEM	%
By type of business:	
Pro-rata	63.6%
Non-proportional	12.9%
Facultative	23.6%
By region:	
IBERIA	17.9%
EURASIA	42.8%
LATAM	25.6%
NORTH AMERICA	13.7%

	DECEMBER 2021	Var.% 21/20
Written and accepted premiums	6,274.6	10.3%
Reinsurance business	4,991.6	12.7%
Global Risks business	1,283.0	2.2%
Net attributable result	151.7	799.8%
Reinsurance business	117.8	—%
Global Risks business	33.9	123.9%
Combined ratio	97.1%	-3,5 p.p.
Reinsurance business	98.2%	-3,1 p.p.
Global Risks business	83.1%	-10,1 p.p.
Expense ratio	29.0%	-1,5 p.p.
Reinsurance business	29.9%	-1,3 p.p.
Global Risks business	17.3%	-5,2 p.p.
Loss ratio	68.1%	-2,0 p.p.
Reinsurance business	68.3%	-1,8 p.p.
Global Risks business	65.8%	-5,0 p.p.

Figures in million euros

ITEM	%
By Ceding company:	
MAPFRE	47.7%
Other cedents	52.3%
By line:	
General P&C	42.8%
Life and Accident	13.8%
Automobile	16.3%
Global Risks Business	20.4%
Transport	2.9%
Other Lines	3.7%

3.2.3. Relevant facts occurring in the period and impacting key figures

Of the most relevant events in 2021, the following are most notable:

Significant economic facts

Coronavirus crisis (COVID-19)

MAPFRE's actions during the COVID-19 crisis focused on three main priorities:

- Ensuring the health and safety of the entire workforce.
- Ensuring continuity of operations to maintain the level of service to clients.

In terms of the management of the crisis caused by the pandemic, despite the impact of the pandemic and the restrictions on mobility imposed in many countries, the MAPFRE Group has maintained the continuity of its operations and has continued to provide service to clients in all locations where the Group is present, always adhering to both its commitment to clients and the regulations in force in each country at any given time.

At the end of December, the percentage of personnel who carried out their work in person in the main markets in which MAPFRE has operations was as follows: Spain 95.9 percent of employees incorporated on rotation, in the United States, 78.0 percent of employees incorporated, during normal working hours with the flexibility of remote teleworking and in Brazil, 100 percent of staff incorporated into a work model with hybrid mobility.

MAPFRE S.A.

During the last quarter of the year there was a progressive improvement in the COVID-19 situation, thanks to advances in the vaccination programs, enabling moderate optimism about the evolution of the pandemic, observing little by little, how a greater number of countries are closer to normality, although the emergence of new waves of contagion and the appearance of new variants could limit the return to a total normalization of economic activity.

As of September 30, 2021, the Group's solvency ratio was updated, standing at 193.8 percent, maintaining the tolerance threshold set by the Board of Directors, the lower range of which is 175 percent. These data reflect the great strength and resilience of MAPFRE's balance sheet, as well as its ongoing management capacity.

Incentivized redundancy plan in Spain

The Group has launched an incentivized voluntary redundancy plan aimed at employees of its insurance operations in Spain.

The plan is voluntary and aims to improve efficiency in administrative and sales processes, deriving from a new operating structure, as well as to adapt resources to new advances in digitization.

In order to cover the costs to be incurred in this plan, the Group set up a provision at June 30 for an approximate amount of 75 million euros. Additionally, in the last quarter of the year, an extension of the voluntary exit plan was carried out for an additional amount of 100 million euros.

Verti Italy restructuring plan

During the last quarter of the 2021 financial year, Verti Italy launched a restructuring plan responding to a broad organizational change. This plan revolves around two fundamental axes, a) digitizing and automating the company's processes, taking advantage of the investments made in technology, which drive profitable growth, making the digital-direct business its main activity and b) adjusting the structure of the organization to the new scale of the operation, after exiting some unprofitable businesses.

This plan is in its final phases of definition and could entail a significant reduction in the personnel structure in the different areas of the company, which would be carried out by relocating employees to service providers, incentivized dismissals and other employment relationship termination measures. The net cost of this operation amounts to 19.9 million euros.

Repurchase of fixed income instruments

On December 1, MAPFRE reported that it was going to make a cash buyback offer addressed to all holders of the obligations issued by MAPFRE corresponding to the issue called "EMISIÓN OBLIGACIONES SIMPLES DE MAPFRE, SA 1 - 2016", the current outstanding balance in circulation of which was one billion euros, maturing on May 19, 2026.

The objective of the buyback offer was to proactively manage MAPFRE's debt profile as well as provide liquidity to holders whose obligations were accepted.

The final results of the repurchase offer led to the acquisition by MAPFRE of 142.7 million euros of bonds and the recognition of a net expense of 9.6 million euros.

Relevant corporate facts

Disposals

Termination of Bankia agreement

On March 26, 2021, the merger by absorption of BANKIA by CAIXABANK was carried out.

Previously, CAIXABANK had proceeded to notify MAPFRE of its decision to not terminate its exclusive distribution agreements with other insurance companies, which rendered those signed between MAPFRE and BANKIA incompatible in terms of maintenance after the merger.

Given this situation, MAPFRE formally notified of its intention to exercise its right to terminate the agreements, proceeding to appraisals of the businesses by an independent expert for the purpose of determining, within the contractual terms provided, the amounts to be received as the price for its 51 percent stake in BANKIA VIDA and compensation for termination of the Non-Life distribution agreement.

On December 29, MAPFRE and CAIXABANK formalized, based on the assessments of the independent expert, the resolution of said agreements in the following terms:

- CAIXABANK purchased from MAPFRE its 51 percent stake in BANKIA VIDA for 323.7 million euros, an amount corresponding to 110 percent of the market value of the Life business, as determined by the independent expert.

MAPFRE S.A.

- Termination of the agency contract for the distribution of Non-Life insurance, with a payment by CAIXABANK to MAPFRE of 247.1 million euros, an amount corresponding to 110 percent of the value of the Non-Life business, as determined by the independent expert.
- Submission to arbitration of MAPFRE's right to receive from CAIXABANK, under the contractual terms, an additional 10 percent, equivalent to 52.0 million euros.

This agreement has resulting in MAPFRE receiving the amount of 570.8 million euros in 2021, producing an extraordinary gain of 167.1 million euros, and this amount could be increased by 52 million euros in the event of a favorable award regarding its interests in the arbitration procedure.

INDUSTRIAL RE sale

On 15 December, 2020, the Group received a binding offer for Industrial RE, a company that has not been actively operating for several years. This transaction, in May 2021, obtained the corresponding administrative authorizations and materialized, generating a gross capital gain for the MAPFRE Group of 3.5 million euros.

Sale of Rastreator and Preminen

Admiral Group Plc announced in December 2020 the sale of Penguin Portals Group and the Preminen comparator to RVU. The Penguin Portal group has control of the online comparison site Rastreator. The MAPFRE Group held a 25 percent stake in Rastreator and a 50 percent stake in Preminen, which were part of this transaction. The sales were formalized and paid in May 2021, generating a gross capital gain for the MAPFRE Group of 14.0 million euros.

Sale of InsureandGo and closure of MAPFRE Asistencia's insurance branch in the UK

MAPFRE Asistencia, the MAPFRE Group's unit specializing in travel and roadside assistance and other special risks, closed the sale of InsureandGo in the United Kingdom in August 2021. Likewise, the collective consultation process for the closure of the MAPFRE Asistencia insurance branch in the United Kingdom was successfully completed. Both operations generated a positive result net of taxes of 4.5 million euros.

Acquisitions

Purchase of shareholdings from minority shareholders

During the second quarter of the year, the MAPFRE Group acquired additional stakes from minority shareholders in the companies MAPFRE Middlesea plc, in Malta, and MAPFRE Atlas, in Ecuador, representing 1.27 percent and 7.66 percent of the share capital, respectively, for a total amount of 2.5 million euros.

On September 17, the MAPFRE Group acquired an additional 32.46 percent of the shares of MAPFRE Perú Vida, for an amount of 109.2 million euros, taking its holding in the company to 99.87 percent.

Increase in Abante's share capital

On 22 January 2021, MAPFRE and Abante agreed that MAPFRE's acquisition of an additional stake of shares representing 10 percent of Abante's share capital would be exercised immediately by means of a capital increase. In June 2021, the supervisor obtained the corresponding authorization, and the subscription and payment of 27.4 million euros was carried out. With this transaction, the stake in Abante's capital reaches 18.77 percent.

Share capital increases in MAPFRE Group companies

An increase in capital of 90 million reais (15 million euros) was approved in June 2021 by MAPFRE VIDA Brazil, subscribed and paid in by MAPFRE Brasil Participaciones, with resources generated locally, to strengthen its solvency position due to accumulated losses generated by COVID-19 claims ratio in the Life Risk business.

Other corporate facts

Co-investment with Swiss Life

In the second quarter of the year, the MAPFRE Group, through MAPFRE Inmuebles, formalized a joint investment with Swiss Life in a real estate investment vehicle, 50 percent owned by both entities. To this end, MAPFRE Inmuebles contributed 100 percent of its shares to a company whose main asset is a property located in Madrid. This transaction resulted in a gross capital gain of 33.6 million euros for MAPFRE Group.

Agreement to create an alliance in the United States

MAPFRE USA and AAA Washington, an affiliate club of AAA, the largest emergency road service organization in the United States, have entered into an agreement to form an insurance company to write Auto and Homeowners insurance in Washington and northern Idaho. The new company, which is subject to regulatory approval, will be known as Auto Club MAPFRE Insurance Company. The company is expected to begin operations in the fourth quarter of 2022.

Cancellation of project to merge funeral services

Once the resolution of the National Commission of Markets and Competition on the alliance for the joint development of the funeral services business between Albia and Funespaña was issued, the governing bodies of MAPFRE decided in October to maintain the current participation of Funespaña within the Group's scope and discontinue the merger project with Albia. As a result, Funespaña's assets have been declassified from the "Assets held for sale" category, in the amount of 168.5 million euros.

Transfer of MAPFRE ASISTENCIA USA

On October 5, the purchase by MAPFRE USA of MAPFRE ASISTENCIA USA was formalized. This transaction has no economic impact at the level of the MAPFRE Group and was effective from October 2021.

3.3. Risk management and sustainability in the business**3.3.1. Risk management**

Sustainability in the insurance sector is based on adequate management of the risks faced by the organization, which is put into practice at MAPFRE with responsible risk assumption and management, considering emerging and sustainability risks.

Given the global nature of the Group's activities, proper risk management and organizational flexibility are vital. MAPFRE has internal control processes and an effective risk management system that complies with local regulations and promotes actions to govern risks, identify and assess risks, including emerging and sustainability risks, as well as training and disclosure of the risk culture in the organization. This system is based on the continuous and integrated management of each and every one of the business processes and on the adaptation of the level of risk to the strategic objectives.

The responsibilities of the MAPFRE Risk Management System are integrated into the organizational structure in accordance with the three lines of defense model, which establishes:

- a. A first line of defense: made up of the employees, the management and the operational, business and support areas that are responsible for maintaining effective control over the activities they carry out as an inherent part of their day-to-day work. They are, therefore, those who assume the risks and are responsible for designing and applying the necessary control mechanisms to mitigate the risks associated with the processes they carry out and to guarantee that the risks do not exceed the established limits.
- b. A second line of defense: made up of the key functions of risk management, actuarial and compliance and other assurance functions, who ensure the operation of the Risk Management System.
- c. A third line of defense, comprising Internal Audit: this function performs the independent evaluation of the adequacy, sufficiency and effectiveness of the Risk Management System and communicates possible deficiencies in a timely manner to the parties responsible for applying the corrective measures, including managers and bodies government, as appropriate.

To ensure effective risk management, a set of management policies have been developed that assign responsibilities, establish the general guidelines, basic principles and action framework for each type of risk, ensuring a consistent application in the entities that make up the Group.

The Board of Directors of MAPFRE S.A. is ultimately responsible for guaranteeing the effectiveness of the Risk Management System, establishing the risk profile and tolerance limits, as well as approving the main risk management strategies and policies. It determines the general policies and strategies, and in particular the risk identification, management and control policy, including tax risks, and the supervision of internal information and control systems.

The Board of Directors has delegate committees in place that form part of the Group's governing bodies. The functions of these committees in relation to the Risk Management System are as follows:

- Risk Committee: delegate body that supports and advises the Board of Directors of MAPFRE S.A. in executing the following functions:

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- Supporting and advising on the definition and evaluation of the Group's risk management policies and determining the risk propensity and the risk strategy.
- Assisting in monitoring the application of the risk strategy.
- Keeping up to date with and evaluating risk management methods and tools, monitoring the applied models in terms of their results and validation.
- Audit and Compliance Committee: supervises the effectiveness of the Group's internal control, internal audit and risk management systems.

Likewise, there are other committees in place tasked with the following responsibilities in relation to the Risk Management System:

- Security and Environment Committee: ensures that the achievement of the Group's business objectives and needs is achieved through proper management of safety and environmental risks.
- Security Committee: reviews the main exposures to insurance and reinsurance counterparties.

The Risk Committee receives quarterly quantification of the main risks faced by the Group, as well as the adequacy of the tolerance limits set.

The management of the second line of defense, within their respective spheres of competence, draw up and send regular risk monitoring reports to the governing bodies. Said information will be provided at least on a quarterly basis, unless, due to the nature of the risks in question, the submission of information annually is sufficient. In any case, the corresponding governing bodies must be immediately informed of any risk that:

- a. Due to its evolution, exceeds the established limits;
- b. May give rise to losses equal to or greater than the established risk limits; or
- c. May jeopardize compliance with solvency requirements or the continuity of the company's operations.

Risk identification

On an annual basis, the Corporate Risk Department conducts an exercise to identify material risks, with more than 300 relevant employees of the organization participating in risk management from 26 different countries in 2021 and which, in addition to contributing to an adequate risk culture, It allows identifying the risks perceived by the managers and that may affect the Group's progress both throughout the business plan and other risks, including emerging ones, that could materialize beyond the business plan.

The main material risks that the Group may face throughout the period contemplated in the business plan are detailed below, together with the mitigation actions:

a. Cyber risk

In order to respond to an environment characterized by the increase in cyber threats, the Group has defined and is implementing a new Cyber Resilience Plan, which will articulate MAPFRE's action in cybersecurity in the coming years. The Plan includes actions aimed at increasing capacities in terms of identification, detection, protection, response and recovery, guaranteeing security in the digital transformation processes that are being carried out in the organization.

Additionally, in the event of a cyber risk materializing, the Group has specific insurance protection in this area, aimed at reducing the eventual economic impact that could occur.

b. Poor return on investments

A decrease in the profitability of investments negatively affects the technical result of the Group and may reduce the appetite for Life insurance products.

The management and mitigation measures linked to this risk in an environment of low interest rates focus on:

- Greater diversification of investment portfolios, with the search for alternative investments such as infrastructure or real estate investments, within the limits approved by the Group.
- Maintenance of adequate technical management and rigorous policies (underwriting, claims and expense control) with sufficient margins to absorb the drop in financial returns.

c. Macroeconomic environment situation

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The Group is strongly affected by the macroeconomic evolution of the countries in which it operates (growth/decrease in production, inflation/deflation, level of interest rates, unemployment situation etc.). An agile adaptation of the strategy to the situation indicated by the different macroeconomic indicators requires the Group to have in place the following management and mitigation measures:

- Diversification of the business in all areas (geographical, business lines, products, channels, investments and customers).
 - Continuous monitoring of the behavior of the economy, the financial markets and the insurance sector through periodic indicators that allow anticipating the adoption of measures and the analysis of opportunities.
- d. Continued declines in interest rates

To achieve the guaranteed returns on Life insurance contracts in a market environment of low interest rates, the Group adopts the following measures:

- Review of the structure of Life products to incorporate alternative savings or financial products suitable for the prevailing interest rate environment.
 - Periodic analysis of the techniques of financial immunization of the liabilities and the matching levels of the obligations against the investments that support them.
 - Monitoring of the sensitivities of the solvency position to movements in interest rates.
- e. Natural or man-made disasters

The increase in natural catastrophes as a result of climate change poses difficulties in modeling them adequately, which impacts on the definition of premiums and rates of (re)insurance companies. MAPFRE's presence in countries with a high risk of occurrence of catastrophes (earthquakes, hurricanes etc.) requires special treatment, as well as continuous management and mitigation measures over time:

- Permanent review of the technical underwriting conditions, the pricing of risks with exposure to atmospheric phenomena, as well as the protections afforded or reinsurance program.

- Control of catastrophic exposures and monitoring of accumulations carried out by MAPFRE RE, which advises the Group's insurance companies on the treatment of these risks.

Finally, among the emerging risks with a significant potential impact in the longer term (five years) that could affect the Group, the following stand out:

- a. Products and services: the continuous and rapid change of profiles, habits, technologies and services demanded by the consumer drives the need to quickly review and adapt the configuration of the product and service offering, which requires advanced data analysis resources.
- b. Regulation: the hyper-regulation of the insurance industry in which more and more demanding requirements are introduced by the supervisory bodies, with significant disparity of criteria between the standards and the required criteria.
- c. Technological changes and disruption of digital competitors: the appearance of new technological agents or operators in the insurance industry that introduce new insurance business models, displacing incumbent insurance companies.
- d. Financial, political and social crises: the increase in political and social instability in regions and countries, together with the prolongation of the effects of the financial and social crisis derived from the measures adopted by states and markets to alleviate the effects of the pandemic.
- e. Cybersecurity: this risk is considered emerging to the extent that it has the potential to generate impacts not yet seen due to the increase in cyberattacks with increasingly sophisticated activity that reduce the ability to adapt protection measures and business continuity plans.

For more information on the type of risks the company faces, its exposure to same and mitigation techniques in place, please consult the report on the Solvency and Financial Condition Report (SFCR) of MAPFRE S.A. and subsidiaries on its corporate website, in Note 7 on Risk Management and in the Main Risks and Uncertainties chapter of MAPFRE's Consolidated Annual Accounts and Management Report 2021.

Throughout 2021, 16,526 people have received 34,064 hours of risk management training, representing 48 percent of the active workforce as at the end of the year, had completed some risk-related training action.

The breakdown by level of responsibility is detailed in the accompanying table.

Job position level	Active personnel trained
Management	762
Middle management	1,890
Advisors	9,254
Associates	3,717
Total	15,623

Likewise, the members of the Board receive training in risk management, and in 2021, 100 percent of the external directors devoted a cumulative total of 92 hours to training in regulatory risks (criminal risks, money laundering and financial), technological and operational and reputational risks.

Analysis of environmental, social and governance (ESG) aspects as risks and opportunities

MAPFRE permanently analyzes those factors that, if they materialize, may or could have an impact on the business (referring to investment and underwriting). In this analysis, environmental, social and governance (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.

Similarly, as a global insurance company, MAPFRE has an important role to play in helping society by identifying sustainable development opportunities for the insurance business and offering customers products and services that contribute to the transition to a low economy. in carbon. For more information on sustainable products and services, please see Note 6.

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 more information on how the ESG factors analyzed can affect the business and how the Group is addressing these issues, please see Note 5.

3.3.2.Sustainability in the business

MAPFRE's business model and strategy are an example of how the company takes on global sustainability challenges, manages ESG risks and opportunities, and innovates in the development of insurance products and solutions that benefit customers and society at large in those countries where the company operates.

ESG risks are naturally integrated into the company's 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, all critical elements in generating stakeholder trust.

3.3.2.1. Integration of ESG aspects into MAPFRE's investment processes

GOVERNANCE AND STRATEGY

In relation to investment processes, since 2017 MAPFRE has adhered to the UN **Principles for Responsible Investment (PRI)** and has a framework for action in responsible investment, reviewed and approved in March 2021, which is determined by said PRI. [Link to Responsible Investment Framework.](#)

The United Nations PRI coexist with the obligation assumed by the company as custodian of customer savings and investments and the solidity of its own balance sheet. Prudent investment criteria are therefore applied, seeking long-term value creation and incorporating ESG factors alongside traditional information. [\(Link to the report on our activities and progress regarding the application of the PRI\).](#)

MAPFRE has an Investment Policy in place, approved by the MAPFRE S.A. Board of Directors, which is applicable to all insurance and reinsurance companies and with a series of policies that complement this commitment to sustainable investment:

- Policy on the Exercise of Voting Rights
- Policy on the Integration of Sustainability Risks
- Engagement Policy
- PIAS due diligence (Statement on Due Diligence policies in relation to Main Adverse Incidents)

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The Corporate Investment Area is the guarantor of compliance with the established responsible investment principles at the organization and must report annually on their fulfillment to the Sustainability committee. MAPFRE AM also has an Investment Risk committee that analyzes portfolio composition on a quarterly basis, assesses ESG concerns, resolves any disputes that may arise and applies grounds for exclusion approved by MAPFRE.

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

In relation to Socially Responsible Investment (SRI) strategies, MAPFRE is in favor of applying integration as a priority, although it does not rule out the use of other types of strategies, such as exclusion, engagement, best-in-class or proxy-voting strategies. Likewise, it extends the philosophy of socially responsible investment to the Group's entire balance sheet.

Real estate investment is fully aligned with these principles and the governance system described above. Additionally, specific strategies have been defined to ensure compliance with the objectives set, within the framework of the Sustainability Plan and the Environmental Footprint Plan (the latter develops specific aspects of the former). For more information, please see Chapter 5 Committed to the environment.

Commitments on environmental matters in investment:

In 2021 the Group has reviewed the environmental commitments assumed in terms of investment, which will be applicable from 2022.

- Not to invest in companies where 20 percent or more of revenues come from coal-fired power.
- Not to invest in companies with energy expansion plans of more than 300 (MW) based on coal.
- Not to invest in companies that generate 20 percent or more of revenues from the extraction and/or annual production of thermal coal in excess of 20 million tons.
- Not to invest in coal, gas and oil companies that are not committed to an energy transition plan that allows global warming to be kept to around 1.5°C.

METRICS AND OBJECTIVES

Applying the commitments of the Sustainability Risk Integration Policy, at year-end 100 percent of the investment portfolio managed by MAPFRE AM is analyzed using ESG criteria, which corresponds to an investment of more than 33,932 million euros. Of the total portfolio, more than 87 percent of assets are rated using ESG criteria, of which 95 percent have a high rating, above the minimum required threshold established by the company.

In terms of actions related to MAPFRE's real estate investment, it is worth highlighting the sustainable building certification initiative, which has been expanded in scope. During 2021, three unique buildings in the real estate portfolio were certified with the LEED seal, and the certification process for another three relevant buildings started. This initiative aims to certify at least 50 percent of the total floor area of the unique buildings owned by MAPFRE by 2030.

Another relevant initiative is the launch of a five-year plan for the installation of photovoltaic panels in a series of relevant buildings to achieve high levels of energy autonomy, which adds value to real estate investments.

-Measuring the carbon footprint of our investment portfolio

MAPFRE supports the transition towards a low-carbon and climate-friendly economy, in line with the Paris climate objectives. For this reason, the company wants to ensure that its activities and the associated emissions contribute, at most, to a global temperature increase of 1.5 degrees.

As a sign of this commitment, the first climate impact measurement has been carried out in our portfolio, so that decarbonization objectives can be established and guide decision-making. MAPFRE has carried out the calculation of the carbon footprint of its investment portfolio using its own methodology and the methodology of the Partnership for Carbon Accounting Financials (PCAF), measuring the emissions of the equity and corporate debt and sovereign fixed income portfolios.

Total carbon footprint in TonCO₂eq	4.266.833,45 TonCO ₂ e
Carbon footprint per €M invested	153.47 TonCO ₂ e/€ million

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In line with its commitment to the United Nations 2030 Agenda, in 2021 MAPFRE once again measured the impact of its balance sheet portfolios on the Sustainable Development Goals, using the methodology developed in 2019 with the University of Siena. Work continues on expanding the methodology and integrating it with the rest of the tools used in investing with ESG criteria.

SUSTAINABLE INVESTMENT PRODUCTS

MAPFRE is committed to developing a range of SRI products that, in addition to being profitable for the client, have a positive impact on society. To this end, it develops its own analysis methodology, with academic support from renowned institutions, as well as the experience of the French boutique fund manager La Financière Responsable, which MAPFRE has a stake in.

MAPFRE ASSET MANAGEMENT, MAPFRE's asset manager, has several specific funds adapted to the new European Sustainable Finance Disclosure Regulation (SFDR). For more information, please see Note 6.

In addition, as a sign of this commitment, the company has other sustainable investment products, such as the infrastructure fund launched with Abante or investments in renewable energy with Iberdrola. For more information about MAPFRE's investment products, please see Note 6.

MAPFRE has placed special emphasis on providing communication and information on SRI funds to (current and potential) specialist clients and society in a different way, in accordance with the values that these funds, responsible investment and its contribution to sustainable development represent to the company. To do so, it generates specific informational content through interviews, participation in conferences and events, reference articles in specialized media and value-added videos on the MAPFRE corporate website.

In addition, since 2019 MAPFRE has been part of Spainsif (a benchmark meeting platform for sustainable and responsible investment in Spain) and is also a member of its board of directors.

In order to comply with **REGULATION (EU) 2020/852** of the European Parliament and of the Council of June 18, 2020 regarding the establishment of a framework to facilitate sustainable investments and by which Regulation (EU) 2019/2088 is modified, it is The activities that contribute to the fulfillment of the environmental objectives of the European Union are reported below.

Regarding the assets of the balance sheet:

	Eligible	Ineligible	Exposure as a % of total assets
Total assets	2.80%	23.10%	64.20%
Exposure to derivatives		1.00%	0.50%
Exposure to companies not subject to NFRD (*)		0%	0%
Exposure to issuers of central governments, central banks and supranationals		55.84%	35.83%

This calculation has been made based on the portfolio managed by the European competence center, which represents more than 80 percent of the total investment portfolio.

* The exposure ratio over total assets to companies that are not required to publish non-financial information in accordance with Articles 19 bis or 29 bis of Directive 2013/34/EU is less than 0.001 percent, so it is considered insignificant and 0 percent exposure is reported.

The data used for the analysis correspond to the assets of the Consolidated Balance Sheet under IFRS of MAPFRE S.A. as of December 31, 2021.

Taking into account the nature of the headings in the Total Assets of the Balance Sheet, the analysis focuses on the heading "C. INVESTMENTS" which reflects the investment portfolios derived from insurance activity and which are managed as follows:

- Portfolios that seek a strict immunization of the obligations derived from insurance contracts and that minimize the interest rate risk, through matching adjustment, by means of immunization techniques based on the matching of flows or duration.
- Portfolios that cover Unit-Linked policies composed of assets where the risk is assumed by the insured.

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- Conditional active management portfolios, which seek to exceed the promised return and obtain the highest return for policyholders within the parameters of prudence, such as profit-sharing portfolios.
- Free active management portfolios, in which active management is carried out and is only conditioned by legal regulations and internal risk limitations.

As a result of applying the above criteria, the analysis of the Group's investments corresponds to those located in the European Union, and which are managed by the EU Competence Center (located at the company's headquarters in Majadahonda, Madrid and reporting to the Corporate Investment Area of the MAPFRE Group).

The sum of this data includes both its own portfolios and third-party products: the portfolios of the MAPFRE Group and the CARTERA MAPFRE portfolio, the portfolios of MAPFRE ASSET MANAGEMENT and investment and pension funds managed by MAPFRE ASSET MANAGEMENT. In the case of investment vehicles, the proportional part of the participation and the eligibility thereof is applied for their treatment, in line with the information available.

To obtain the data, the internal portfolio data reporting system and the information available in the EU Taxonomy Compass (https://ec.europa.eu/sustainable-finance-taxonomy/tool/index_en.htm) have been used.

To determine which part of the investments analyzed correspond to eligible or ineligible activities, the information on the investments in the MAPFRE portfolio and their NACE codes have been cross-referenced with the NACE codes of economic activity, (to the maximum level of granularity possible, though in some cases it has only been possible to determine the division and not the group or asset class), classified for the two environmental objectives required by the regulations as of January 1, 2022 ("Climate Change Mitigation" and "Climate Change Adaptation"). Cross-referencing both lists has produced a classification of eligible and ineligible activities within the MAPFRE portfolio.

Strategy and commitment to clients:

In relation to the design of investment products, the group's commercial strategy adopts two approaches, one being the creation of an exclusive range of sustainable products (called "Responsible"), where more specific issues are sought such as thematic investment, the environmental social impact or the specific combination of capital preservation and sustainability.

In this case, the aim is to create a product that combines a market need with a social or environmental need, using both a methodology and proprietary data that facilitates the search for the correct combination. Thus, for example, the Inclusión Responsable fund seeks social impact in the world of disability together with the higher-than-average returns accruing to those companies that pursue this objective. The Capital Responsible fund seeks capital preservation through limited exposure to volatility, combined with investing in those companies that most consistently integrate their sustainability strategy with their overall strategy.

As defined in the Responsible Investment Framework and in the MAPFRE AM Integration Policy, the integration of environmental, social and good governance criteria is carried out in all investment processes, both for proprietary and third-party portfolios, taking into account the criteria defined by the applicable regulations and market trends.

The social factors integrated in the investment process and in particular, in third-party products (which are always co-investment products) are aligned with the social activity of the group: its unwavering commitment to the workforce integration of people with disability, its foundational activity, volunteering etc.

3.3.2.2. Integration of ESG aspects into MAPFRE's underwriting processes

GOVERNANCE AND STRATEGY

In 2012, MAPFRE adhered to the **Principles for Sustainable Insurance (PSI)** (<https://www.unepfi.org/psi/signatory-companies/>) promoted by the United Nations Environment Program Finance Initiative (UNEPFI), committing to integrate environmental, social and governance (ESG) issues into its decision-making processes in the underwriting processes of the Group's insurance operations.

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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 in place, which meets monthly, and an Underwriting Policy Committee, which meets every six months and is responsible, among other functions, for the correct application of this policy and analyzes and proposes operating rules for exclusion on ESG issues.

MAPFRE permanently analyzes those factors that, should 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 additional information to be obtained 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.

The company is currently working on adapting the financial planning to climate change, both from a risk and an opportunity approach and according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) set up by the Financial Stability Board (FSB). In this context, 2021 saw the publication of a report prepared by the Group, coordinated by the United Nations UNEP-FI, of which MAPFRE is a part, in which scenarios are analyzed that allow the development of financial metrics and models to adequately estimate the potential repercussions of climate change on the business.

= Underwriting of major risks

For underwriting global risks, MAPFRE has developed an internal ESG evaluation model that is based on specialized tools, evaluating and quantifying the environmental, social and governance impact of the activity carried out by a business group, considering the sector and the countries where it operates.

The model assigns a reputational risk level to the business group, which is linked to the level of authorization required to underwrite the operation. The approval of the Management Committee of the Major Risks Unit may be required and, where appropriate, the additional authorization of the CEO. In this case, if the operation is authorized, with the corresponding mitigation measures, the Corporate Sustainability Directorate is informed and a plan of mitigation measures for said risk may be required.

= Natural disaster management

Taking action during natural disasters requires an appropriate forecast of these events and a correct assessment of the losses they can cause, both of which are essential to manage an insurance company. The economic impact that the company will have to absorb as well as the response that it will be able to give its clients depend on this, and management of this action is inherent in its operations.

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

MAPFRE's framework of catastrophic risk management includes several functions:

- Accumulation control: addressing all catastrophic exposures that the companies face and that may be affected by a natural disaster. In this chapter, the ExpoCat tool has been implemented at the corporate level in 2021 for the reporting and geo-referencing of MAPFRE companies' catastrophic exposures, also including their map display with different dashboards to improve control and streamline management of this information. The coded data includes characteristics of the exposures that can make them more resilient to the impact of catastrophic risks, such as the year and type of construction or its height, among others.

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- Catastrophic risk modeling: knowing all the information about exposures, estimating probabilistic loss scenarios to calculate the possible financial impact of natural disasters. Climate change can be an incremental factor of catastrophic risk depending on the type of scenario and the time horizon. An attempt will be made to incorporate it into these estimates to the extent that the predictive models used allow such variable to be included. Likewise, the ExpoCat tool will allow companies to formulate deterministic loss scenarios with precise maps in the event of a catastrophic event, identifying potentially affected exposures and allowing more agile decision-making.
- Design of the appropriate reinsurance protections to cover the risks that MAPFRE does not wish to retain and to ensure that catastrophic events do not compromise the Group's solvency or liquidity.
- Supervise and manage the credit risk that the Group is exposed to through reinsurance placements, as well as the liquidity risk that it could be exposed to.
- Continuity plans: in the event of a catastrophic event, MAPFRE's ability to continue serving its clients becomes critical. For this reason, business continuity plans are developed, implemented, tested, updated and certified, aimed at guaranteeing, in addition to the personal safety of employees and collaborators, the operational resilience of the companies; thus fulfilling its obligations to clients and other stakeholders.

To carry out these actions, MAPFRE has specific capabilities that allow a consistent and adequate response to requirements at any time and anywhere. The activation of the plans makes it possible for each company to resume its operations in a period of time that does not compromise its continuity and that allows the services required by its clients to be provided, making these operations resilient.

To learn about the economic impact caused by natural disasters, please consult the Consolidated Management Report 2021.

- Environmental commitments in underwriting

In 2021, the company has reinforced and modified its environmental commitments, moving forward with its actions in favor of the transition towards a low-carbon economy, accompanying customers in their decarbonization and energy transition processes. These commitments will be applicable to all Group entities from 2022, and the underwriting committee will monitor their compliance.

- Coal - Insurance for projects:
 - Not to insure the construction of new coal-powered electric plants or the operation of new coal mines.
 - Not to insure the construction of new infrastructure that exclusively provides service to construction and/or operation of thermal coal mines or thermal coal power plants.

Case-by-case exceptions can be made, which must be assessed by taking into account the company's internal ESG analysis systems. In addition, criteria such as the state of development of the country in line with the UN classification, the country's dependence on coal and the consideration of renewable or low coal-content alternatives will be included in the evaluation.

- Coal - Insurance for companies:
 - Not to insure companies that obtain 20 percent or more of their revenue from thermal coal-produced energy.
 - Not to insure companies with thermal coal-based energy expansion plans of more than 300 MW.
 - Not to insure new mining companies that obtain 20 percent or more of their revenue from annual thermal coal extraction and/or production of more than 20 million tons.
- Decarbonization of the insurance company portfolio: By 2030, MAPFRE's portfolio will no longer include insurance programs related to coal-fired power plants or operation of thermal coal mines in the OECD countries, or companies that have not implemented commitments on the energy transition and decarbonization. Beginning in 2040 this commitment will also apply to the rest of the world, in all countries where MAPFRE operates.

- Oil & Gas:

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- Tar sands: MAPFRE will not insure any new projects related to extracting or transporting tar sands. At the end of 2021 MAPFRE's portfolio does not contain any policy that insures the extraction or transport of tar sands.
- Projects in the Arctic (offshore/onshore): MAPFRE will not insure any individual new offshore/onshore projects taking place in the Arctic⁸ for natural gas or petroleum extraction or transport.
- MAPFRE will not insure coal, gas and oil companies that do not commit to an energy transition plan that allows global warming to be maintained at around 1.5°C.
- Protection of countries with emerging economies: Increased support for the insurance industry in developing countries in order to contribute to reduction of the protection gap, by providing reinsurance for natural disasters, and by looking for opportunities to collaborate on public-private initiatives.

Since the entry into force of these commitments, MAPFRE has not approved any exception in the matter of coal.

METRICS AND OBJECTIVES

In accordance with the established model, at the close of 2021, 94 percent of the underwriting portfolio of global risks has been analyzed in line with environmental, social and good governance (ESG) criteria.

SUSTAINABLE UNDERWRITING PRODUCTS AND SERVICES

Sustainable innovation is an important business opportunity. For this reason, MAPFRE continues working to design sustainable solutions, analyzing market options and moving towards new business models and solutions that arise from digital and technological changes. It does so with the ultimate aim of offering the best solutions and services to current and future customers while helping to build a more sustainable society.

MAPFRE's experience as an insurance company enables it to manage risks and develop solutions for a sustainable future, adding value through dialog with stakeholders and sharing its experience to improve general awareness of risk and mitigation in the sector.

- Social products and services: 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.
- Environmental products and services: Insurance products or services aimed at specifically adapting and/or mitigating an environmental risk or opportunity and/or related to climate change.
- Technological risk insurance: Products that aim to protect businesses from one of the biggest vulnerabilities of today: cyber attacks.

For more information about MAPFRE's underwriting products, please see Note 6.

In order to comply with **REGULATION (EU) 2020/852** of the European Parliament and of the Council of June 18, 2020 regarding the establishment of a framework to facilitate sustainable investments and by which Regulation (EU) 2019/2088 is modified, the activities that contribute to the fulfillment of the environmental objectives of the European Union are reported below.

Related to Non-Life Insurance and Reinsurance premiums.

Exposure of Non-Life insurance premiums to economic activities eligible by the Taxonomy	43.51%
Exposure of Non-Life insurance premiums to economic activities not eligible by the Taxonomy	56.49%

The data used corresponds to the Consolidated Income Statement under IFRS of MAPFRE S.A. as of December 31, 2021.

⁸ The definition of the Arctic extends to all areas north of the Arctic Circle, including the Arctic Refuge.

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The business lines considered according to Delegated Regulation 2021/2139, which completes Regulation (EU) 2020/852 of June 18, 2020 (Taxonomy Regulation) on the technical selection criteria to identify which activities are adapted to climate objectives according to the taxonomy are:

- Non-Life insurance:
 - medical expenses insurance;
 - income protection insurance;
 - workplace accident insurance;
 - automobile liability insurance;
 - other motor vehicle insurance;
 - marine, aviation and transportation insurance;
 - fire and other property damage insurance;
 - assistance assurance
- Reinsurance

The volume of these lines (defined by the Taxonomy as eligible) accounts for 94 percent of the volume of MAPFRE's Non-Life premiums at a Global level.

The MAPFRE Group has established to report, as it is considered material in this area, the data corresponding to those companies that represent 90.4 percent of its results and more than 70 percent of premiums, in line with the estimate made with data available as of November 30, 2021.

To calculate the percentage exposure of Non-Life insurance premiums to eligible and non-eligible economic activities as per the Taxonomy, the volume of written Non-Life insurance premiums and the accepted Non-Life gross premiums from the reinsurance business of the MAPFRE RE Group (from assignors outside the MAPFRE Group) over the total volume of Non-Life insurance and reinsurance premiums of the scope defined as material for the year 2021 have been used.

In order to do this, the identification in the coverage contract of the consideration of climate change risks has been carried out as detailed in Appendix A of Annex II of Delegated Regulation (EU) 2021/2139, considering explicit inclusion in the coverage of at least one of the identified climate change risks considered chronic or acute, related to temperature, wind, water or solid mass.

Information extracted from the Group's accounting information management systems has been used to calculate the information reported.

By aligning the information with the accounting data, they have been filtered to business line level. For example, in the Business lines, there is no isolated information on the specific coverages that come to mitigate the consequences of climatic events. In many cases, coverage is defined based on All Accidental Risk, in which case the estimated value of the accrued claims has been inferred to determine the reported premiums. In the case of reinsurance premiums, the premiums from treaty reinsurance are figures deriving from the policies originally issued by the insurers, but which are ceded to reinsurance in an aggregate manner, without detailing the policy or activity / individual coverage. Those from facultative reinsurance have been processed in somewhat more detail as the risk class of each reinsured policy is known.

In addition, certain hypotheses or estimates have been made because, the company's information systems are not as granular as the requirements of the regulations.

In the case of reinsurance, depending on the line of each business, the coverage or not of the climatic risks indicated has been assumed. The usual insurance practice facilitates assuming with a high degree of certainty whether or not the climatic risks described are covered by each of the Non-Life lines.

Strategy and commitment to clients:

As a global insurance and reinsurance company, MAPFRE has an important role to play in helping society in the process of adapting to and mitigating climate change, identifying risks and opportunities for the development of sustainable products and services. In defining the Group's strategy and underwriting processes, the criteria defined by the applicable regulations, market trends and relevant aspects for the different interest groups were taken into account, emphasizing constant innovation in the design of products and services that incorporate environmental, social and good governance criteria.

As a reinsurer, the company does not have access to the final customer to decide to market insurance products, but de facto reinsurance coverage supports insurers so that they have sufficient financial backing (if required) and can market sustainable products. Reinsurance assumes a high climate risk due to the accumulation of cessions in all reinsured portfolios and is an essential component in mitigating this risk at a global level.

4. COMMITTED TO STAKEHOLDERS

Profitable growth, the objective of the current Strategic Plan, cannot be understood solely from a financial point of view. We are a committed company that also aspires to create value for all stakeholders with whom we interact. This wide-ranging social commitment in all the countries we operate in is amply reflected in the enormous progress in reputation indicators registered in 2020, the year marked by the effects of the pandemic.

4.1. MAPFRE AND COVID-19

Over the course of 2021, MAPFRE continued executing the strategy it had developed since the outbreak of the pandemic. This has meant acting with a triple objective:

- Protecting our employees, collaborators and clients.
- Protecting the company, its solvency and taking decisions to limit the economic impact of the pandemic and promote a rapid recovery of the company in the end of the crisis.
- Protecting and helping society in all the countries where MAPFRE operates.

In relation to employees, the company has applied the Temporary Normality Plan, which applies to all countries where it is present, but allows adaptation to local regulations and the uneven evolution of the pandemic both over time and between countries. This global hybrid model makes it possible to flexibly adapt working conditions to each situation, alternating face-to-face work models with remote work, and to manage MAPFRE spaces in full compliance with prevention regulations, since it also allows to reduce the occupancy of buildings through rotation systems.

Additionally, the company has taken all security and prevention protocols to the utmost, carrying out successive screenings of its employees, especially in the face of conditions with a higher risk of contagion, such as after a vacation period.

Likewise, to contribute to the perception of safety by people who access its facilities, MAPFRE has renewed the certification with AENOR for COVID-19 protocols applied in its locations in Spain and Portugal, and has also extended this certification to companies located in Venezuela, Chile, Colombia, Peru, Ecuador and Uruguay.

With collaborators and clients, in addition to continuing the measures to support employment and flexibility already adopted in 2020, MAPFRE has been applying rigorous protocols to prevent contagion in the company's facilities and in the provision of services. Additionally, customers have benefited in their renewals due to the reduction in accident levels that occurred during the 2020 lockdowns in different markets.

As far as the business goes, the results for the year show the success, once again, of the model adapted in 2020, which allows for solid and profitable progress despite the pandemic environment and economic paralysis in the different countries.

Finally, in relation to society, in addition to redeploying the Corporate Volunteering Program where conditions have so allowed, among other actions, MAPFRE has continued to offer free services to clients and non-clients through the SAVIA digital platform for health consultations related to the pandemic. More than 50,000 people have benefited and this year Savia expanded its offer by making available to citizens different solutions to alleviate the side effects of the virus, such as post-Covid genetic tests, psychological telemedicine or using artificial intelligence to measure oxygen saturation via smartphone.

4.2. PROTECTING THE CLIENT

The client is the focus of all MAPFRE interventions and the client experience is the basic pillar that has marked the transformation of all business processes.

Key data on clients and intermediaries

Quantitative information on private clients and companies

CLIENTS	2021
PRIVATE	30,314,166
CORPORATE	1,357,860
Total	31,672,026

Quantitative information on intermediaries and offices

OFFICES	Number
DIRECT	652
DELEGATE	4,290
BANCASSURANCE	10,412
Total	15,354

INTERMEDIARIES	Number
IBERIA	17,490
BRAZIL	19,650
LATAM NORTH	11,573
LATAM SOUTH	17,754
NORTH AMERICA	7,006
EURASIA	4,281
Total	77,754

In 2021, MAPFRE continued to consolidate its evolution as a customer-focused company, responding to clients' need. always striving to exceed their expectations. The current situation, still affected by the pandemic, has impacted how customers relate to companies and what they demand from them. MAPFRE has managed to adapt to the situation, supporting customers in this new reality.



Customer retention and loyalty have been a business priority and the company has executed retention plans in most of the countries in which it operates. These plans include a diverse range of actions: financial benefits, improved customer service processes, clearer communication and extended coverage. They all have the purpose of encouraging customers to view MAPFRE as their trusted insurance company, and above all, of showing that the company is standing by them at these difficult times.

Another very relevant issue has been the improvement in the quality of customer information. During 2021, a specific line of work was established in all Group countries focused on uniform customer identification and obtaining customer contact data. The plan consists of more than 150 corrective actions, both proactive and reactive. The measures included differ depending on the circumstances to be addressed, highlighting those for the application of business rules, technological controls, actions on external networks and enhancement using external data.

Aware that not all customers are the same, and to support them throughout their lives, MAPFRE continues to work to tailor the value proposition to each profile, considering key aspects such as their perceived experience and suggestions for improvement. In this regard, measuring the NPS® remains fundamental to the group because it allows us to evolve by making decisions based on customer satisfaction.

Our products

MAPFRE has a wide portfolio of products and

services, to cover every need that private clients or companies have, in the countries where it operates. Each of the products is adapted to the market and legislation where it is distributed, so the same insurance product or service may vary, depending on the local characteristics.

- Insurance for private clients
 - Automobile insurance

Automobile insurance offers different coverage modalities, ranging from third-party liability to an all-risk policy, which covers the own damage to the vehicle. The offer covers all types of vehicles, from automobiles to motorcycles and trucks. For the management and resolution of automobile claims, MAPFRE has a wide network of providers and collaborating companies, such as repair shops, assessors, tow trucks, attorneys, etc. in all the countries in which it is present.

MAPFRE monitors and acts on the main trends in auto insurance worldwide, such as driving behavior-related premium payments, distance traveled or driver assistance systems; insurance for electric vehicles and insurance for personal and shared mobility vehicles, policies for rental and vehicle underwriting platforms. Some of these insurance products re already being offered by MAPFRE in certain markets due to their growing demand.

- Homeowners insurance

There are several types of homeowners policies, from the basic policy covering essential housing risks to a comprehensive policy in which the insured risks are much broader. Among the new developments we have been working on regarding homeowners insurance are coverages for the repair of appliances, a DIY service, computer assistance and devices that detect water leaks.

- Health insurance

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With this type of policy, the insured person can access private medical services acquired in the policy in the event of an illness or accident. The health insurance category includes reimbursement of medical expenses insurance, health care assistance, compensation insurance, dental insurance and critical illness insurance, with MAPFRE having an extensive network of health care providers.

Preventive medicine is the standout trend in health insurance, assisting as it does with the early detection of risk factors, while video consultations, digitalized care services and chronic disease management, which together with the aging population, are aspects where MAPFRE has been building capacities to meet new customer needs.

As part of its digital business strategy, MAPFRE has established a hub in the health ecosystem, where Savia in particular stands out.

- Life insurance

Life insurance is an essential element of protection, keeping families secure in the face of unexpected events in its risk modality, as well as an important financial planning tool in its savings modality.

MAPFRE has differentiated Life insurance solutions in the 22 countries where it operates directly in this business, in the field of both risk insurance and savings, also providing specific pension plan solutions that give us a comprehensive range of products in this segment.

- Mutual funds

In some countries, the MAPFRE Group manages and markets mutual funds as a financial instrument that is complementary to the management of its clients' savings and investment.

- Other insurance for individuals

MAPFRE also offers a portfolio of products that adapts to the different life circumstances of individuals, completing its offer with condominium insurance, travel insurance, burial insurance, pet insurance, personal accident insurance and recreational boat insurance, among others.

• Insurance for businesses

MAPFRE has different insurance products to guarantee the risks that business activities are exposed to, and it offers coverage within a wide range of products for commerce, small and medium-sized companies and the self-employed or independent professional.

- Commercial insurance:

A product aimed at commerce and micro-enterprises, designed to protect economic activity against the material damage that its assets may suffer, as well as third-party liability in the scope of its activity.

- Business multirisk insurance:

This product range provides protection for the various assets that belong to companies as well as their income statement. They are designed especially for small and medium-sized companies and in industries ranging from manufacturing to public and private services.

In addition, MAPFRE has other products for companies, such as transport and aviation (both for goods and ship hulls), construction and assembly, business interruption, machine breakdown, credit and surety, agricultural operations and automobile fleets, among others.

Moreover, companies also have protection needs for their employees and collaborators. In this area, MAPFRE offers a complete range of products and services for these groups, such as life and disability, health, accidents, burials, company pension commitments, international employee benefit programs, in addition to other collective life savings insurance products.

In conclusion, it is important to highlight the insurance and services of the Assistance Unit, related to areas such as roadside assistance, travel, health, homeowners, vehicles and the protection of purchases and goods.

Innovation in products and services

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.

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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. Since 2019, more than one million customers have benefited from solutions originating from this model. In addition, we have analyzed proposals from more than 2,500 startups, of which some 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. We have 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 Fund, FCRE, managed by Mundi Ventures, which finances startups around the world.

In 2021, initiatives that respond to all the areas identified as priorities at the beginning of the year were launched: image-based assessment, claims automation, voice automation, new generation products, health and wellness services, services for seniors, new mobility solution, cybersecurity (automobile). This year, projects in Brazil, Colombia, Costa Rica, the USA, Spain, Italy, Puerto Rico and the Dominican Republic were started, mainly in the Automobile, Health and Homeowners business lines.

In 2021, MAPFRE consolidated its relationship with universities and business schools, building alliances with leading academic institutions to anticipate responses in various fields, such as health, mobility and road safety, and jointly envision other scenarios, demands and needs that will soon be a reality.

Established as MAPFRE's R&D&I center, the Mobility Lab is the part of MOi that enables the company to anticipate the way that changes in the mobility world will impact the insurance industry. CESVIMAP (MAPFRE's Center for Experimentation and Road Safety) is currently working on projects concerning vehicles' vulnerability to cyber attacks, damages caused to people and property by the new Personal Mobility Vehicles, how car insurance rates reflect the effectiveness of the new advanced driver-assistance systems (ADAS), and reuse of electric-vehicle batteries for a second life cycle, often with the support of car manufacturers.

In essence, with the consolidation of MOi, we aim to accelerate transformation within MAPFRE 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 the digital and technological changes underway, our ultimate goal is to offer the best solutions and services to our clients.

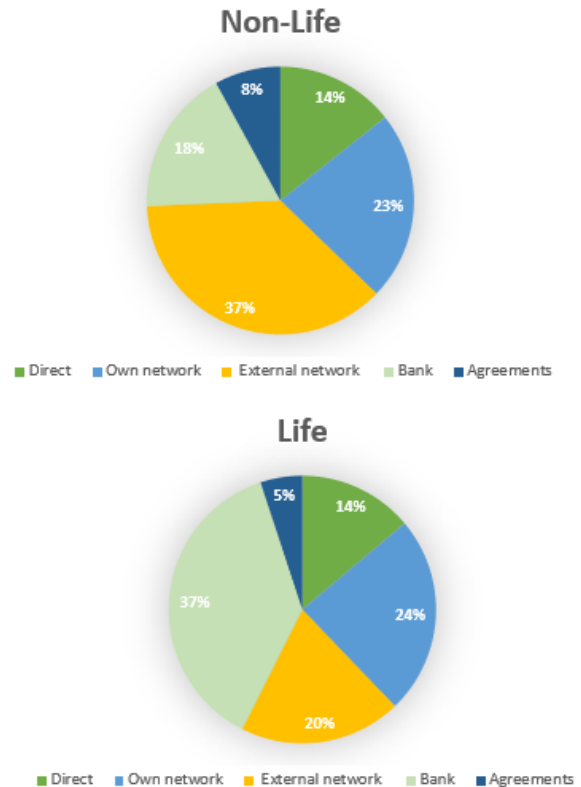
Data for 2021

- Customers who have benefited from MAPFRE Open Innovation products and services to date: 1,572,535.
- Initiatives developed in 14 countries to date.
- Important agreements with 9 renowned startups: Shift Technology, Tractable, Slice, Control Expert, Aerial, Koa Health, Made of Genes, Leakbot and Bdeo

Distribution channels

MAPFRE is committed to multi-channel distribution: direct channel, exclusive agency networks, non-exclusive agency networks, bancassurance and distribution agreements.

Distribution agreements mix



- **Exclusive networks**

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These networks, the benchmark distributors in Spain, have developed greatly in Turkey, LATAM North and LATAM South, where significant growth in business volume and active agents has been recorded. In 2021, we have especially focused on achieving more efficient sales management of digital leads in our own network.

- **Non-exclusive agency networks**

There is great potential for growth with the external network, so it is important to understand their needs and the capabilities that these intermediaries need.

It is not only a matter of setting business goals, but also of the need to deliver a unique customer experience and value proposition that fits with their expectations.

In 2021, significant effort was expended in improving relationships with them, particularly with the network of independent agents in the USA, Mexico and Puerto Rico, which has allowed us to increase the degree of reuse of best practices and successful experiences. This makes it possible to:

- Be more agile and efficient in the use of sales resources.
- Attain greater visibility to the quality of production.
- Harness a homogeneous vision of the business.
- Adapt to the circumstances of each country.

- **Exclusive bancassurance**

The most notable existing agreements are those of Banco Santander and Bankinter in Spain, Banco do Brasil in Brazil, Bank of Valletta in Malta, Actinver in Mexico and BHD in the Dominican Republic.

- **Distribution agreements**

MAPFRE manages numerous agreements through which it significantly expands its distribution capacity, offering distinctive value propositions and high quality to its distributor clients.

In this area, MAPFRE continues to develop and deepen its business relationships with automobile manufacturers and dealers, retailers, shopping malls and utility companies, among others.

Omnichannel in client relationships

MAPFRE consolidates its contact channels for clients and providers, offering them new contact methods to complement its extensive network of offices and agents while always seeking to adapt to their needs and preferences.

New digital communication channels introduced to achieve a close relationship between companies and customers have become a key means of attracting and contacting customers as well as communicating with the collaborators and providers who carry out MAPFRE's mission.

Due to the specificity and need for advice of many insurance products, a large number of customers start their sales contacts online but prefer to make their decision supported by a contact center consultant, a sales representative or an agent.

In 2021, we implemented the ROPO (Research online/Purchase offline) service model, which describes customers' tendency to research the products and services that meet their needs online and complete the purchasing process over the phone or in a sales office, through solutions that allow us to offer an advanced service and an adequate omnichannel experience.

Our 51 contact centers receive and initiate communications covering all stages of the client relationship. These contacts are managed according to quality of care and speed criteria that are homogeneous at the global level.

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2021 data table by region:

INTERACTION BY REGION	TELEPHONE	DIGITAL	TOTAL
BRAZIL	7,388,684	3,161,258	10,549,942
EURASIA	9,475,770	6,232,389	15,708,159
IBERIA	18,499,564	42,733,482	61,233,046
LATAM NORTH	6,300,453	4,241,458	10,541,911
LATAM SOUTH	7,622,072	2,293,266	9,915,338
NORTH AMERICA	4,349,574	5,508,481	9,858,055
Total	53,636,117	64,170,334	117,806,451

REGION	% COMPLIANCE WITH ATTENTION LEVEL KPIS
BRAZIL	94%
EURASIA	90%
IBERIA	94%
LATAM NORTH	92%
LATAM SOUTH	86%
NORTH AMERICA	98%
TOTAL	92%

Furthermore, 2021 saw the expansion of its self-service ecosystem model, with deployments in several countries and deployment preparation projects in many others. It should be remembered that this self-service model allows customers to both interact with the company to resolve their needs, in real time and using the device they wish, and to be informed of all relevant events related to their relationship with the company.

In response to society's growing digitalization and the high level of customer interaction over non-telephone channels, in 2021 the Group is meeting this customer demand in an agile, efficient manner. It is expanding access to the MAPFRE Group through popular channels like WhatsApp, Telegram and Facebook Messenger, while consolidating existing channels like email, SMS and self-service, which in 2021 cumulatively represent 54 percent of total interactions with customers and providers.

Amid the COVID-19 pandemic, implementation of the global Contact Center model provided the necessary flexibility to adapt to a highly uncertain and unstable environment, enabling the company to offer the same levels of quality and speed of response. Furthermore, after achieving the appropriate working conditions for sales representatives to assist customers from their homes, in 2021, most employees have returned to their service centers, although handling contact center interactions from home is a working format that is here to stay.

Service centers

Service center	No.	Countries
Claims handling and rapid payment centers*	85	10
Automobile service centers*	55	3
Automobile diagnostic units*	5	3
Number of repair shops*	9	3
No. of repair shops with agreements to repair vehicles	10,366	26
Health care polyclinics*	23	4
Dental clinics*	4	1
Clinics with signed agreements	17,889	18
No. of healthcare professionals with whom agreements are in place	20,895	10
Research and development centers	5	5

*MAPFRE-owned

Digital business

MAPFRE continues to make progress on the growth of its digital business, operating through three brands: MAPFRE, Verti and Savia. During this period, we have taken a step towards providing new scalable digital capabilities for the Group, centered on acquisition and digital sales, the development of new digital distribution channels with a focus on digital partners, extending the digital offer and improving profitability, all supported by the operation and activation of digital data and customer knowledge as a transversal axis. The main lines of action carried out this year are as follows:

- **Digital marketing**, we have taken steps to optimize digital attraction, developing new management capabilities to improve our organic positioning in search engines, optimizing advertising actions (internet, social media and digital TV), and deploying a Regional Digital Marketing Service to boost efficiency and capabilities in LATAM South. We have worked to improve online conversion processes, developing new pricing calculators and purchasing tools, along with chatbots and commercial voice assistants. We have also continued to improve our processes for online research and induced sales through our contact centers and sales network. Finally, we have continued to enhance the digital experience for customers and users online with new models, such as the Digital Design System and behavioral economics.
- **Digital partners**. In order to reach a broader client base and promote MAPFRE's multichannel strategy, we have created a new capacity to generate agreements with digital partners, based on 10 assets developed and implemented in Spain and the United States, where more than 200 partners in each region have been analyzed. As a result, we have boosted the business volume of digital partners at MAPFRE España, reaching 37.2 million euros in new production premiums by the end of the year, a 20 percent year-on-year increase, while the first results were also produced at MAPFRE USA.
- **Expansion of the digital offer**. We have expanded our digital product offer by adapting the company's existing products to the digital context. We have expanded the offer by five lines of business, prioritizing motors, and eight operations. We have also analyzed models that allow us to market products without the need to underwrite them, such as the general agency model. Verti Spain has created its own agency and already markets risk life products underwritten by MAPFRE España.

With regard to **Digital Products**, we have implemented a project involving eight regions and four lines of business (automobile, homeowners, SME and health), in which the digitalization level and technical sophistication of digital products in each market have been analyzed.

- **Digital business profitability**. As we continue to develop and improve our capabilities to carry out more precise risk pricing and selection over digital channels, we have made progress on the following aspects:
 - Implementation, for the first time at MAPFRE Mexico, the corporate asset for underwriting and pricing, which allows facilitates dynamic risk management in real time on a case-by-case basis.
 - In terms of fraud detection, we have continued to follow our implementation roadmap for the issuance anti-fraud platform, which allows fraud patterns to be detected and addressed. We have also completed a concept test to analyze and assess the value contribution of credit solvency scoring, improving the technical result with more precise risk selection and pricing.
 - In the area of **price comparison engines**, we have generated a **Global Framework of Best Practices in 12 areas of action** for the comprehensive management of the comparator channel, a critical aspect for profitable growth.

Provision of services and case volume managed

Our work is continuously oriented towards taking care of our customers. With this goal in mind, the Group works with more than 150,000 service or specific providers (those who perform benefits derived from insurance contracts or services offered by MAPFRE'S insurance companies or their subsidiaries to their clients).

Given the importance of service providers to MAPFRE's relationship with its customers, we use a specific management model based on service quality, breadth of services, and categorizing the provider according to the value they bring to the client in their intervention, reflected in four groups: Known, Recommended, Recommended+, and Brand Ambassador. (See infographic in section 4.5: Provider category defined by MAPFRE and mutual commitments.

2021 data by region:

	IBERIA	BRAZIL	LATAM NORTH	LATAM SOUTH	NORTH AMERICA	EURASIA
PREFERRED NETWORK ⁽¹⁾	8,643	2,407	953	3,643	328	2,640
% AMBASSADORS - RECOMMENDED+ ⁽²⁾	99.1%	13.1%	15.2%	18.1%	50.6%	16.6%
BENEFIT INDEX ⁽³⁾	99.3%	89.9%	81.6%	85.0%	74.5%	66.9%

⁽¹⁾ Number of providers categorized as Recommended, Recommended+ or Ambassador (Automobile and Homewonders).

⁽²⁾ % of providers categorized as Ambassadors or Recommended+ over the total preferred network (Automobile and Homeowners)

⁽³⁾ % of payments to automobile repair shops over the total payments made (indemnities plus payments to repair shops)

Taking into account these services, and the cases in which it is necessary to financially compensate customers for the occurrence of the covered events, MAPFRE disbursed a total of 15.2 billion euros in 2021.

The total benefits paid by insurance unit region are shown in the accompanying table (excluding MAPFRE RE and MAPFRE Asistencia).

BENEFITS PAID - INSURANCE UNIT (thousand euros)	
Iberia	6,460,807
Brazil	1,767,496
LATAM North	1,275,854
LATAM South	643,084
North America	1,235,469
EURASIA	1,037,348
Total	12,420,059

Although the lockdown due to COVID-19 generated temporary changes in the normal functioning of benefits in 2020, the situation has normalized in 2021, allowing us to recover pre-pandemic service levels.

Customer satisfaction

Main 2021 data:

- Percentage of businesses with a higher-than-average NPS[®] for the market: 88.74 percent.
- Measured business ratio (MAPFRE Personal lines client) 80.5 percent.

To evaluate the quality perceived by clients, the MAPFRE Quality Observatory applies a global model for measuring the client experience, which helps us to:

- Establish a homogeneous framework for all countries and businesses that allows us to determine, in a consistent and equivalent way, the customer experience level at MAPFRE and its competitors.
- Identify the pain points that, according to customers, negatively impact their experience with MAPFRE and their probability of recommending it. This allows the implementation of actions that improve the level of perceived quality based on active listening to the client.
- Determine the levers for promotion and recommendation that represent the company's strengths, according to customers. By boosting these strengths, we can strengthen customers' economic behavior and attract a new portfolio of clients through the power of recommendation by MAPFRE promoters.
- Provide countries with a tool that facilitates decision-making through first-hand knowledge of clients' priorities.

At MAPFRE, the area responsible for defining the models and conducting all comprehensive customer experience measurements is the MAPFRE Quality Observatory. These measurements are taken through surveys of internal and external clients in all the countries and businesses in which MAPFRE operates, covering the insurance, reinsurance, global risks and assistance services lines. This is performed by analyzing the Net Promoter Score (NPS[®]) to evaluate how the client perceives the company and critical client touchpoints. Recommendations are then drawn up regarding the main areas that could be improved.

The Quality Observatory carries out diagnostics of the client experience, preparing reports on the results of the measurements that support the decision-making process in the different business areas.

In 2021, two relational NPS[®] measurement waves were carried out, involving a representative sample of MAPFRE's portfolio. These two waves, comprising 122,630 surveys, were conducted in 15 countries that collectively represent 81 percent of the Group's Non-Life premium volume.

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As part of this study, each year the observatory measures the client experience level of MAPFRE's major competitors in each country and business line. A total of 105 companies were analyzed around the world, and the analysis revealed that 89 percent of MAPFRE's premium volume enjoyed a higher customer NPS[®] than the company's competitors, higher than the objective established of 73 percent.

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 was already implemented in Brazil, Spain, the United States, Puerto Rico, Mexico, Peru and Chile, and throughout 2021 it was launched in Panama, Costa Rica, Nicaragua, Honduras, Salvador, Guatemala, Dominican Republic, Germany and in MAPFRE Asistencia in Italy. The model was also included in the Homeowners line in the USA.

Additionally, in 2021 the Quality Observatory conducted the fourth 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.

MAPFRE has 254 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.

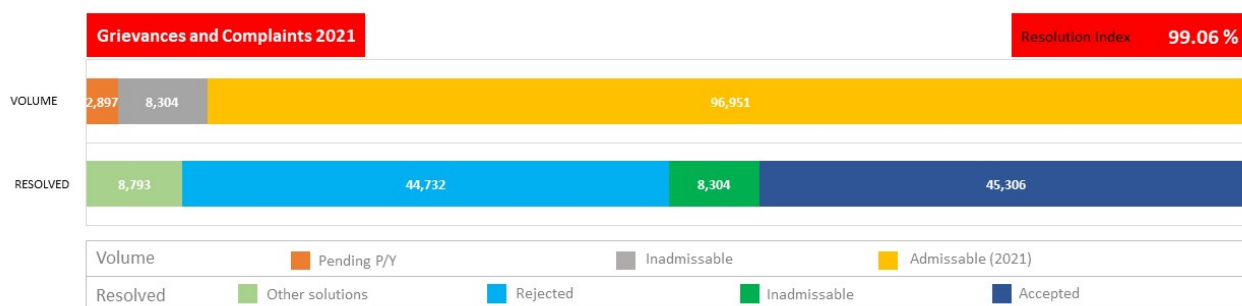
MAPFRE holds ISO 9001 certification in Brazil, Spain and Turkey. MAPFRE ASISTENCIA holds this same quality certification in Algeria, Argentina, Brazil, Chile, China, Colombia, Dominican Republic, Ecuador, Italy, Jordan, Mexico, the Philippines, and Tunisia.

4.2.1. Grievances and complaints

Information related to grievances and complaints has been incorporated into the 360° customer data internal reporting and operational model. There is a specific repository that stores all details relating to grievances and complaints along with all other client interactions. The most relevant data includes: details of the request opened by the client, the contact method, the primary reason, the policy to which it refers (if applicable), the status of the grievance or complaint and the date it was raised.

In Spain, MAPFRE has in place an Insured Party Defense Counsel, a pioneering institution created in 1984, and has had a Complaints Division since 2003. The latter is the body in charge of processing and resolving grievances and complaints made by users against the Group companies that adhere to the Customer Defense Regulations.

The main data relating to grievances and complaints processed by the Group during 2021 are shown in the accompanying table.



4.3. CREATING VALUE FOR THE SHAREHOLDER

In the current environment and within the strategic framework of digital transformation, MAPFRE continues to focus on virtual means to guarantee fluid communication with its shareholders, analysts and investors. However, in-person meetings are gradually being resumed, always in compliance with the safety and health measures applicable at all times and in each region. In this context, the senior management has remained actively involved in the conferences, meetings and presentations of results that have taken place throughout the year. Initiatives developed in 2021 include:

- a. Four online meetings held after the publication of the company’s results with the participation of senior management members, including the Chairman & CEO of the Group, the CFO, the Group Chief Risk Officer and the Group Head of Actuarial Office.
- b. In the month of March, MAPFRE Management Insights 2021 was held online with the participation of the company’s Chairman and CEO, as well as the CFO and the CIO of MAPFRE S.A. and the CEO of MAPFRE RE. The event was attended live by more than 50 investors, analysts and other financial experts to analyze the company’s business prospects and financial situation.

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- c. Within the framework of the “MAPFRE SHAREHOLDERS - A Unique Value” plan, two online meetings were held with non-institutional shareholders, led by the company’s CFO. In addition to commenting on the company’s results, the sustainable investment strategy was presented at the October meeting with the participation of the Group Chief Investment Officer.
- d. In addition, numerous online meetings with investors and analysts were held throughout the year, and the company participated in 22 conferences organized by financial institutions, most of which took place online.
- e. In line with the company's strategic focus on sustainability and the growing importance of sustainable issues in society, specific requests for ESG information on investments have been addressed with the collaboration of the CIO and the Group Head of Sustainability at MAPFRE S.A.
- b. Sending alerts to shareholders belonging to the “MAPFRE SHAREHOLDERS. A Unique Value” plan, as well as analysts and investors to keep them promptly informed of any relevant information that may be of interest to them.

Quarterly publication of the infographic and interactive newsletter on the website with up-to-date information on MAPFRE, results and main corporate news continued throughout the year.

Also, shareholders and investors have various communication channels at their disposal to maintain fluid contact with the company, both through the corporate website and specific phone lines and email addresses.

Summary of the communication activity with shareholders, investors and analysts in 2021:

Relationship channel	No. of actions	No. of participants
Management Insights Day	1	54
Conferences, meetings and interaction with investors	256	454
Meetings with shareholders	2	150
TOTAL CONTACTS WITH ANALYSTS AND INVESTORS	259	658

With the clear objective of continuing to improve communication with our stakeholders and continuing to increase the quality and clarity of the information reported, the following actions have been implemented:

- a. Continuous improvement of accessibility to the information available in the “Shareholders and investors” section of the corporate website, with the creation of direct links to the most relevant information at all times.

Relationship channel	No. of interactions
Shareholder telephone number (toll-free in Spain)	628 queries
Mailbox set up on corporate website and email addresses (IR@mapfre.com and oficinadelaccionista@mapfre.com)	775 communications
Electronic shareholder forum	108 unique visits

In line with this commitment, in October MAPFRE was recognized as one of the 10 IBEX-35 companies that offer information of the highest quality to their shareholders and stakeholders, according to the Reporta report, which analyzes variables such as the degree of transparency, commitment, relevance, and accessibility of the annual reports.

Loyalty program

Within the “MAPFRE SHAREHOLDERS - A Unique Value” plan, we are committed to strengthening our relationship with these stakeholders. For this reason, in addition to the dividend and permanent communication with our shareholders, we have the “MAPFRE teCuidamos Accionista” loyalty program that, in collaboration with Club MAPFRE, allows shareholders with at least 1,000 shares to benefit from the advantages of this program, which include a wide variety of offers and services related to:

- Simple ways to save money every day.
- Tax, health, automobile and home services.
- Entertainment offers and a calendar of MAPFRE social and cultural activities.

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- Up-to-date and direct information about MAPFRE.
- Access to news about MAPFRE and promotions for the shareholder.

Creation of sustainable value

The dividend policy establishes that shareholder remuneration must be linked to the company's earnings, solvency, liquidity and investment plans, and also aligned with the interests of all its shareholders. Among the objectives set for the 2019–2021 period are to create sustainable value and to adequately remunerate shareholders.

In September, MAPFRE was recognized as the second IBEX-35 company with the best dividend yield of the year according to the ranking prepared by El Economista.

Sustainable finance: thinking about the shareholder, the company and society

This type of finance is becoming more important to achieve a more sustainable economy, aspiring to have a positive impact on the environment and society without losing profitability, and creating medium and long-term value for shareholders.

This implies establishing sustainability factors for investment decisions as well as the company's loans. Consequently:

- MAPFRE has two sustainable loans for which, in addition to the company's credit rating, sustainability parameters accredited by an independent third party specializing in environmental, social and governance (ESG) analysis were considered when setting the interest rate.
- Since MAPFRE's adherence to the United Nations Principles for Responsible Investment, the company, in addition to investing in a sustainable way by applying criteria pertaining to sustainability (see sections 3.3 and 3.5 of this report) and profitability, launched a range of sustainable products, mainly investment funds.

In 2021, MAPFRE launched Multifunds Compromiso ESG, a new socially responsible unit-linked investment fund, which comprises a selection of the best national and international funds matching ESG criteria. This fund is incorporated into MAPFRE's current range of products focused on sustainability, which includes:

- Inclusión Responsable fund, which invests in companies especially committed to the inclusion of people with disabilities.

- Capital Responsible fund, which takes into account those companies and entities with a strategy focused on monitoring ESG criteria.
- MAPFRE Good Governance fund, which includes companies with good corporate governance in its portfolio.
- Fondo Compromiso Sanitario, which directs clients' savings to the financing of a specific health assistance project aimed at tackling the COVID-19 crisis.
- MAPFRE Infraestructuras FCR, which invests in renewable energies, among other assets classes.

4.4. DEVELOPING PEOPLE

MAPFRE is a global company employing 32,341 people from 86 different countries. The development, promotion, and well-being of employees are key to the company's approach to people management. This style of management is crucial to the business during its transformation, enhances the commitment of employees to the company's values, and contributes to continuous knowledge acquisition.

Some of the most relevant aspects of management are:

- Integrating all generations of employees working together at the company and taking advantage of their collective knowledge to create a diverse and inclusive environment.
- Harnessing the benefits of new technologies and support for digital tools to drive collaboration and innovation.
- Communication and transparency with employees to involve them in the MAPFRE's strategy, objectives, and culture.
- Developing employees' knowledge, professional careers, and participation in projects.
- Commitment to the functional and geographic mobility of employees, with the objective of fostering global and versatile teams.

This dimension is complemented by the People and Organization 2021 report, which is verified and published on the corporate website.

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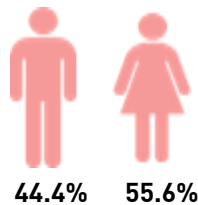
Some of the most relevant aspects of this management include:

- Integrating all generations of employees who work together within the company, harnessing each person's knowledge.
- Using new technologies and social networks for employee development.
- Communication and transparency with employees, so that they feel part of MAPFRE's strategy, objectives and culture.

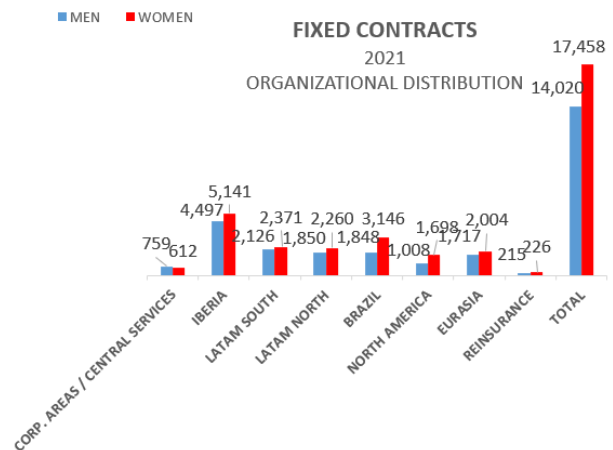
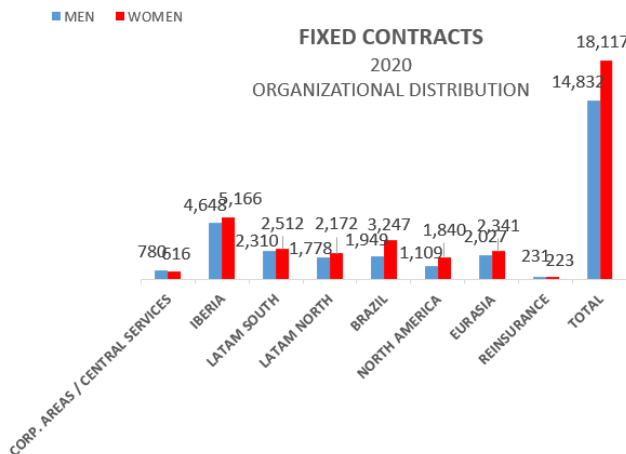
- Planning for professional careers and continuous training.
- A firm commitment to the occupational and geographic mobility of employees to ensure that the organization has versatile global teams in place.

This aspect is complemented by the *People and Organization Report 2021*, verified and published on the corporate website.

Total workforce	2021	2019
Workforce at December	32,341	33,730
Average workforce	32,998	34,567

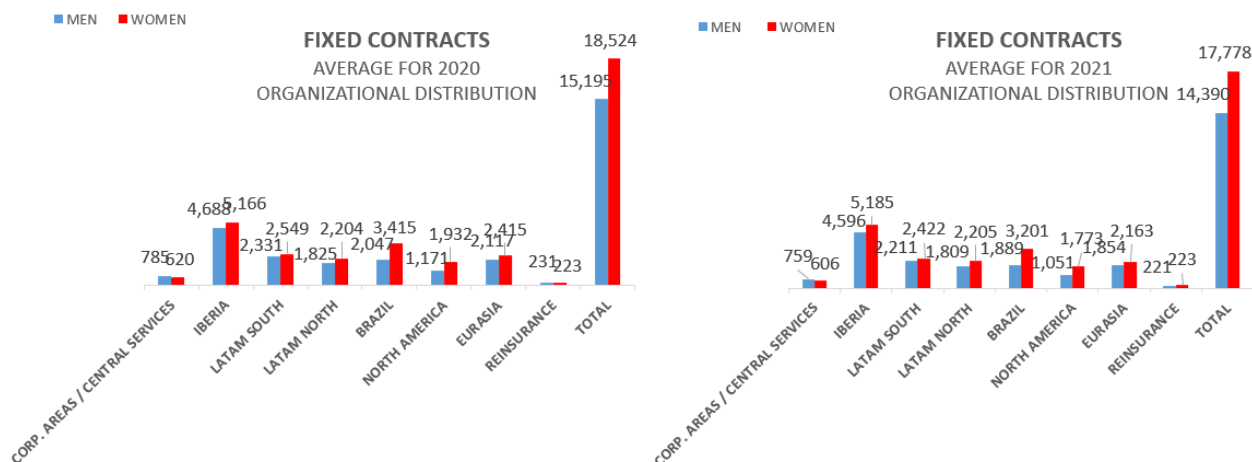


Total workforce



PERMANENT CONTRACTS - 97.3 PERCENT

Average workforce



Total number of employees by employment contract and gender (in line with the structure of the MAPFRE Group: Region, Business Units and Central Services)

ORGANIZATIONAL DISTRIBUTION	PERMANENT		TEMPORARY		TOTAL	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
CORPORATE AREAS / CENTRAL SERVICES (MAPFRE Global Risks and MAPFRE Asistencia)	759	612	1	6	760	618
IBERIA	4,497	5,141	84	196	4,581	5,337
LATAM SOUTH	2,126	2,371	117	143	2,243	2,514
LATAM NORTH	1,850	2,260	32	54	1,882	2,314
BRAZIL	1,848	3,146	6	7	1,854	3,153
NORTH AMERICA	1,008	1,698	2	5	1,010	1,703
EURASIA	1,717	2,004	98	107	1,815	2,111
REINSURANCE	215	226	2	3	217	229
TOTAL	14,020	17,458	342	521	14,362	17,979

New additions, average age, average seniority, unwanted Group turnover by gender

	2021			2020		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
New hires	43.2%	56.8%	3,967	42.5%	57.5%	3,550
Average age	0.0424	0.0408	41.5	42.1	40.2	41.0
Average seniority	0.0125	0.0114	11.90	12.20	10.90	11.50
Unwanted turnover (*)	7.8%	7.9%	7.90 %	5.0%	4.9%	4.90%
Total turnover	17.0%	15.6%	16.20 %	11.9%	12.1%	12.0%

(*) Unwanted staff turnover is calculated using the following formula: voluntary resignations/average headcount. Considering the size of the Group, the level is considered low.

(**) Total staff turnover is calculated using the following formula: casualties over average headcount (This data is affected by the departure of the following countries from the assistance business: United States, United Kingdom, Australia, Belgium, Hungary, Canada, China, India).

MAPFRE S.A.
DIVERSITY AND INCLUSION

MAPFRE, which has a Global Diversity and Equal Opportunity Policy in place, approved by MAPFRE's Board of Directors on July 23, 2015, has been publicly committed to both gender diversity and disability for the past three years.

MAPFRE had publicly committed to ensuring that by the end of 2021, at least 45 percent of annual vacancies in managerial positions were filled by women. At the close of the stated period, the relevant percentage was 49.1 percent.

MAPFRE's commitment to gender equality is unconditional and will continue to evolve in line with the objectives established more than three years ago: more than 40 percent of women in job positions of responsibility, more than 30 percent of management positions occupied by women and more than 45 percent of annual vacancies for positions of responsibility to be filled by women.

In accordance with MAPFRE's Diversity Strategy for the years 2019-2021, the objectives in terms of gender diversity are as follows:

- To consolidate a work environment that takes advantage of all the female talent available in the organization.
- To make MAPFRE the benchmark employer for women.
- To reduce/eliminate gender gaps that have been identified.
- To increase the number of women in management-level positions.

Additionally, MAPFRE has a Global Catalog of Measures pertaining to matters of gender diversity, which addresses the following areas:

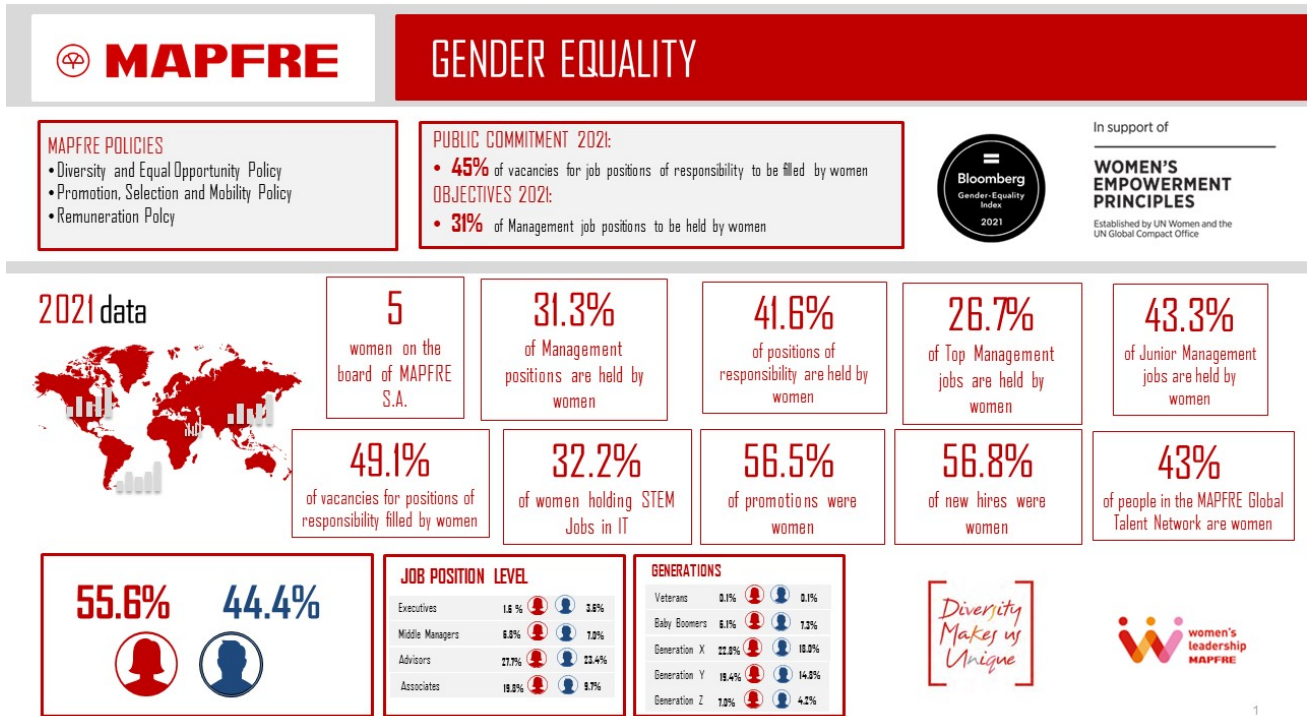
- a. Talent development
- b. Remuneration and other working conditions
- c. Awareness
- d. Leadership

MAPFRE in Spain has had a MAPFRE Insurance Group Equality Plan on place since 2010, through which the principle of equal treatment and opportunities in the workplace is promoted, reflecting measures aimed at avoiding any type of employment discrimination between women and men.

	2021	2020
Percentage of women in job positions of responsibility*	41.6%	40.9%
Number of women in job positions of responsibility	2,620	2,425
Percentage of women in management positions	31.3%	30.9%
Number of women in management positions	519	510*

* Positions of responsibility: management and middle management

Main data related to equality for 2021



MAPFRE made a public commitment three years ago to have at least 3 percent of its workforce made up of people with disabilities. At the end of 2021, this figure stands at 3.5 percent.

Work continues to be done on improving universal accessibility for people with disabilities, in accordance with the principle of equal opportunities and non-discrimination. To make this happen, a global program has been implemented in all countries, with measures in place to promote the true inclusion of this group in the company, as well as a strategy with the following objectives:

- To consolidate a work environment favorable to the labor integration of people with disabilities in the organization.
- To eliminate the barriers that have been identified for the integration of people with disabilities.
- To increase the number of people with disabilities in the company.
- To improve the quality of life of people with disabilities, employees and families.

In 2021, MAPFRE joined the Business and Disability Network of the International Labor Organization. This international network aims to contribute to making employment policies and practices in companies inclusive of people with disabilities around the world and to increase awareness of the positive relationship between disability inclusion and business growth.

	2021		2020	
	No.	%	No.	%
People with a disability on the workforce	1,031	3.5	1,025	3.3

Banco do Brasil and MAPFRE Salud ARS workforce data excluded.

Five different generations work together at MAPFRE. This enriches intergenerational exchange, transmission of knowledge and values, and innovation.

Year 2021

Gender diversity

- 56.8 percent of new hires within the workforce were women.
- 98 women hold C-Suite positions or positions on Boards of Directors. The MAPFRE S.A. Board of Directors includes five women among its members, representing 33.3 percent of its members as on December 31, 2020. Through the director selection policy, MAPFRE is committed to the Board being composed of at least 40 percent women from 2022 onward.
- 26.7 percent of employees in managerial job positions classed as Top Management are women, and 43.3 percent of employees in job positions classed as Junior Management are women.

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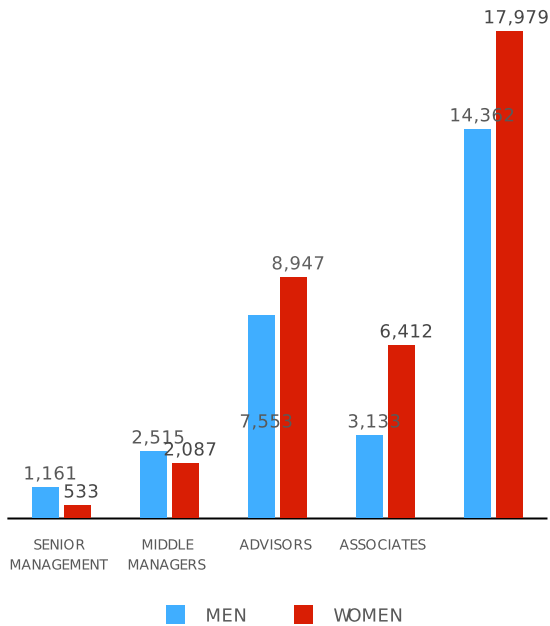
- Women hold 39.5 percent of managerial job positions in business areas.
- 32.7 percent of STEM (Science, Technology, Engineering, Mathematics) job positions are held by women.[*].

*Data calculated as a percentage of total IT employees.

Networks to promote women's leadership are in place in Mexico, the United States, Brazil, Peru, Turkey, and Spain. These are inclusive spaces for dialog whose objective is to promote initiatives in the area of gender diversity.

Gender diversity coverage applies to 100 percent of the workforce.

Workforce distribution by job position level



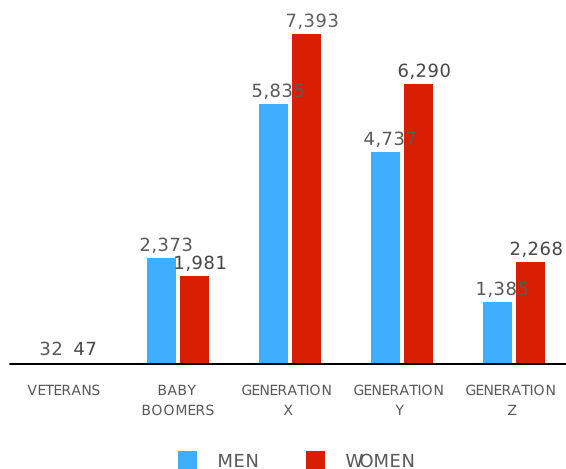
Cultural diversity

- 86 nationalities

International mobility enabled 72 employees to relocate to another country in 2021. These employees originate from 20 countries and have been posted to 17 countries.

A total of 82.7 percent of the senior management and executives who work at the Group's companies are native to the country in which said companies operate.

Nationality	% of employees by nationality over total employees	% of managers over total managers
Spanish	34.3%	39.0%
Brazilian	15.5%	10.5%
Mexican	5.8%	6.2%
Peruvian	4.4%	4.0%
Dominican	3.4%	3.2%
Argentinian	3.2%	2.4%
Colombian	2.9%	2.5%
Turkish	2.8%	3.4%
Italian	2.7%	2.2%
American	1.7%	2.0%



Veterans (up to 1955)
 Baby Boomers (from 1956 to 1967)
 Generation X (from 1968 to 1981)
 Generation Y (from 1982 to 1993)
 Generation Z (from 1994 on)

Workforce by age group

Age group	% of employees
Under 30	16.3 %
Between 30 and 50	59.6 %
Over 50	24.1 %

The Ageing Project, the purpose of which is to work on specific programs for senior workers, addresses three key areas: professional development, employee experience and social protection.

Traditional and reverse mentoring, which promotes a development process between different generations. The mentoring plan involved 98 mentors and 173 mentees over the course of this year.

Disability

Awareness:

- 69 employees trained through an e-learning course on disability by 2021.
- 63 volunteer activities for people with disabilities.

- 78 awareness-raising talks and activities during training programs.
- 104 news on the intranet.

Workplace integration actions.

- In 2021, 44 people with disabilities joined the workforce.
- 3 people with disabilities have completed internships at MAPFRE.
- Donations in the amount of 174,676.38 euros.
- Promotion of indirect employment through hiring with special employment centers or similar companies in the amount of 67,670.11 euros.

MAPFRE reaffirms and shores up its commitment to social inclusion of people with disabilities by signing its Global Business and Disability Network Charter with the International Labor Organization (ILO).

TALENT

MAPFRE has a Skill Transformation Plan in place that integrates upskilling and reskilling plans, personalized development and career plans, and training programs for all job positions. In addition, the Talent project, which identifies key people with strategic knowledge and who have an individualized development plan and continuous monitoring, has been underway globally since 2017. In 2021, 4,658 people in the world took part in this project, 14.4 percent of the total number of employees, and their unwanted turnover was 3.4 in 2021 and 1.9 in 2020, while 11,649 employees have an individual development plan or career plans.

During the year 2021, using HR Analytics, analysis tools were developed to measure the degree of probability of employee fit to 30 profiles and to identify critical factors that impact the level of fit in order to execute more effective development actions.

All countries carry out periodic succession plans for management positions using a common methodology that defines the immediate, short- and medium-term replacement, as well as the career paths to be defined in order to prepare potential successors.

Depending on the company's external recruitment needs, different sources and recruiting channels are used. The objectives set revolve around the personalization of the search and agility in the search. A total of 38,953 candidates who are interested in working at MAPFRE have registered on the global jobs site "Working at MAPFRE". Through the referral plan, employees have put forward the names of 246 candidates and the number of followers on MAPFRE's LinkedIn page has increased from 401,024 in 2020 to 507,282 in 2021.

Functional and geographic mobility

Mobility is key to employee development and employability. In the year 2021, 13.7 percent of the employees (4,177 employees in total) were mobile. In addition, 85 percent of job positions of responsibility were filled internally; of the total number of vacancies published, 36.5 percent were filled by internal mobility and 41.5 percent were considered a promotion.

Considering geographic mobility in terms of international careers, global mobility, and temporary transfers, 17 countries have hired professionals from 20 countries, which has enriched strategic development, project execution, and innovation.

Currently, there are 218 executives and employees working outside their country of origin.

Internship plan

Students from all over the world are trained every year thanks to MAPFRE's partnership with the University and educational centers. The Global Internship Plan trains young people in the company. In 2021, we began resuming face-to-face activities with interns, whenever the evolution of the pandemic was favorable, and 424 students completed their internships in 20 countries through 322 agreements.

Learning Model

MAPFRE promotes employee learning through its Corporate University, and all training activities are designed in accordance with the strategy and objectives of the business. The Corporate University has 17 schools, 13 knowledge classrooms, and the InnoLAB. The Corporate University is active in all countries where MAPFRE operates and provides training in the three corporate languages and five local languages. In addition to the mandatory content and knowledge for all employees (such as content related to legal requirements, occupational risk prevention, corporate policies, and culture), employees embark on training programs where they study technical content to improve their skills in their respective positions. In the Development School and the Leadership School, students learn general, cross-cutting content such as digital skills, leadership, agile methodologies, and innovation, among others.

During this year, 100 percent of the workforce received 991,210 hours of training, representing 30 hours of training on average per employee.

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JOB POSITION LEVEL	HOURS OF TRAINING	
	MEN	WOMEN
EXECUTIVES	38,535	18,542
MIDDLE MANAGERS	82,249	65,744
ADVISORS	240,804	282,378
ASSOCIATES	74,071	188,889
TOTAL	435,658	555,552

- 91 global technical and cross-cutting development programs were held.
- 8,120,056 euros were invested, giving an average investment per employee of 251 euros. The progress made in online training means that the average investment per employee has changed compared to 2019.
- During 2021, the implementation of programs related to digital capabilities was reinforced. Specifically, 15,863 registrations completed courses related to said content.
- 7 programs have been developed related to prevention and anti-harassment procedures and there were 600 enrollments completed in these programs by 599 employees.
- 37 anti-corruption programs have been developed and there have been a total of 65,492 registrations completed by 23,491 employees in these contents.
- 74 employee training programs on occupational health and safety were held (general training in this area and specific training on occupational risks, hazardous activities, or dangerous situations), and there were a total of 19,672 enrollments completed by 13,046 employees who finished these programs.
- Technical-commercial training represents 82.3 percent of the total training provided and is fully aligned with the needs of the business.

Training Indicators	2021	2020	2019
Investment in training	8.120.763 €	7.232.392 €	18.409.025 €
Average investment per employee	251,0 €	214,4 €	536,3 €
Total training hours	991,210	966,335	1,518,411
No. of training hours per employee	30	28.6	44.2
Total training assistances	384,095	370,577	351,033
% of workforce trained	100%	100%	100%

Job Position Level	2021		2020		2019	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
EXECUTIVES	11,173	5,713	8,940	4,910	8,075	4,334
MIDDLE MANAGERS	29,995	23,248	26,595	19,907	23,642	20,320
ADVISORS	94,638	115,508	92,283	106,222	86,372	95,519
ASSOCIATES	31,919	71,901	35,514	76,206	37,846	74,925
TOTAL	167,725	216,370	163,332	207,245	155,935	195,098

- Globally, in 2021, 7,058 questionnaires were completed by the supervisors of employees attending these programs to evaluate the transfer of knowledge to the job position, where the percentage of responses with a rating of at least 4 out of 6 was 87.1 percent.

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- Implemented globally at MAPFRE, self-learning offers employees training content through open catalogs so that, based on their concerns, functions, and needs, they can design their own learning journey. At MAPFRE, the trend of self-learning has seen exponential growth in recent years, especially during the pandemic. During fiscal year 2021, more than 8,100 employees completed 30,498 self-enrollments.

Mentoring programs

Throughout the year 2021, we continued to develop the mentoring program, both traditional and reverse mentoring, as a form of development, collaboration, and transfer of knowledge between the teams. In traditional mentoring, the mentor transmits his or her knowledge, experience, and culture to the mentee. In 2021, there were a total of 77 mentors and 96 mentees. Inverse mentoring, where the mentor (with a junior digital profile) supports the mentee (a more senior profile) in the development of digital skills, use of technological tools and collaborative platforms, knowledge of digital trends and the use of social networks. In 2021, there were 21 mentors and 77 mentees involved in inverse mentoring.

Knowledge management

MAPFRE has a technological platform for knowledge management called Eureka. With company-wide implementation, all employees can connect to share knowledge and best practices. It is an active platform that has made it possible to unite the knowledge of the entire organization in a single space. Currently, there are close to 1,400 knowledge-leader employees worldwide, and almost 2,000 pieces of knowledge have been shared from the company's 15 knowledge topics.

Culture and Talent Index

MAPFRE measures the Culture and Talent Index internally using six variables: three related to culture and commitment and three related to talent and development.

The Culture and Talent Index was 84.55 percent compared to 84.1 percent in 2020.

Culture*	2021	2020	2019
Employee Satisfaction	71%	72.8	68%
Employee turnover	12.1%	9.1%	15.4%
Length of service (years)	14.04	13.63	12.90

Talent*	2021	2020	2019
Functional mobility	13.7%	12.7 %	14.7 %
Career plan and development	53.5%	46.2 %	42.7 %
Internal promotion	86.8%	90.9 %	79.8 %

[*] Countries: Spain, Brazil, United States, Germany, Italy, Turkey, Peru, México, Puerto Rico.

TRANSFORMATION

The Digital Challenge (2019 - 2020)

#Digitalchallenge

Driving us forward at MAPFRE

The Digital Challenge is the strategic initiative that came about at MAPFRE to promote the transformation and change that organizations need to adapt to new digital and business requirements. The initiative provides the work environment with flexibility and tools that streamline collaborative work, develops digital profiles, and promotes new behaviors in our daily lives to work differently. This project has encompasses four main lines of action:

A flexible work environment

- 55.9 percent of the workforce enjoys flexible working hours.
- Over 22,000 employees enjoy open and collaborative spaces.
- 28,185 employees work with Office 365 tools.
- More than 90 percent of the workforce can work remotely.

Collaborative work and knowledge management

- More than 2,000 pieces of knowledge contributed in Eureka, a shared repository for connecting all employees and sharing knowledge.
- Almost 1,400 knowledge experts identified.
- 27,856 employees rely on MS Teams as a collaborative tool.

Culture in a digital world

- MAPFRE implemented a global program on digital culture and common behaviors for all employees worldwide, completed by 100 percent of employees.

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- We have a global portfolio of digital skills with digital-technical knowledge, agile methodologies, and digital tools aimed at all employees worldwide.

New ways of remunerating and recognizing.

- 28,494 employees have access to the new evaluation model.
- 88,419 activities communicated.
- More than 21,000 people participated in a recognition program.

MAPFRE People app

- The app was implemented in Spain, Brazil, Turkey, Mexico, Puerto Rico, Germany, and Peru, as well as MAPFRE RE.
- 12,605 employees downloaded the People app

Digital Challenge II (2020-2021)

Digital Challenge II continues to drive transformation and change through the adoption of new capabilities:

- Digital Workplace, with more agile, digital and collaborative ways of working through the deployment of productivity scenarios that promote more efficient work habits and tools that have served as an accelerator in day-to-day activities.
- More than 90 percent of employees believe that the Digital Workplace model implemented at MAPFRE allows them to make better use of their time.
- Personalization of the employee experience with the objective of increasing employee engagement and reducing the learning curve and the turnover of strategic profiles. To this end, a new onboarding and inboarding process were implemented, and continuous measurements were developed for the different stages of the employee life cycle, and the People app was implemented in three new countries (Peru, Germany, and Puerto Rico).
- More than 85 percent of employees surveyed are in countries/units with a very good (above 20) or excellent (above 40 points) eNPS®.
- 3.4 percent of unwanted staff turnover within the MAPFRE Global Talent Network.

Continuous management of capacity and support of efficiency measures with the aim of adapting the structure to the evolution and needs of the business, identifying trends and providing efficiency measures.

The technical career has been revised, and the figure of the expert has been tasked with managing the organization's knowledge by identifying the critical areas for strategy development.

- 55 knowledge clusters have been identified and linked to job positions and roles.
- More than 1,400 knowledge leaders.

Lastly, a new MAPFRE model for project management was launched to provide greater agility in the definition and execution of projects and processes, using knowledge in accordance with business priorities.

- Percentage compliance for project delivery and scope was in excess of 95 percent.

REMUNERATION AND RECOGNITION

MAPFRE's Remuneration Policy includes and guarantees the principles of equality and non-discrimination and establishes appropriate remuneration according to the role/job in relation to merit, technical knowledge, professional skills, and performance of each person. The company determines remuneration with the following principles in mind:

- Transparency, since it is known by all affected parties
- Competitiveness and flexibility in structure and adaptability to different groups and market circumstances.

The Remuneration Policy also promotes efficient risk management by discouraging both the acceptance of risks that exceed the company's tolerance limits as well as conflicts of interest. This policy acts as a source of motivation and satisfaction that makes it possible to achieve the objectives set and to comply with the strategy within the framework of the company's long-term interests. In this regard, it includes the specific treatment of the remuneration of the company's managerial staff and of those with a special impact on the entity's risk profile. The remuneration components included in this policy are fixed compensation, variable compensation/incentives, recognition programs, social benefits, and bonuses. Of particular importance is variable remuneration, in its different forms, annual remuneration based on objectives, medium and long-term incentives, commissions, and bonuses.

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MAPFRE has implemented a global model of management by objectives, which determines the weight of the different categories of objectives for each job level. This makes it possible to align each person with the strategic objectives, MAPFRE's objectives as a whole, and the objectives of his or her region/country/business, assigning a weight adjusted to the responsibility of the job position. Elsewhere, job positions in the commercial area have their own system of objectives. In this way, MAPFRE focuses 100 percent of its workforce on managing its business by objectives.

JOB POSITION LEVEL	GROUP OBJECTIVES				
	GLOBAL	AREA / BUSINESS	COUNTRY	AREA / DEPARTMENT	INDIVIDUAL
CEO & BOARD DIRECTORS	100%				
EXECUTIVE COMMITTEE	60%	40%			
CORPORATE AREAS EXECUTIVE MANAGEMENT / BUSINESS UNIT CEOS	40%	60%			
REGIONAL CEOS	40%	60%			
COUNTRY CEOS	20%	10%	70%		
BUSINESS UNIT MANAGEMENT COMMITTEE	10%	50%		40%	
REGIONAL MANAGEMENT COMMITTEE / REGIONAL AREA MANAGERS	10%	50%		40%	
COUNTRY MANAGEMENT COMMITTEE	10%	10%	40%	40%	
MANAGEMENT / MANAGEMENT EXPERTS / MANAGEMENT ASSOCIATES	10%	10%	40%	40%	
MIDDLE MANAGERS / EXPERT ADVISORS	5%	5%	30%	60% (MIDDLE MANAGERS) / 30% (EXPERT ADVISORS)	30% (EXPERT ADVISORS)
ADVISORS AND ASSOCIATES	5%	5%	10%	20%	60%
CONTACT CENTER MANAGER	5%	5%	5%		85%

In addition, during this past fiscal year, 27,591 people were assigned annual variable remuneration systems, representing 85.31 percent of the total workforce.

Performance evaluation

MAPFRE has a global and standardized performance evaluation process, which is available to 98 percent of the workforce. It was developed in line with the most current trends that are applied in the most advanced organizations and whose process can be followed by people and their managers through a platform. The process complies with the premises of agility, continuous feedback and a multi-source system, offering a broad vision of the perception of the employee's performance in all its perspectives (Self-assessment, Direct Report, Subordinates, Peers, Internal Clients), that is, with a 360° vision.

The evaluation process places the employee at the center of the process, gives him the opportunity to become the protagonist of his development and serves to better identify and manage potential, contributing to the development of people.

In 2021, a total of 28,494 employees participated in the process, which represents 96 percent of the workforce. (Banco do Brasil is excluded from the workforce data).

The model incorporates important stages.

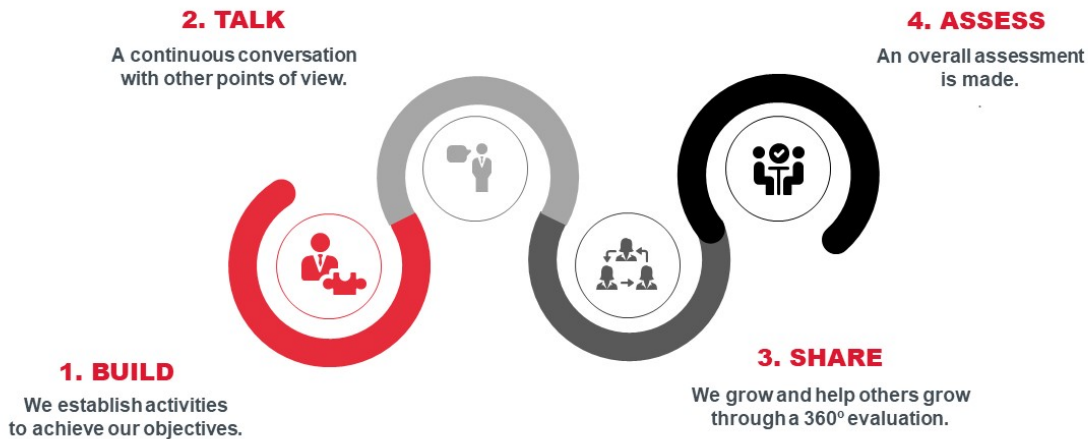
- The activities are defined, which are the steps to be taken to achieve the objectives and which are followed up during the year.
- An ongoing conversation is maintained with the manager and other colleagues through the ongoing feedback process.

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- A 360° evaluation based on the new behaviors of MAPFRE (Collaborate, Innovate and Be Agile for employees and Respect and Communicate in addition for Superiors) is incorporated together with the feedback.

NEW EVALUATION MODEL

WHAT DOES IT INCLUDE?



1

Recognition plan

In 2021, more than 21,000 employees from 22 countries participated in the different local and global recognition programs, and more than 4,000 employees were awarded different types of recognition for their contribution to the implementation of the strategy, quality contributions, innovation, and dissemination of MAPFRE’s culture and values.

Pay gap

In 2018, MAPFRE defined and applied a salary gap calculation methodology, which was verified by the consulting firm Ernst & Young (EY). It calculates two types: the gross gap and the adjusted gap. In both cases, it is common to use the following terminology: Gender pay gap y Equal pay gap, respectively.

The gender pay gap is calculated as follows:

$$\text{GENDER PAY GAP} = \frac{\text{MEDIAN SALARY MEN} - \text{MEDIAN SALARY WOMEN}}{\text{MEDIAN SALARY MEN}}$$

The most precise measure is one in which the detail can be obtained by homogeneous comparable groups: the equal pay gap. Three factors that have a direct impact on remuneration —job position level, family and seniority—are taken into account to calculate this. These three factors create comparison groups or clusters with which people are grouped with the same criteria for comparison purposes. The formula for calculating this type of gap is:

$$\text{EQUAL PAY GAP} = \sum_{i=1}^N \left(\frac{\text{GENDER PAY GAP IN EACH CLUSTER} \cdot \text{NUMBER OF EMPLOYEES IN THE CLUSTER}}{\text{TOTAL NUMBER OF EMPLOYEES ANALYZED}} \right)$$

Clusters are established at the local level taking these factors into account. If these calculations show that there is a wage gap, action plans are put in place to reduce it progressively. Examples of actions proposed by the countries in these cases include:

- Awareness-raising and information actions aimed at supervisors on the pay gap in general and, in particular, on cases detected in their respective areas that need to be addressed.
- Budget allocation to make the corresponding salary adjustments.
- Analysis with special focus on promotions.

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The overall adjusted gap of the group, considering 99 percent of the workforce (excluding Banco do Brasil and MAPFRE Salud Ars) is shown in the accompanying table.

INDICATOR	DIFFERENCE BETWEEN MEN AND WOMEN (%)
Adjusted average salary gap in fixed remuneration	2.93
Adjusted median salary gap in fixed remuneration	2.54
Adjusted average salary gap in variable remuneration	4.41
Adjusted median salary gap in variable remuneration	1.89

(Please see Note 8 for more information on average remuneration.)

Share-based flexible remuneration plan in Spain

In 2021, MAPFRE launched a stock-based remuneration plan for employees in Spain with the aim of strengthening their bond to the company's strategy and future profit. The plan is aimed at Group employees in Spain and allows them to voluntarily allocate a portion of their remuneration annually to MAPFRE S.A. shares, which will be delivered to them on a monthly basis throughout 2022.

The amounts eligible for allocation range from 300 euros per year (25 euros per month) to 12,000 euros per year (1,000 euros per month), depending on the decision made by each employee who signs up for the plan.

This plan aims to strengthen the emotional bond of MAPFRE employees to the company while, at the same time, binding our work to the future development of the company and receiving the dividends determined annually by the Board of Directors.

In May 2023, MAPFRE will give each employee free shares in proportion to those that they had acquired and held until March 31, as per the limits established in the plan. In order to ensure that the plan benefits as many employees as possible, the company has set a limit of one share for every two purchased up to the first 8,000 euros as a maximum.

A total of 4,704 employees have signed up (43 percent of the workforce in Spain), and each month the company, through MAPFRE Inversión, will hand over the shares corresponding to the monthly amount allocated to the employee, without incurring any charges.

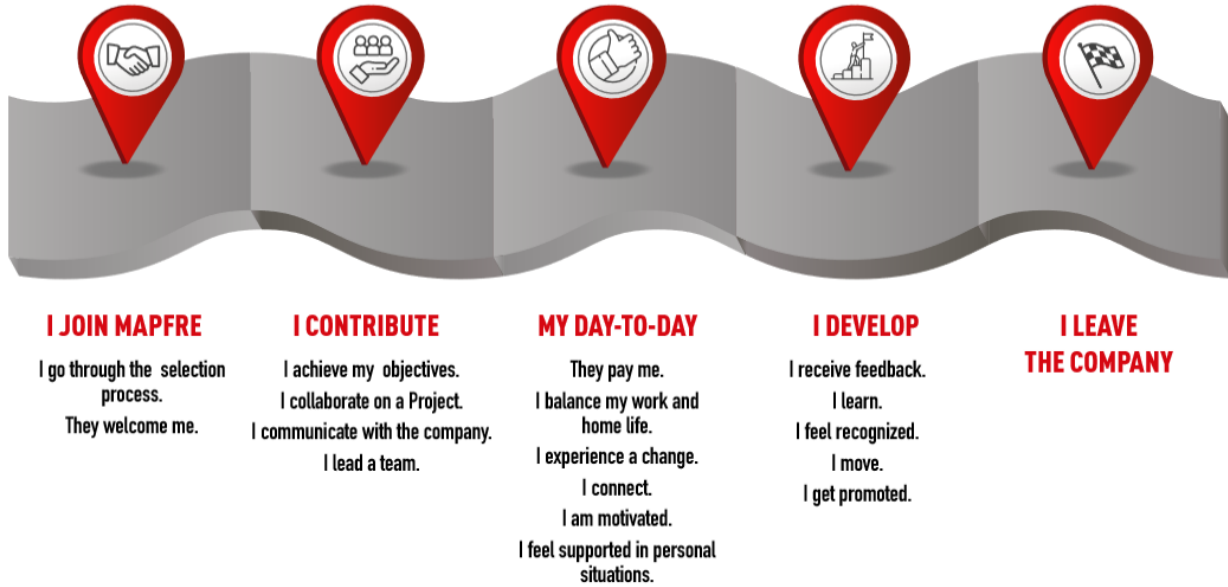
The shares they receive each month through 2022, as well as any additional shares handed over by MAPFRE, fully entitle each shareholder to participate in the company's future dividend.

EMPLOYEE EXPERIENCE

MAPFRE's employee experience management model, on the one hand, outlines the Employee Journey (employee life cycle), identifying the different moments of employee interaction with the company from before joining the company until the moment they leave and, on the other hand, the continuous measurement of employee satisfaction and engagement.

MAPFRE EMPLOYEE LIFE CYCLE

MAPFRE People
Talent and commitment



In 2021, MAPFRE consolidated the employee experience listening and continuous measurement model, which allows the company to monitor the employee experience and make decisions that have a positive impact on their daily lives based on qualitative and quantitative data.

This model measures three specific aspects:

Recommendation, satisfaction, and engagement

- Company recommendation: Relational eNPS®: Measures the probability of employees recommending MAPFRE as a good company to work for. It was measured in 19 countries in 2021. Of the total workforce measured, 85 percent corresponds to countries with a very good or excellent Employee Net Promoter Score. The target for 2021 was 85 percent.
- Level 1 and Level 2 root causes delve into the main reasons why an employee recommends working for MAPFRE to a lesser or greater extent. The following are the reasons for the highest recommendation:

The conditions and benefits that MAPFRE offers us:		Development possibilities
Stability		Improving employability as a professional
Social benefits		Promotion possibilities

- Direct report recommendation rate: Leader Index: Measures the degree to which employees would recommend their supervisors. In 2021, on a recommendation scale of 0 to 10, 62 percent of employees gave a score of 9 or 10.
- Engagement: Employee Satisfaction Index: Measures employee engagement through an evaluation of the following 10 factors: knowledge of the objectives, pride in the work performed, recognition for the work performed, contribution to the company, receiving quality feedback, development opportunities, collaboration, work tools, care for people, pride in the social impact. This measurement accounts for more than 61.5 percent of employees.

Elements that impact employee engagement:

- Knowledge of the objectives
- Pride in the work performed

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- Recognition for the work performed
- Contribution to the company
- Receiving quality feedback
- Development opportunities
- Collaboration
- Work tools
- Caring for people
- Pride in the social impact

The engagement index in 2021 stood at 71, which corresponds to the percentage of employees who rated the ten variables analyzed with an average score of 8, 9, or 10. The goal for 2021 was 65.

Engagement level by gender

Men	72%
Women	71%

Engagement index by age group

25 or under	76%
26 to 37	71%
38 to 49	70%
50 to 64	73%
65 or over	74%

Engagement index by job position level

Associates	72%
Advisors	68%
Middle managers	78%
Executives	85%

Employee journey

The MAPFRE Employee Journey consists of 18 moments of truth measured through:

- Focus groups with groups of employees that make up a representative sample of the workforce and focus groups with groups of employees that make up a sample of specific groups (e.g. young people, senior profiles, strategic profiles, expatriates, new hires, those who have been recently promoted, etc.). The latter groups will work on moments of truth when they may need a different experience than the whole employee group.

- Transactional eNPS® questionnaires. This measurement is made through short questionnaires that are managed with the Qualtrics tool implemented this year at MAPFRE.

Employee legal representatives

MAPFRE maintains a permanent and direct dialog with employees, reporting information on all relevant considerations, listening to their opinions, and requesting their active participation through different channels, such as legal employee representation.

Fifty seven percent of the workforce is represented by legal representatives. It should be noted that countries such as Venezuela, France, Spain and Brazil have 95 to 100 percent of their workforce represented.

Given that collective bargaining is not structured in the same way in all countries, MAPFRE does not have an applicable collective bargaining agreement in several countries because the legal, social, business, or sector conditions are not in place. As a result, MAPFRE has 18,816 employees covered by collective bargaining agreements in 12 countries.

Nevertheless, it should be noted that MAPFRE's collective bargaining agreement coverage in the following countries is significant:

Country	% of employees covered by collective agreement
Brazil	100 %
Spain	100 %
Italy	99%
Uruguay	100 %
Venezuela	100 %
Portugal	91%
Malta	86%
Argentina	75%
Greece	41%

The relationship between the company and the legal representation of the workers is managed via the following channels:

- Within the participation bodies of the company with the legal representatives of the workers and formal commissions.
- Regular meetings agreed by both parties.
- Direct contact via phone or email.

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Legal representation of the workers also communicate with employees through specific email accounts or spaces on the intranet, visits to work centers and spaces for meetings or assemblies that the company facilitates for communication and dialogue with employees.

In 2021, the main collective bargaining agreements reached with the legal representation of workers were as described below.

- In Spain, of the eight agreements reached, the following stand out: the election concentration agreement, signed with both union sections, which establishes the guidelines for holding union elections throughout Spain; the agreement to regulate the procedure and management of requests for rest days generated by the work on interweekly holidays at contact centers and the Equality Plans at the Verti and CESVIMAP companies.
- In Germany, of the 14 agreements reached, the most notable are the agreements on data protection for employees, the agreements on working time and shift management, the agreements on health measures deriving from COVID-19 and the agreement on salary increases;
- In Argentina, the two salary update agreements reached for the year 2022 stand out;
- In Brazil, the negotiation of the collective agreement was notable;
- In Peru, the collective agreement for the year 2022;
- In Malta, the agreement on reconciling personal and family life;
- In Venezuela, of the total of nine agreements reached with the legal representation of the workers, the agreements regarding improvements in the coverage of the policies for employees stand out, as well as the agreements to review certain salary items are worthy of mention.

Work-life balance and well-being

Digital Disconnection

As part of the digital transformation, MAPFRE has moved toward more flexible work organization models that streamline customer outreach while improving talent attraction and retention and promoting work-life balance. However, this new work model and the potential for remaining connected can blur the boundaries of working time and sometimes result in work-related issues interfering with a person's ability to enjoy their free time. For this reason, MAPFRE has approved the "Policy regulating the digital disconnection of MAPFRE employees," which establishes a culture of respect for others' time. This policy expressly recognizes the right of workers to disconnect from work and communication tools provided by the company outside working hours, establishing express measures for exercising this right. These measures govern the times at which communications should not be sent and no response should be expected, except in exceptional and justified circumstances, as well as guidelines for planning and holding meetings.

To ensure proper implementation and promote a culture that respects employees' right to rest, the policy is complemented by a change management plan featuring training resources related to disconnection and rest, reasonable use of technological resources, and awareness of respect for personal rest time.

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Work-life balance measures	No. of employees benefiting
Flexible work schedule	18,083
Part-time work arrangements	2,327
Reduced workday	1,048
Teleworking	2,345
Paid and unpaid leave	15,813
· Parental leave	573
· Maternity leave	919
Sabbaticals for study/family purposes	31
Employee reintegration program following a protracted leave of absence	125

Type of social benefit	Percentage of employees who enjoyed social benefits from among the entitled employees
Health insurance	95.4%
Retirement/Life insurance systems	97.8%
Insurance discounts	71.1%
Length of service awards	33.1%
Educational grants for the children of employees	37.5%
Newborn child bonus	3.5%
Loans	13.5%

All benefits are offered regardless of whether employees are on permanent or temporary contracts. The amount allocated to social benefits in 2021 totaled 156.92 million euros.

Aid was also made available to employees for special situations, normally resulting from health problems. The amount of this aid totaled 551,280.75 euros in 2021. Financial aid has also been granted to retired employees in the amount of 847,567.83 euros, of which 826,725.21 euros are bonuses on retiree health insurance.

MAPFRE has a Health and Well-Being Policy and an Occupational Risk Prevention Policy in place, approved by the MAPFRE S.A. Board of Directors on July 23, 2015, the general principles of which are:

1. Achieving a healthy working environment that provides well-being and allows all employees to carry out their work in the best physical, mental and social conditions.
2. Achieving an optimal level of occupational safety, beyond mere compliance with regulations in the area of prevention of occupational risk.

MAPFRE also adopts a prevention model through which workers may actively participate in everything that might affect their health and safety at work, for which there are legally established representation channels. A total of 28,307 employees, or 87 percent of the workforce, are represented on joint management-employee health and safety committees, which have been set up to help in monitoring and advising on this matter. Some of the main issues discussed in these committees are:

- Evacuation and emergency control plans.
- Frequency and content of medical examinations for employees.
- Occupational health and safety management systems.
- Return after long-term casualties.
- Specific studies of job positions.
- Health monitoring plans.
- Performing occupational risk assessments in the workplace.
- Analysis of labor casualties and absenteeism.

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MAPFRE has a healthy company model that systematizes the actions to be carried out in terms of promoting both physical and mental health, in the work environment as well as in our employees' personal and family lives. The model considers five areas in which the company can work in terms of health: workplace, personal environment, health promotion, nutrition and physical activity, and mental well-being. The MAPFRE health promotion strategy involves working on the main causes of death and illness around the world, which according to the WHO and other international organizations essentially means intervening for the prevention of non-communicable diseases and for psychological-emotional well-being.

Of those who employees who enjoyed maternity and paternity leave, 85.7 percent of women (834 out of 973) and 90.9 percent of men (472 out of 519) returned to work. Out of the 1,476 individuals who took maternity and paternity leave in 2020, 1,230 remained in the workforce, giving a retention rate⁹ of 83.3 percent.

⁹ **Retention rate:** (total number of employees retained 12 months after returning from parental leave/total number of employees who return after parental leave during the reporting period) *100

	2021	
	Men	Women
WORK-RELATED ACCIDENT FREQUENCY RATE	28.75	19.37
OCCUPATIONAL ILLNESS FREQUENCY RATE	0.56	0.23
INCIDENCE RATE OF OCCUPATIONAL ILLNESSES	13.57	5.48
INCIDENCE RATE OF WORK-RELATED ACCIDENTS	691.99	471.03
RATE OF LOST DAYS	1.14	0.63
EMPLOYMENT ABSENTEEISM RATE	0.11	0.06
FREQUENCY INDEX	4.27	2.87
SEVERITY INDEX	0.16	0.09
DEATHS FROM WORK-RELATED ACCIDENTS	—	—
DEATHS FROM OCCUPATIONAL ILLNESS	—	—
NO.OF WORK-RELATED ACCIDENTS *	102	86
NO. OF OCCUPATIONAL ILLNESSES	2	1
NO. OF HOURS LOST THROUGH ABSENTEEISM DUE TO NON-WORKPLACE ACCIDENTS AND COMMON ILLNESSES	643,453	1,097,948

(*) The most frequent causes of work accidents are those that occur when going to or coming from work (slips, falls and traffic accidents).

See Note 9 Work-related accident data: calculation method. Includes claims COVID-related claims.

MAPFRE's objective is to improve annually based on the 2019 data.

Year	Absenteeism rate (% of days lost over total no. of days)	% of employees forming basis of calculation
2021	2.99	100
2020	2.72	100
2019	3.07	100

Calculation of the Absenteeism Ratio: Number of days of absence / Total days of work x 100. (7.3 hours per day and 248 days/year per employee are considered.)

One of the key factors in the healthy company model is training in health and healthy habits, and prevention of work-related risks. In this regard, in this fiscal year:

- Employees received a total of 35,944 hours of specific training.

For more information on the activities carried out within the Group, see the MAPFRE People and Organization Report 2021.

Health and protection first and foremost

Since the start of the pandemic, protecting the health and safety of employees, customers, and partners has been a priority for MAPFRE. With the onset of the crisis, the company established specific action protocols:

- Occupational Health Action Protocol to guarantee the best preventive and protective measures against Covid-19 for workers returning to the workplace.
- Occupational Risk Prevention Action Protocol to be implemented as part of reincorporation and/or recovery of normal activity in work centers.

These protocols have continued to be applied, although they have been adapted in line with the evolution of the pandemic.

Thus, to ensure safe de-escalation and reduce the risk of transmission, special measures have been adopted for the most vulnerable groups. MAPFRE also disseminates information on the virus and its symptoms and maintains prophylactic measures. Medical services continue to follow up on employees who are infected or who show symptoms, and they deploy actions to support employees and their families, with psychological counseling available to more than 80% of employees worldwide.

A plan was also been put in place for progressive reincorporation into offices, with the main objective of protecting the health of workers. During this phase, prevention and prophylactic measures are established to reinforce the safety of all employees in their workplaces, alternating office work with remote working.

All facilities have been equipped with adequate safety and security measures. COVID-19 protection plans have been certified in Spain by AENOR, which has recognized more than 350 of the company's facilities as MAPFRE Safe Spaces.

MAPFRE has consistently informed all employees of all relevant occupational health and safety measures, which have always been available on the "COVID-19 More United than Ever" site on the Corporate Intranet.

4.5. GENERATING BUSINESS FOR PROVIDERS

MAPFRE aims to ensure ethical and socially responsible behavior on the part of all service providers who serve either the Group or customers directly. This comes in addition to an adequate level of quality in the provision of the service and high standards of internal control in all phases of the process.

To this end, it has a procurement standard which aims to establish economic, environmental, social, and governance criteria, as well as mandatory principles that must be respected when entering into contracts on behalf of the company.

The Group's Code of Ethics and Conduct establishes a specific section for providers and collaborating companies that determines the framework governing commercial relationships.

The Group works with more than 150,000 providers who bill over 4.33 billion euros. They are classified into two categories: service providers (those who provide services arising from insurance contracts or services offered by the Group's insurance companies or their subsidiaries to customers) and support or general providers (those whose end customer is any MAPFRE Group company for activities such as supply management, consulting, printing, etc.).

To strengthen the relationship with providers and offer better customer service, MAPFRE furnishes a range of materials, training dossiers, procedures, tools, and online or in-person courses, which facilitate providers' work and provide knowledge on several topics such as legislative changes, technological developments, as well as other relevant issues in the field of sustainability.

Service Providers Operating Management Model



Service providers impact customers' perception of MAPFRE. Therefore, given its relevance, the company has created a Providers Operating Model within the framework of the strategic initiative "Service Providers as Brand Ambassadors."

The model is based on the application of the following general principles: customer guidance, optimization of contact with the customer, dedication to service, cost optimization, and Corporate Social Responsibility.

A shared contribution system is based on the idea of continuous feedback between the commitments taken on by MAPFRE and by the provider. This means that any increase in the relationship in the model implies new commitments will be taken on by both parties. These commitments make it possible to establish different categories of providers, depending on the degree of their relationship. The highest category is "Brand Ambassador," whose members meet the most demanding standards of service and professionalism.

Brand Ambassadors full commitment to MAPFRE is exemplified by their participation in the business model, whereby they prescribe the MAPFRE brand, display the company's image, and contribute their knowledge to the design of new products and services.

PROVIDER CATEGORY DEFINED BY MAPFRE AND MUTUAL COMMITMENTS:

	MAPFRE'S COMMITMENTS	PROVIDER'S COMMITMENTS
 KNOWN	<ul style="list-style-type: none"> Transaction relationship: Sporadic collaboration under an agreement limited to service delivery and service payments 	
 RECOMMENDED	<ul style="list-style-type: none"> Occasional services assignment derived from strategic and/or operational necessities Professionalism and solvency in service payments 	<ul style="list-style-type: none"> Quality valued-added service delivery Legal requirements compliance Corporate Social Responsibility adoption and fulfillment Integrity in service delivery
 RECOMMENDED+	<ul style="list-style-type: none"> Willingness to maximize provider capacity by assigning more services Technical and new functions training Increase Provider's portfolio of services 	<ul style="list-style-type: none"> Participation in the company's financial model Integration with MAPFRE's service management processes
 AMBASSADOR	<ul style="list-style-type: none"> Assignment priority New collaboration opportunity proposals Recognition of provider's contribution to MAPFRE's business development 	<ul style="list-style-type: none"> MAPFRE brand ambassador Service management participation Collaboration in new products and services development

In 2021, the new Providers Operating Model was implemented in 16 countries as an evolution of the Brand Ambassador Project. The aim of this model is to ensure greater control over the main efficiency, cost, and quality indicators in all the countries in which the Group operates.

Global Procurement Model for Support Providers

The procurement strategy is defined centrally and is implemented in a decentralized manner by each country through its procurement group, which have the authority to enter into contracts.

The procurement model is devised on the basis of five fundamental aspects:

- Rules and Procedures:** General Procurement Rules and Procedures, in addition to the local procedures of each country/organization with local specificities.

- Function Governance:** Centralized strategy defined by Corporate Procurement and executed autonomously by the different countries and organizations.
- Procurement Process:** Defined globally but adapted to the peculiarities and size of the organizations.
- Organizational Structure:** Specialized and professional procurement teams with support from Corporate Procurement.
- Procurement System:** Global Procurement System (SAP) with consolidated information at the group level. The SAP evolution (ARIBA) for procurement management is currently being implemented as part of a five-year project.

Sustainable provider management

Responsible and sustainable provider management is one of the company’s priorities in terms of sustainability. Comprehensive provider management implies executing the necessary training, control, supervision, and remediation to ensure that the sustainability practices carried out by providers are aligned with those of MAPFRE and that the standards defined by the company are met.

Therefore, within the framework of the Sustainability Plan, MAPFRE has developed a methodology for determining ESG approval of providers. This process includes, in addition to assessing the provider’s sustainability practices, training and awareness-raising on human rights and the 2030 Agenda.

In the last three years, this model has been deployed for service providers in Spain, Brazil, the United States, Mexico, and Colombia, as well as for support providers in Argentina, Honduras, Spain, Mexico and Paraguay.

Sustainable management of support providers is underway as the corporate tool is being implemented to consolidate and homogenize information. In 2021, the approval tool was deployed in Spain, Mexico, Argentina, Honduras, and Paraguay. It is expected that more countries, such as the United States, Brazil, and Puerto Rico, among others, will be included in the next two years.

ESG approval process

Approval is a mandatory process for selected providers. It involves a process of assessment, monitoring and repair, which begins with the initial analysis of the sustainability practices of providers. This analysis is carried out through a specific questionnaire that includes the following risk factors:

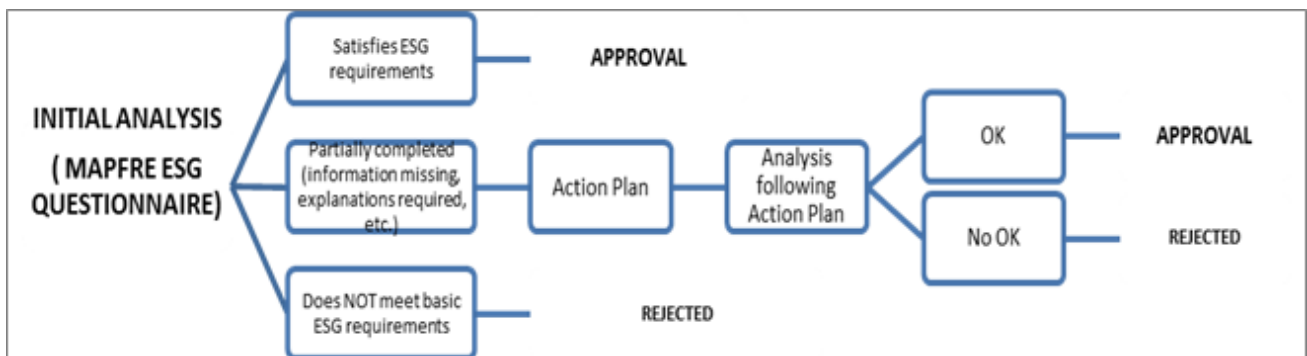
- Occupational health and safety of workers.
- Anti-corruption practices in all its forms (including extortion, bribery and fraud to obtain competitive advantages)
- Human rights: Child and forced labor, basic labor rights, etc.
- Environmental practices and sanctions.
- Inclusion, diversity and non-discrimination.
- Information security and data privacy.

Based on the answers that the providers provide in the questionnaire, the process continues with the following steps:

- If all the criteria are correct, it proceeds to its ESG approval and
- Otherwise, an action plan is proposed with measures to reverse, repair and/or mitigate the situation.

Through this system, a risk map can be established and mitigation measures included, via action plans.

ESG APPROVAL PROCESS



Approval of service providers

During the three years of the Sustainability Plan, distinguished providers (Brand Ambassadors, Recommended+ and Recommended) in the automobile and homeowners lines were deployed and approved in five of the Group’s most important countries: Spain, USA, Brazil, Mexico, and Colombia.

At a general level, this selection of providers represents an average of 57.88 percent of the services that MAPFRE provides in the different business lines and represents 66.7 percent of revenues, which shows the wide coverage of the ESG certification. Note that the selection of these providers has been carried out since 2019 and as more providers are approved, these percentages have been decreasing.

As a result, since the approval project began in 2019, 4,325 suppliers have participated in the process, and 100 percent have been approved, and of these, 27.94 percent, in order to be considered approved, have been guided through various awareness programs to develop their commitment to integrating people with disabilities into their staff.

One hundred percent of providers have been educated on and trained in human rights (using content developed by the Spanish Global Compact Network) and in the United Nations 2030 Agenda. In this way, MAPFRE more than fulfills the pertinent objectives (75 percent employees instructed on human rights and 50 percent on Agenda 2030). As a result of the process, stakeholders have identified the need to raise awareness on the integration of people with disabilities.

ESG approval of support providers

In 2021, a total of 757 support providers were approved, as shown in the accompanying table.

Country	No. of approved providers	% billing in 2021 over total
Spain	547	79.7%
Mexico	71	71.4%
Argentina	53	78.3%
Paraguay	72	56.0%
Honduras	14	43.6%

Other ESG provider supervision, audit and control processes

In addition to the supervision and control work carried out within the framework of ESG approval, MAPFRE carries out other actions that contribute to conveying and ensuring that the behavior of suppliers is aligned with MAPFRE’s values, policies and standards.

Environmental aspect:

Within the scope of SIGMAYEc³ certification (ISO 14001, ISO 50001 and ISO 14064), legal compliance audits have been carried out on building installation maintenance companies, with the verification of all industrial safety regulations and environment that is applicable to them for the development of their activity in our facilities.

In 2021, 11 audits of facility maintenance providers were carried out in Spain. The result of the audits was satisfactory and the resulting non-conformities and observations identified were resolved during the certification process.

Security of information:

In 2021, a methodology was developed to manage the security risk of third-party information, with this methodology it is intended to ensure that suppliers comply with the standards required by MAPFRE in this matter. This project has an impact on the bidding, contracting and execution phases of the contracted works. During this first year, a pilot was carried out in which 11 main providers contracted by Corporate Security were evaluated, with positive results. In the coming years the model will continue to be developed and its scope expanded.

Fraud and anti-corruption:

Within the framework of support provider management, an audit on corruption was carried out in 2021 at the highest governance layer to ensure that none of the ultimate beneficiaries are involved in legal proceedings, are the subject of sanctions or are on blacklists for these issues. In total, 48 providers were analyzed, representing 70 percent of MAPFRE S.A.’s billing. In no case have the ultimate beneficiaries of the requested companies, both individuals and companies, been found to have any type of sanction or negative evidence on corruption issues.

Specific activity controls for business providers

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At MAPFRE Spain, activity checks are carried out periodically on providers in the Homeowners (repairers) and Automobile (tow trucks and workshops) business lines. These controls involve questionnaires, requests for evidence and physical visits to verify that all requirements are being implemented, as well as mitigation and redress actions in the event of deviations from established norms. The main issues that are evaluated are: technical issues and quality of service, occupational risk prevention, fight against fraud and regulatory compliance in tax and labor matters. The main data for 2021 are as follows:

- a. Homeowners: more than 4,000 suppliers providers (100 percent of the portfolio), 34 providers eliminated due to failure to provide the required information.
- b. Repair shops: 2,479 providers reviewed.
- c. Tow trucks: 1,059 suppliers reviewed, 13 deviations found and resolved with action plans.

4.6. OUR FOOTPRINT, SHARED VALUE

The MAPFRE Group is oriented towards creating and distributing value to all its stakeholders through its business operations and social actions and by complying with its public commitments within the international frameworks on labor and human rights.

Social footprint: value creation and distribution

The creation of value is based, in addition to these commitments in labor matters, on the commitment to diversity and knowledge, promoting innovation and job opportunities for all generations; the sustainable management of operations, especially through the sustainable management of providers and the strengthening of the sales network and, ultimately, the promotion of sustainable business, through the analysis of the impact on the Sustainable Development Goals of its investment portfolio and its direct contribution to the 2030 Agenda.

In addition to the benefit that all this generates for society, other elements should be considered as well, namely, MAPFRE's volunteer activity, donations and direct collaboration with not-for-profit organizations, as well as the distribution of dividends to its shareholders, one of whom is Fundación MAPFRE.

How MAPFRE creates value for society and how it is distributed among its stakeholders is shown in the accompanying table.

Creation and distribution of value in MAPFRE

Distribution of value		Shareholders	Society		Companies and Society
		€614.3 million in dividends paid to shareholders during the fiscal year	€15.2 billion paid out in benefits		

Creation of value			Investment	Underwriting		Sustainable Business	
			€34.3 billion in third-party funds under management	€22.2 billion in total written and accepted premiums			
			€46.2 billion in own investments	1,572,535 clients benefiting from new products and services developed through MAPFRE Open Innovation initiatives			
			Providers	Sales Network			Sustainable Operations
			€4.9 billion paid over to provider				
			MAPFRE maintains service and commercial relationships with more than 150,000 providers	77,754 agents, delegates and brokers work with MAPFRE			
			100% of providers approved under ESG criteria have received sensitivity training in human rights and the UN 2030 Agenda	10,412 bancassurance offices (4,368 in Brazil, 5,829 in Spain, 120 in the Dominican Republic, 56 in Mexico and 39 in Malta)			
			€67,670,11 euros spent on contracts with special employment centers or analog companies		4,942 direct and delegate offices		
			Opportunities for Young People	Innovation	Diversity		Diversity and Knowledge
322 agreements with universities, business schools and third-level institutions			MAPFRE Open Innovation initiatives in 14 countries		55.6% of the current workforce are women and they also hold 41.6% of job positions of responsibility		
					People with disabilities comprise 3.5% of the workforce		
424 students completed internships in the Group in 2020/1, spread across 20 countries			5 CESVIMAP research and development centers in 5 countries (Spain, Argentina, Brazil, Colombia, Mexico and France)		86 nationalities and 5 generations work together in MAPFRE		
		173 people are taking part in the global mentoring program					
Health and Well-being		Employment		Flexibility and Conciliation		Minimum Guarantees	
35,944 hours dedicated to training employees in health and well-being issues		31,478 employees on fixed contracts		58% of employees avail of a flexible schedule			
		87% of the workforce is represented on worker-management joint committees		€1.6 billion paid in wages, salaries and other emoluments			1,492 employees availed of maternity and paternity leave in 2021
36% of published vacancies were covered through internal mobility, and 41% of them represented a promotion				2,345 employees on teleworking employment contracts			€156.9 million invested in social benefits for employees

MAPFRE S.A.
Contribution to Agenda 2030

MAPFRE's sustainability strategy includes specific challenges aimed at disseminating and raising awareness of the 17 Sustainable Development Goals. In particular, it focuses on seven of them, aware that its actions generate an impact on the other 10 SDGs. (For more information, please see Note 10 Contribution to Agenda 2030).

From a general vision and impact management standpoint, the Group orients its contribution both inward, improving its ESG procedures and performance, and outward, developing products and services for all its stakeholders.

The main contributions made by MAPFRE to the 2030 Agenda over the course of 2021 in terms of the seven SDGs deemed as priority for the company, and their impact on the other 10, is shown in the accompanying table.

SDG	Principal Contribution
1 No Poverty	Note 6 Sustainable Products details those products and services that respond to social challenges and the problems faced by socially disadvantaged groups.
3 Good Health and Well-being	In 2021, €1.4 million were invested in actions to promote physical and psychological health, both in the work environment and in employees' personal and family environments.
	1.7 million hours lost due to absenteeism due to non-occupational accidents and common illnesses. Reduction of 0.08 percentage points in the absenteeism ratio compared to the base year (2019).
8 Decent Work and Economic Growth	The global adjusted pay gap on the group's fixed remuneration, considering 99% of the workforce, is 2.93%, a percentage equivalent to that of the previous year.
	100% of the providers included in the approval process in 2021 have already completed human rights awareness programs.
	1,357,860 companies benefit from the coverage offered by products specifically designed to protect the risks inherent in their commercial activities.
11 Sustainable Cities and Communities	More than €212,000 assigned to investigate road traffic accidents and reduce the accident rate.
	CESVIMAP has evaluated the ADAS systems of 77 different vehicles, extrapolating results to multiple different versions. 87% of the models present in the MAPFRE Spain catalog are covered.
13 Climate Action	The total photovoltaic generation in 2021 was 586,322 kWh, which is equivalent to 5% of electricity consumed from own generation.
	13 international headquarters hold sustainable building certification, which represents 34.6% of the floor area of MAPFRE's main facilities.
16 Peace, Justice and Strong Institutions	In 2021, 3,773 employees received 4,762 hours of training in prevention of money laundering.
17 Partnerships for the Goals	The expense corresponding to contributions from trade and institutional organizations that help create a more comprehensive and global vision of the environment in which the insurance industry operates, its impacts and the risks and opportunities inherent, was approximately 2.8 million euros in 2021.

Likewise, MAPFRE contributes to the 2030 Agenda through the management of its asset portfolio and that of third parties, as well as through its underwriting and assistance business. Furthermore, with the help of all its employees, the Group is significantly expanding its contribution to different SDGs

Contribution to the 2030 Agenda from the business

MAPFRE has proven capacity to channel the resources entrusted to it by its clients, as well as its own assets, towards sustainable investments with a positive social impact in terms of the 2030 Agenda. As an investor in public debt, MAPFRE not only creates value for all its stakeholders, but also contributes to social welfare and the protection of citizens. In its role as a buyer of debt and other corporate assets, it favors, among other things, the creation of wealth and employment. (For more information, please see 3.3. Risk management and sustainability in the business).

The Group's contribution to the 2030 Agenda materializes mainly through risk coverage, through compensation or the provision of services. Since its inception, MAPFRE has been helping families, companies and institutions to recover from the impact of claimable events. In 2021, more than 15.2 billion euros were paid out in the form of benefits.

Beyond direct benefits, MAPFRE supports communities that are affected by natural disasters. As an example, MAPFRE ESPAÑA approved a plan of extraordinary measures to support its policyholders affected by the eruption of the Cumbre Vieja volcano on the island of La Palma. Among the measures is an individual economic payment of 9,000 euros to those clients who have lost their principal residence.

As part of its strategic plan, MAPFRE ASISTENCIA has taken on the challenge of generating business models that reflect the Sustainable Development Goals undertaken by MAPFRE, including indicators for new products with a positive impact on the 2030 Agenda.

Expanding people's contribution to the 2030 Agenda

The company is also committed to boosting its contribution to the 2030 Agenda through the promotion of corporate volunteering. (For more information, please see the People and Organization Report 2021.)

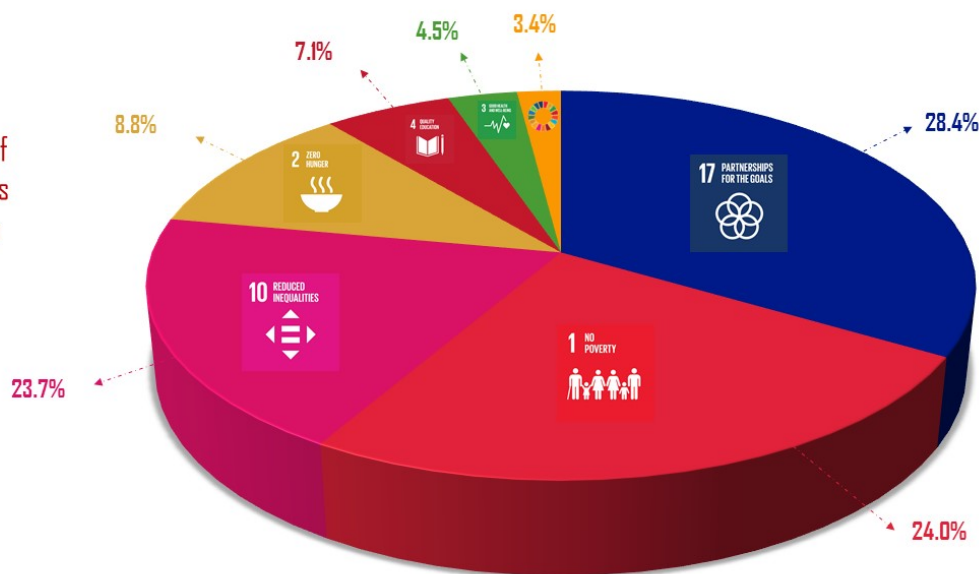
The program, whose management is certified by AENOR, mobilized more than 4,247 volunteers, including employees and their family members, in 2021. It carried out more than 1,391 activities around the world related to education, nutrition, health, and emergency aid, among others, with a direct impact on 169,000 people. More than 12 percent of the global workforce has had a volunteering experience.

KEY DATA FOR 2021

GENERAL IMPACT OF VOLUNTEERING IN 2021 ON THE SDGS



General distribution of the impact of activities carried out in 2021 on the SDGs



KEY DATA FOR 2021

ECONOMIC DISTRIBUTION OF FUNRAISING FOR THE SDGS

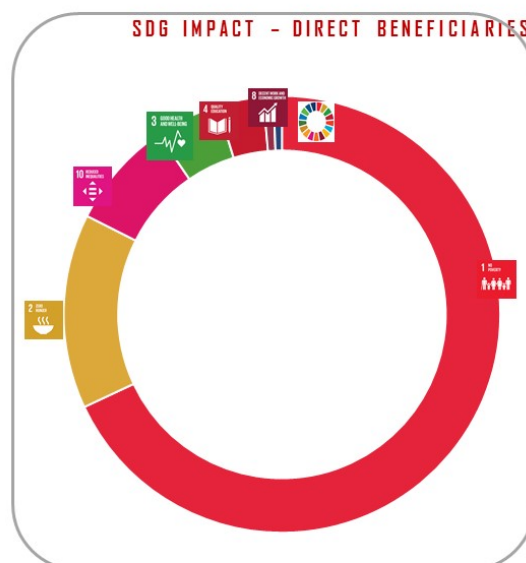


SUSTAINABLE DEVELOPMENT OBJECTIVE	TOTAL IN EUROS	PERCENTAGE
10. REDUCED INEQUALITIES	10,299	29.48%
2. ZERO HUNGER	10,065	28.81%
1. NO POVERTY	5,878	16.83%
17. PARTNERSHIPS FOR THE GOALS	5,610	16.06%
3. GOOD HEALTH AND WELL-BEING	1,512	4.33%
4. QUALITY EDUCATION	1,373	3.93%
VARIOUS SDGS* (11, 15 AND 13)	196	0.56%
TOTAL	34,933	100.00



DISTRIBUTION OF SDG IMPACT - DIRECT BENEFICIARIES

SUSTAINABLE DEVELOPMENT GOAL	DIRECT BENEFICIARIES	PERCENTAGE IMPACT
1. NO POVERTY	114,966	68.02%
2. ZERO HUNGER	24,355	14.41%
10. REDUCED INEQUALITIES	13,548	8.02%
3. GOOD HEALTH AND WELL-BEING	8,090	4.79%
4. QUALITY EDUCATION	5,747	3.4%
8. DECENT WORK AND ECONOMIC GROWTH	1,245	0.74%
OTHER SDGS	1,058	0.63%
TOTAL	169,008	100.00



MAPFRE's staff takes part in other social projects such as the "Solidarity Euro" in Spain and "Together We Give+" program in the United States. This initiative offers employees the opportunity to donate one euro/dollar per month from their payroll to a social project of their choice, with the commitment that, for every euro/dollar donated, MAPFRE donates another.

Economic footprint

The economic footprint of the Group is reflected in the heading "Creation and distribution of value in MAPFRE". Additionally, insurance activity produces a direct economic impact in the form of the constant flow of transactions carried out and the payment of taxes.

Fiscal transparency

Regarding the payment of taxes in the countries in which the Group does business, MAPFRE is fully aware of the importance of taxes, necessary to support public spending and social development in the countries in which it operates, and this has been the case since its inception.

In 2021, the net payment for income tax was 329.2 million euros. To consult the data by country, please see Note 11 Main fiscal data by country.

The effective tax rate for each region and the reinsurance business is shown below.

Company tax rates
(Effective tax rates)

Geographic area	2021
Iberia	23.5%
Brazil	23.5%
LATAM North	25.8%
LATAM South	17.5%
North America	26.0%
EURASIA	31.6%
Reinsurance	20.7%
Total MAPFRE GROUP	23.6%

Tax approach

In tax matters, MAPFRE's commitments and responsibilities are specified in the Group's Tax Policy, approved by the Board of Directors. The Group's Tax Policy is public and can be consulted on the corporate website.

Ethical action on tax matters involves compliance with current tax regulations in all territories in which MAPFRE conducts business, filing and paying the taxes due in each jurisdiction for the transactions conducted, and collaborating with the tax authorities under the terms established in the applicable regulations.

Tax control and risk control

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The MAPFRE Group Tax Advisory Department designs and implements the internal procedures and control mechanisms necessary to ensure compliance with the principles of the corporate tax policy. It reports to the Board of Directors, through the General Counsel, on the tax implications of the issues submitted for its approval when they are relevant for decision-making purposes.

Among the non-delegable powers of the Board of Directors is determining the general policies and strategies of the Company, and in particular: the risk identification, management and control policy, including tax risks, and the supervision of internal information and control systems; as well as the determination of MAPFRE's tax strategy.

The different transactions proposed by the business are analyzed from a tax perspective, choosing the alternative that best suits the needs of the Group with full respect for the local tax regulations of the jurisdiction in which the transaction is intended to be carried out.

All operations related to restructuring processes, alliances, mergers, acquisitions, and disposals of companies are reported by the MAPFRE Group Tax Advisory Department, and the results of the reports are shared with the Executive Committee or the Board of Directors, as appropriate.

As far as operational risks are concerned, there is a reporting system that allows subsidiaries to report any tax incident in the country, as well as the progress of appeal procedures against tax assessments.

Furthermore, transactions between affiliated companies are duly documented in accordance with the requirements of the country in question.

The events associated with these risks are registered and monitored continuously, and they are reported once a year to the Audit and Compliance Committee, as the delegate body of the Board for these purposes.

Environmental footprint

In 2021, MAPFRE renewed its commitment to the fight against climate change, defined in the Corporate Environmental Footprint Plan 2021-2030. The eight lines of action to reduce its environmental footprint are shown in the accompanying chart.

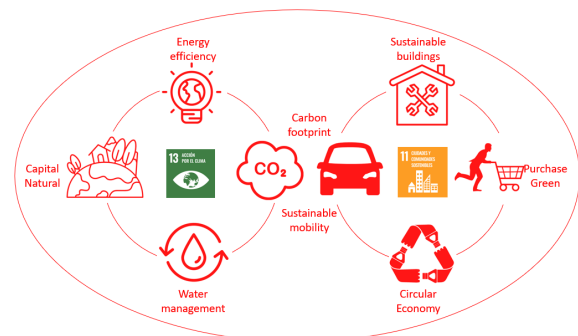
Once a year, the Tax Advisory supervisor reports to the Audit Committee (formed, among others, by several independent Directors) on the application during the fiscal year of the Group's tax policy, detailing the result of the tax inspections that have been completed over the course of the period in the different jurisdictions, as well as the evolution of the existing tax disputes in each of them.

Participation of stakeholders

MAPFRE has participated in the Large Companies Forum since its creation in 2009. The Forum was established at the initiative of the Spanish State Tax Administration Agency with the aim of strengthening collaboration between companies and the State Tax Administration, based on the principles of transparency and mutual trust, through knowledge and the sharing of general problems that may arise in the application of the tax system.

In July 2010, the Plenary Session of the Large Companies Forum approved the Code of Best Tax Practices, to which MAPFRE adhered by agreement of its Board of Directors that same year. On an annual basis, the Audit and Compliance Committee reviews the fiscal policies followed during the year in compliance with the recommendations of this code.

Likewise, stakeholders can notify MAPFRE of their concerns related to unethical or illegal conduct and the integrity of the organization in relation to taxation through the Financial and Accounting Whistleblower channel. (See section 2.4.2 Ethical Behavior: main prevention and compliance measures.)



To learn more about the plan and MAPFRE's environmental footprint, please see the next chapter, Committed to the Environment.

5. COMMITTED TO THE ENVIRONMENT

Action strategy against climate change

Scientific consensus places us at a decisive moment if we want to avoid irreversible change to important ecosystems and the planet's climate system.

MAPFRE, aiming to be an active part of this necessary and urgent transformation toward a low-carbon economy, defines its strategy to combat climate change through the **Corporate Environmental Footprint Plan 2021-2030**, which gives continuity to the previous Energy Efficiency and Climate Change Plan 2014-2020, on this occasion incorporates other decisive environmental variables in the adaptation and mitigation processes.

In line with the defined objectives, the 2021 carbon footprint of MAPFRE companies located in Spain and Portugal¹⁰ has been neutralized. In addition to this milestone, certification of the MAPFRE headquarters, located in Majadahonda (Spain), as a Zero Waste center, in line with the AENOR Regulation, was obtained.

The MAPFRE S.A. Board of Directors also approved, in September 2021, a new update of the **Group Environmental Policy** in which key aspects such as Green Procurement are included and the Circular Economy (via the zero waste initiative) and natural capital are introduced into the Integrated Management System, corporate environmental management model, SIGMAYEc³.

SIGMAYEc³ - our strategic model

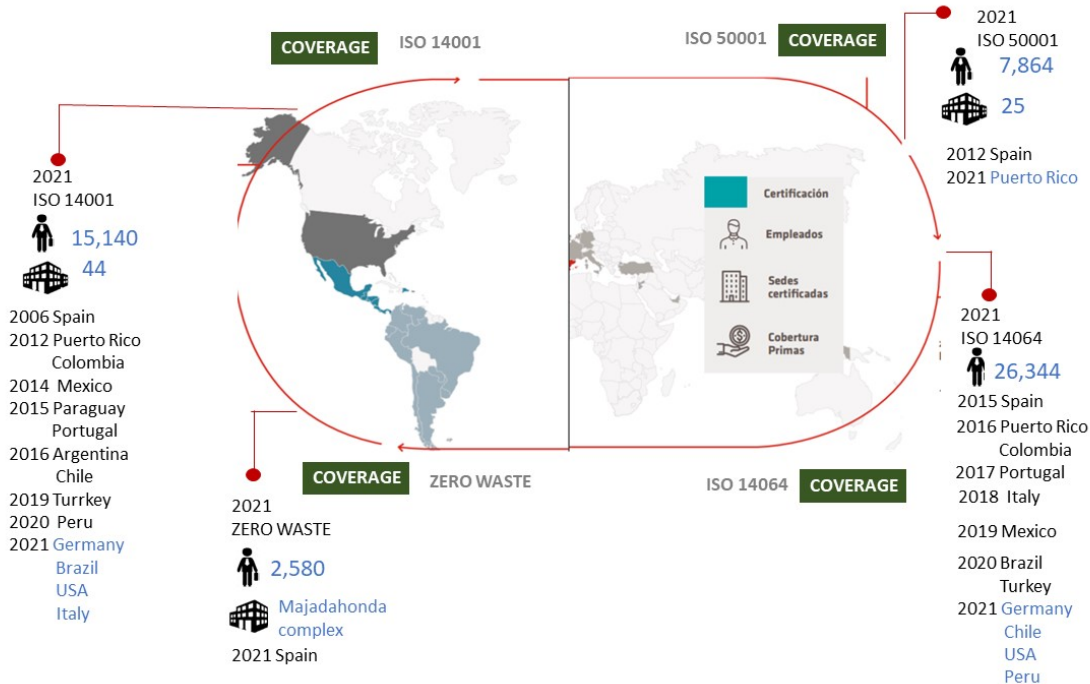
The soundness of this management system, based on continuous improvement and the principle of risk prevention and precaution, has facilitated the Group in homogeneously expanding the environmental principles undertaken by the company.

SiGMAYEc³, initiated in its environmental aspect (ISO 14001), currently integrates energy management (ISO 50001), the carbon footprint inventory (ISO 14064), the circular economy through zero waste (AENOR Regulation) and natural capital. Its transversal design also ensures success in achieving the defined objectives, in that it incorporates all areas with responsibility for the different areas it comprises.

All actions in this area are verified annually by accredited third parties following the most relevant reference standards.

The progress made under SIGMAYEc³ during 2021 can be seen in the accompanying graphic.

¹⁰ As of the closing date of this Report, 4,000 TonCO₂e have been offset from the reported footprint. Full compensation will be made before the Annual General Meeting in March 2022.



In the context of the new Environmental Footprint Plan and thanks to the expansion of the SIGMAYEC³ model, the Group has established new objectives to be added to the previously existing ones:

Objectives to 2024:

- Reduce the Group's carbon footprint by 19 percent compared to the 2019 baseline.
- Neutralize MAPFRE's carbon footprint in Brazil, the United States, Mexico, Peru, Puerto Rico, Germany, Italy and Turkey.

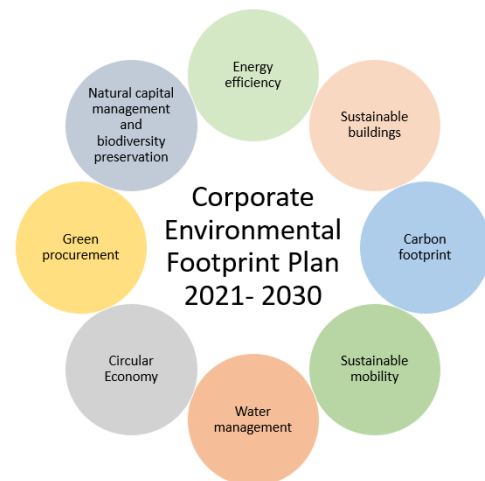
Objectives to 2030:

- Reduce the Group's carbon footprint by 50 percent compared to the 2019 baseline.
- Neutralize the remaining carbon footprint for the Group as a whole.

Corporate Environmental Footprint Plan

The new 2030 Plan includes all the key lines of action to reduce the Group's carbon footprint and energy consumption by at least 50 percent by 2030.

These lines of action, which define the Group's roadmap to fight climate change, are grouped into the following categories, which will be addressed in this chapter.



1. Energy Efficiency

Energy use in buildings is one of the largest contributors to total energy consumption and Greenhouse Gas (GHG) emissions. For this reason, making our buildings more energy-efficient is crucial to reduce our environmental impact and meet the Group's objectives.

The Environmental Footprint Plan 21-30 establishes the following objectives:



Objectives of Environmental Footprint Plan 2021-2030: Energy efficiency

1.1 Energy efficiency indicators

During 2021, energy consumption was reduced by 23,064,812 kWh compared to 2019, which represents a 15.3 percent decrease, exceeding the targets of 2 percent and 2,950,124 kWh for 2021.

The most important actions taken this year towards energy efficiency, as well as their impact on the associated indicators, are shown below:

- In 2021, work started to expand the number of solar panels at the Group's headquarters (Spain). The installed power increase will generate approximately 2.5 GWh per year.

Through this action, to be completed in 2022, the Group's headquarters should source nearly 30 percent of its current energy consumption from its on-site solar power system.

In 2021, a total of 586,322 kWh of solar power were generated through the solar panels installed at the sites in Majadahonda and Sant Cugat, Spain; Mexico; and the Dominican Republic, with power generated on-site representing 5 percent of the power consumed in these headquarters.

- Campaigns to adjust the temperature set point in buildings to improve energy efficiency: the Warm Biz campaign in Spain (to reduce heat consumption in the winter) and the Cool Biz campaign in Spain and Mexico (to save energy consumed by air conditioning in the summer).
- The energy aspect of the SIGMAYEC³ has been expanded in 2021 to two new buildings in Spain and the company's headquarters in Puerto Rico.

The adoption of this system requires energy-efficiency targets, such as installing new elevators at the Las Palmas de Gran Canaria, Spain, site with anticipated savings of 14,058 kWh per year, equivalent to 83 percent of elevator consumption. Another example is the replacement of conventional lights with LEDs in the paint booths at the vehicle repair shop in Alcalá de Henares, Spain, which should save 21,612 kWh per year, or 65 percent of the building's lighting consumption.

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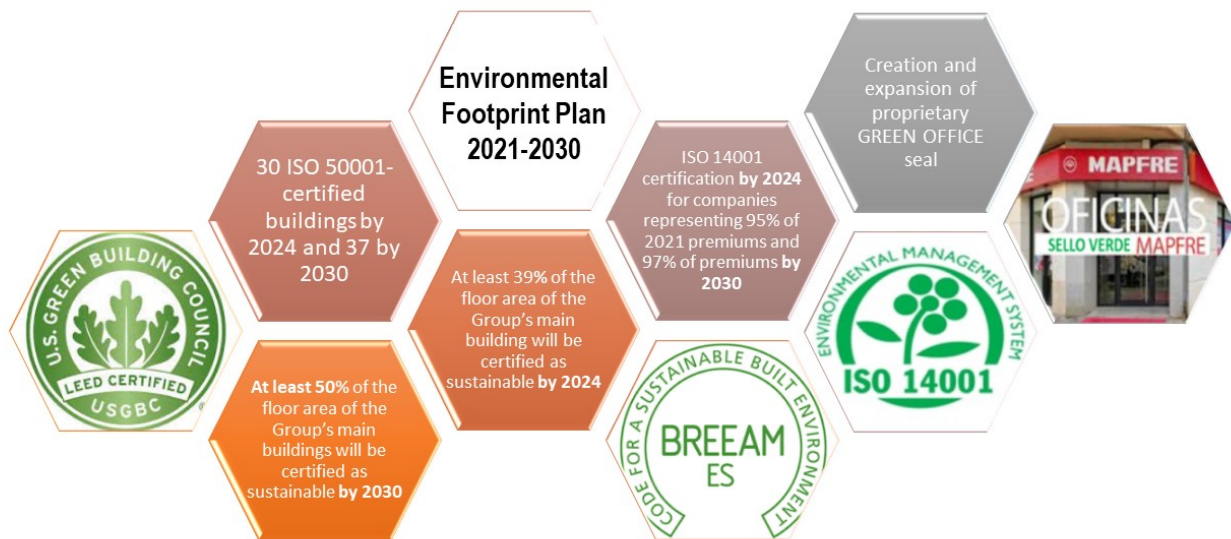
For more information about the environmental performance indicators, please see Note 12 in Section 6.3 of this report.

2. Sustainable buildings

Designing and constructing a building according to the highest efficiency criteria achieves significant savings in multiple environmental aspects, such as power and water consumption, reducing the carbon footprint while improving occupant comfort due to optimized room temperatures and air quality.

MAPFRE therefore aims to obtain LEED, BREEAM, and ENERGY STAR certifications for sustainable buildings, or similar credentials granted locally, for all new constructions and major renovations. Additionally, management systems that target continuous improvement, such as ISO 14001 and ISO 50001, aim to control buildings' environmental impact and require demonstrable improvements in their environmental performance.

For this reason, the 2030 Environmental Footprint Plan establishes the following objectives for MAPFRE Group properties:



Objectives of Environmental Footprint Plan 2021-2030: Sustainable buildings

2.1 Sustainable building indicators

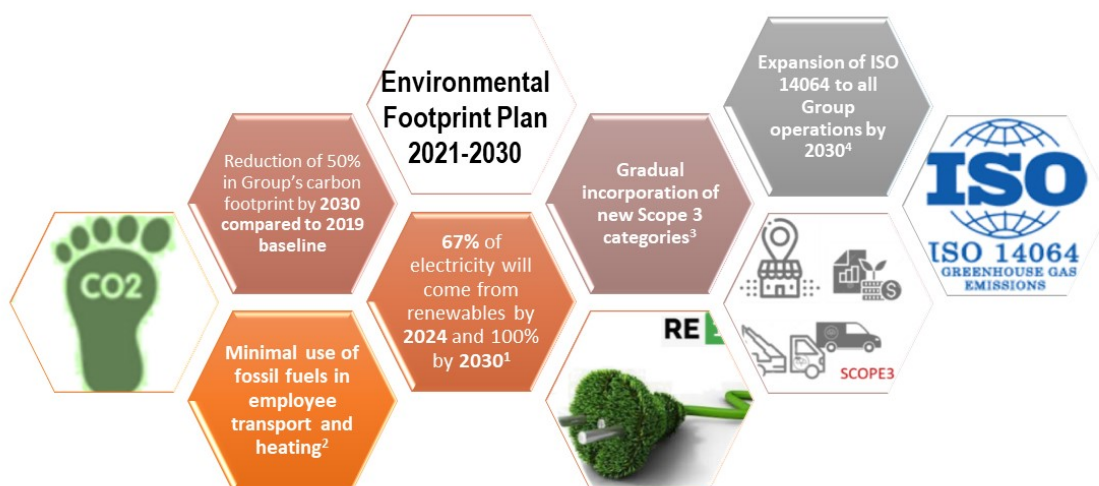
- 13 international headquarters have sustainable building certifications, representing 34.6 percent of the area of MAPFRE's main buildings.
- 44 international headquarters operate under the environmental and energy aspects of the SIGMAYEc³. The first Zero Waste certification (AENOR Regulation) has been obtained for the complex where the Group's headquarters are located, in Majadahonda (Madrid, Spain).

For more information about the environmental performance indicators, please see Note 12 in Section 6.3 of this report.

3. Carbon footprint

The MAPFRE Group is heeding the call to action in the fight against climate change to limit the temperature increase to 1.5°C, and within its 21-30 Environmental Footprint Plan, it undertakes to halve its carbon footprint by 2030 compared to 2019. With this commitment, the MAPFRE Group continues the pledge it fulfilled in its Energy Efficiency and Climate Change Plan 2020, which achieved a 67 percent reduction in the company's GHG emissions in 2020 compared to its 2013 emissions.

To meet its emissions reduction target, the following strategic objectives are defined:



Objectives of Environmental Footprint Plan 2021-2030: Carbon footprint

- 1 Always when technically possible
- 2 Progressive substitution of diesel and natural gas boilers for other ecological systems such as aerothermal, biomass or geothermal
- 3 Investment portfolios, franchised sales offices and exclusive products and services of the Group with a high impact in terms of carbon footprint
- 4 This assumes coverage of 92.6% of employees working in countries with a direct insurance business by 2024 and 100% of employees by 2030

3.1 Carbon footprint indicators

- The first milestone in the Group's neutrality strategy was achieved by offsetting the carbon footprint of Spain and Portugal, which amounts to 18,943 tons of CO2e^{11,12}.
- In 2021, the Group's carbon footprint was reduced by 32,991 tons of CO2e compared to 2019, an 39.5 percent decrease. This exceeds the scope 1 and 2 reduction targets for 2021 of 2.14 percent and 576 tons of CO2e, as well as 1.77 percent and 999 tons of CO2e for scope 3. This reduction continues to be significantly impacted by extraordinary measures implemented due to the COVID-19 pandemic.
- In addition, renewable power supply contracts were signed in Italy, Germany, and Portugal, while 100 percent green energy has been consumed in Spain since 2016. Through this purchase of clean energy, which avoided emissions of 14,578.5 tons of CO2e in these countries, 66 percent of the Group's global power consumption comes from renewable sources.

- The process of minimizing the use of fossil fuels in the Group's operations continues by replacing diesel and natural gas boilers in the main buildings in Spain with electrified heat pump systems. This change has led to a reduction of 0.4 tons of CO2e in 2021 by avoiding the combustion of 2,122 m3 of natural gas.
- The USA, Germany, Chile, and Peru were added into the carbon footprint inventory under ISO 14064:2012. Thus, 92.6 percent of the group's employees are now included under this model for reporting greenhouse gas emissions.
- Furthermore, in 2021 the first carbon footprint calculation and report were conducted for the Group's investment portfolio. (for more information, see Chapter 3.3.2. Risk Management and Sustainability in Business).

For more information about the environmental performance indicators, please see Note 12 in Section 6.3 of this report.

4. Sustainable mobility

Transport of people and goods is the sector that affects climate change the most, generating around a quarter of global GHG emissions.

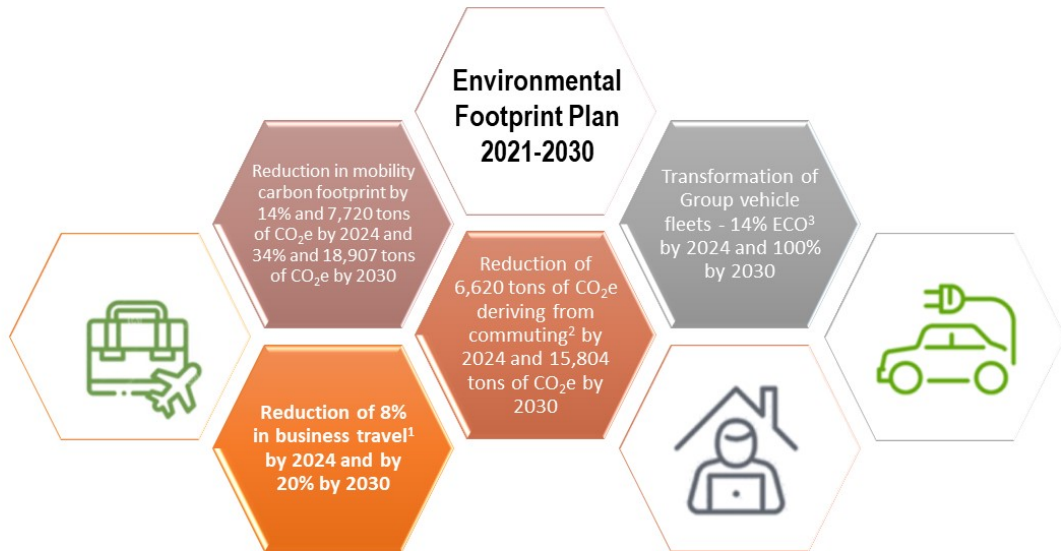
¹¹ The neutrality commitment includes direct and indirect emissions from imported energy (Scope 1 and 2) and other indirect emissions (Scope 3) corresponding to transportation, products and services used in the company and those associated with the use of company products.

¹² As of the closing date of this Report, 4,000 TonCO2e have been offset from the reported footprint. Full compensation will be made before the Annual General Meeting in March 2022

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This aspect accounts for 55 percent of MAPFRE's carbon footprint and is mainly motivated by employees commuting between home and work as well as business trips (plane, train, and car). Therefore, MAPFRE has established two ways to shrink its transport-related carbon footprint: reducing the number of trips, promoting work methods that are less dependent on physical presence, and encouraging more ecological and collective means of transport.

The Environmental Footprint Plan establishes the following commitments:



Objectives of Environmental Footprint Plan 2021-2030: Sustainable mobility

¹ Plane, train and automobile

² Especially through promotion of remote working

³ ECO vehicles are considered: Electric, Plug-in Hybrids, Hybrids and alternative engines such as hydrogen cells or ecological fuels. In addition, 100% of MAPFRE's vehicle fleet in Portugal will be converted to ECO in 2024.

4.1 Sustainable mobility indicators

- In 2021, the carbon footprint associated with business trips was reduced by 11,729 tons of CO₂e compared to 2019, meeting the 2 percent target set for the year¹³.
- In Mexico, the company continued the transformation of its fleet with ECO vehicles, with 54 percent of vehicles in this category.
- Since 2019, 100 percent of vehicles assigned to the management teams in Spain have ECO classification.

- In terms of business mobility, in 2021 there were 28 hybrid towing vehicles and 44 fully electric or LPG-powered repair shop vehicles in the provider network in Spain. In addition, thanks to the ECO Vehicle Project in Spain for battery replacement, the number of providers specializing in this type of breakdown has increased, and over the course of 2021, 229,478 vehicles with battery problems were attended to, thereby avoiding the repetition of failures for this reason.

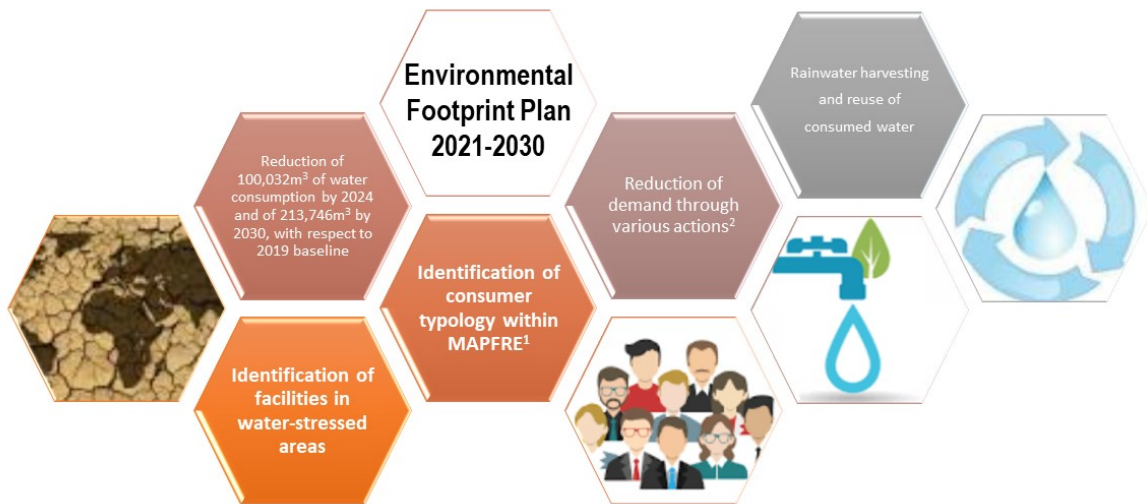
For more information about the environmental performance indicators, please see Note 12 in Section 6.3 of this report.

5. Water management

Fresh water is a limited resource and using it efficiently has become an obligation for companies, especially in countries and areas experiencing water stress.

¹³ This reduction continues to be significantly impacted by the mobility restrictions implemented due to the COVID-19 pandemic.

The Environmental Footprint Plan establishes the following saving actions:



Objectives of Environmental Footprint Plan 2021-2030: Water management

¹ Definition of significant water client typologies, through factors such as installation, company, business etc.
² Awareness campaigns directed at employees, reduction of irrigation areas, swapping out of open cooling systems for closed systems, installation of systems and equipment that facilitate efficient water consumption etc.

5.1 Water management indicators

- In 2021, water consumption was reduced by 134,329 m³ compared to 2019, representing a 18.7 percent reduction and exceeding the 2021 targets of 2 percent and 12,504 m³¹⁴.
- Water reuse and recycling (Mexico headquarters building), control of water use and consumption, definition of reduction targets, and application of technological advances to achieve a rational use of water in the countries where the group operates (Chile, Colombia, Spain, the United States, Mexico, Nicaragua, Peru, Portugal, Puerto Rico, Turkey), and especially in countries under water stress (Chile, Mexico, Spain, Turkey, Portugal and Italy).
- Awareness-raising campaigns to achieve a more efficient, responsible use of domestic water on the part of employees in the Group's offices and building in Chile, Costa Rica, El Salvador, Honduras, Puerto Rico y Uruguay.

For more information about the environmental performance indicators, please see Note 12 in Section 6.3 of this report.

6. Circular Economy

The transition to a circular economy is a major global challenge. For this reason, MAPFRE has been working since 2019 to develop plans that address this model from an internal management perspective, emphasizing:

- Use of sustainable materials, promoting the responsible consumption of resources.
- Reduced generation of waste, increasing reuse, recycling, and salvaging, reducing landfill waste, and taking actions to combat food waste.
- Contracting of waste management companies with business models that align with the principles of circularity, gradually adapting to the zero-waste management model.
- Promotion of projects related to the circular economy.

As a sign of this commitment, MAPFRE was the first insurance company in Spain to sign the Pact for a Circular Economy. For further information on the monitoring indicators for the degree of implementation of the Pact, please visit https://www.miteco.gob.es/es/calidad-y-evaluacion-ambiental/temas/economia-circular/iinformedeindicadores2017-2019_tcm30-510491.pdf.

¹⁴ This reduction continues to be significantly impacted by the mobility restrictions implemented due to the COVID-19 pandemic.

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The Environmental Footprint Plan 2030 targets the salvaging of 84 percent of the waste generated in the Group's operations worldwide by 2024 and 90 percent by 2030. In addition, the Zero Waste model will be extended from the main corporate headquarters to other headquarters by 2024: Spain, Mexico, Brazil, and Puerto Rico.



Objectives of Environmental Footprint Plan 2021-2030: Circular economy

One example of its integration into business is **CESVIMAP**, MAPFRE Road Safety and Experimentation Center, a world-renowned technology center for the design, insurance, use, maintenance, repair, and recycling of vehicles and other mobility solutions for goods and people.

Vehicle decontamination (extraction of hazardous waste), reuse of viable parts for the purpose for which they were designed, recycling of vehicles' raw materials, and energy recovery from the materials are the four ecological processes used by Cesvi Recambios, one of MAPFRE's Authorized Treatment Centers for accident vehicles. This center is a benchmark for the ecologically responsible disposal of vehicles, extending the life of some parts and enabling the rest of the vehicle's base materials (steel, plastic, aluminum, glass, rubber, fabric, etc.) to be reused. All these steps take advantage of the raw materials and industrial processes while helping to reduce energy consumption.

6.1 Circular economy indicators

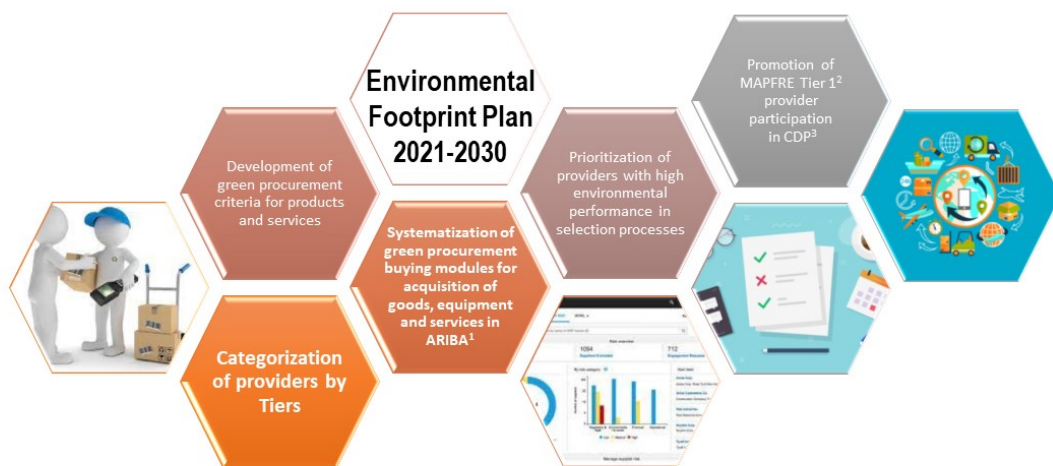
- The Majadahonda complex, the Group's headquarters (Madrid, Spain), has obtained Zero Waste certification (AENOR Regulations).

- Management of 3,112 tons of waste globally, of which 2,960 tons have undergone salvaging processes: recovery, recycling, or energy production, 95 percent of the total.
- The consumption of 1,132 tons of paper has been avoided thanks to the biometric electronic signature, avoiding emissions of 1,040.76 tons of CO₂e in Spain and Portugal.
- Reuse of 49 percent of total IT equipment waste managed in Spain, avoiding 116 tons of CO₂e and donating 41,149 kg of computer equipment in the Group.
- Treatment of 38,819 vehicles, of which a total of 156,948 parts have been recovered for reuse in different markets.
- Participation in the "Circular Economy in SMEs in Spain" report, in collaboration with the Spanish Chamber of Commerce. (Link to Spanish version of the report: https://www.camara.es/sites/default/files/noticias/ndp_economia_circular_y_pymes_vf.pdf).

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- Work continues to be done on the following projects: MAPFRE without Plastics, ECORAEE project, reuse and recycling programs, employee awareness programs, and Zero Waste Plan.
- The Document Printing Environmental Management Project was executed, focusing on the use of electronic signatures in the insurance business.
- In Spain, the “MAPFRE Virtual Forest” project became a reality, a digital platform where employees can check printer paper consumption in their geographical area with the aim of reducing paper and toner use and the waste generated.

For more information about the environmental performance indicators, please see Note 12 in Section 6.3 of this report.



Objectives of Environmental Footprint Plan 2021-2030: Green procurement

- 1 Corporate procurement and provider Management tool
- 2 Providers who represent 90% of billing in each country
- 3 Climate change questionnaire for supply chain

7.1. Green purchasing indicators

- Production launch of the SAP ARIBA tool in Spain.
- 20 MAPFRE providers that participate in the CDP.

For more information about the environmental performance indicators, please see Note 12 in Section 6.3 of this report.

7. Green procurement

One of the lines of work in the Corporate Environmental Footprint Plan 2030 is the development of sustainable purchases. Under the “Green Procurement” theme, we aim to deploy a model for acquiring products, services, works, and contracts based on environmental aspects that guarantee the minimum environmental impact during their life cycle.

To achieve this, the following actions have been defined: a target for 2024 for MAPFRE in Spain and 2030 for the rest of the Group:

8. Natural capital management and biodiversity preservation

Although MAPFRE work centers are not located in protected or cataloged spaces of high diversity, the development of the company’s activity depends directly on and directly impacts natural capital, which includes both biodiversity and the services provided by ecosystems, as well as natural resources (water, energy, fuels, etc.).

8.1 Natural capital and biodiversity preservation indicators

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- Reforestation and cleaning of natural spaces through corporate volunteering in Argentina, Brasil, Costa Rica, El Salvador, España, EE.UU, México, Portugal, Puerto Rico y Venezuela.
- Project with CO2 REVOLUTION in Spain to regenerate biodiversity in an area damaged by fire, through which 4,874 trees were planted.
- In Brazil, 1,200 trees were planted in an area of environmental interest through the Friends of the Forest project.
- In Portugal, the company collaborated with the organization "Plantar uma Arvore" (Plant a Tree) to help regenerate protected areas with native species from different strata of the plant ecological system, improving the survival rate, biodiversity, and resistance to fire. In total, 1,667 trees were planted.
- Launch of the pilot project with ECOACSA and the LIFE (Lasting Initiative for Earth) Institute of Brazil, which promotes the business sector's participation in biodiversity conservation and the maintenance of ecosystem services. The project aims to quantify the impact of our facilities in Spain and Portugal on natural capital.

Corporate Strategy for Offsetting Greenhouse Gas Emissions

The Corporate Environmental Footprint Plan is supplemented by the Corporate Strategy for Offsetting Greenhouse Gas (GHG) Emissions, which establishes the company's internal criteria for selecting compensation projects for emissions that cannot be reduced. The aim is to regenerate ecosystems using natural solutions and biodiversity preservation, going a step beyond the creation of carbon sinks.

As part of this strategy, the company has created the "MAPFRE Forest," which, based on the reforestation activities to offset its footprint in Spain and Portugal, encompasses all the plantations developed by the Group to create carbon sinks that support the fight against climate change.

6. ADDITIONAL INFORMATION

6.1. Bases of preparation and presentation of the report

About this report

Integrated Report

This Report has been prepared in accordance with the Comprehensive option of the GRI Standards, the GRI financial sector endorsement (whose content index is attached as an Annex to this Report) and the recommendations of the information framework published by the International Council of the Integrated Report (IIRC).

The Report responds to the information requirements of EU Directive 2014/95 on the disclosure of non-financial information and diversity, as well as its respective transpositions in Germany, Spain, Italy and Portugal. It also includes the information required from the Consolidated Non-Financial Information Statement, which forms part of the Consolidated Management Report of MAPFRE S.A. In addition, it responds to the requirements of Regulation 2020/852 on Environmental Taxonomy.

The consolidated Annual Accounts and Management Report have been taken into consideration, information that is public and can be consulted in full on MAPFRE's corporate website.

The Report provides a comprehensive view of MAPFRE, its deployment, its business model, the challenges and risks it faces, and its social, environmental, economic and governance performance. It constitutes the approximation to the creation of economic and social value, which has allowed us to continue deepening and establish a greater relationship between the business model and the effect on the described resources.

This Report has been analyzed by the Audit and Compliance Committee and was duly ratified by the Board of Directors of MAPFRE S.A at its meeting of February 9, 2022.

Information scope

The Integrated Report corresponds to MAPFRE S.A. and its subsidiaries and investee companies, and the scope of information established in the reports used as the basis for their preparation have been taken into consideration.

The Alternative Performance Measures (APM) used in the Report, which correspond to those financial measures not defined or detailed in the framework of the applicable financial information, can be consulted on the company's website:

Some of the figures included in this Report have been rounded. Therefore, discrepancies in the tables between the totals and the amounts listed could arise due to such rounding.

Materiality, relevance and inclusivity

This Integrated Report includes all relevant information for MAPFRE and for stakeholders. In 2021, a materiality study was carried out that has made it possible to identify those aspects of great impact for MAPFRE and its stakeholders. This study addresses the dual materiality perspective and has served as the basis for the preparation of this report. (For more information, please see section 6.2. of this report.)

The relevant issues in the environmental, social and governance spheres are covered by the material issues and the information contained in this integrated report.

Likewise, there are some relevant aspects that are not fully presented in the body of this Report. These are fully developed and included in:

- Section 6.3 Notes on Additional Information of this Report.
- Consolidated Annual Accounts Report and Consolidated Management Report. (Published on the corporate website, at www.mapfre.com.)
- Fundación MAPFRE Annual Report. (Published on the website, at www.fundacionmapfre.org.)
- Annual Corporate Governance Report (Published on the corporate website, at www.mapfre.com.)
- Annual Report on Remuneration of Directors of public companies (Published on the corporate website, www.mapfre.com.)
- MAPFRE People and Organization Report 2021. Available at www.mapfre.com.

Response capacity

The Report, in addition to offering relevant information for the stakeholders with which MAPFRE interacts, responds to the observations transmitted by them throughout the year. However, people interested in consulting or supplementing the information provided in this document can contact MAPFRE through the following channels:

Corporate Sustainability:
responsabilidadsocial@mapfre.com

Corporate External Relations and Communication Area:

comunicacion@mapfre.com

Environment

Department:

medioambiente@mapfre.com

Capital Markets and Analyst and Investor Relations:

relationsconinversores@mapfre.com

MAPFRE's corporate website:

www.mapfre.com

External verification

The qualitative and quantitative information of the indicators in this document responds to the new GRI standards that have been externally verified by KPMG Asesores S.L., including the information provided for the activities of MAPFRE ASISTENCIA, MAPFRE GLOBAL RISKS, MAPFRE RE and MAPFRE Seguros carried out in Germany, Brazil, Colombia, Spain, USA, Italy, Mexico, Peru, and Turkey, which together account for 90.29 percent of the Group's turnover.

In addition, a limited review of the data provided by the rest of the MAPFRE entities has been carried out.

Balance

The Report reflects the positive aspects of the organization's performance, and when the results have not reached the expectations that had been formulated, this circumstance is noted in the corresponding sections.

6.2. Materiality

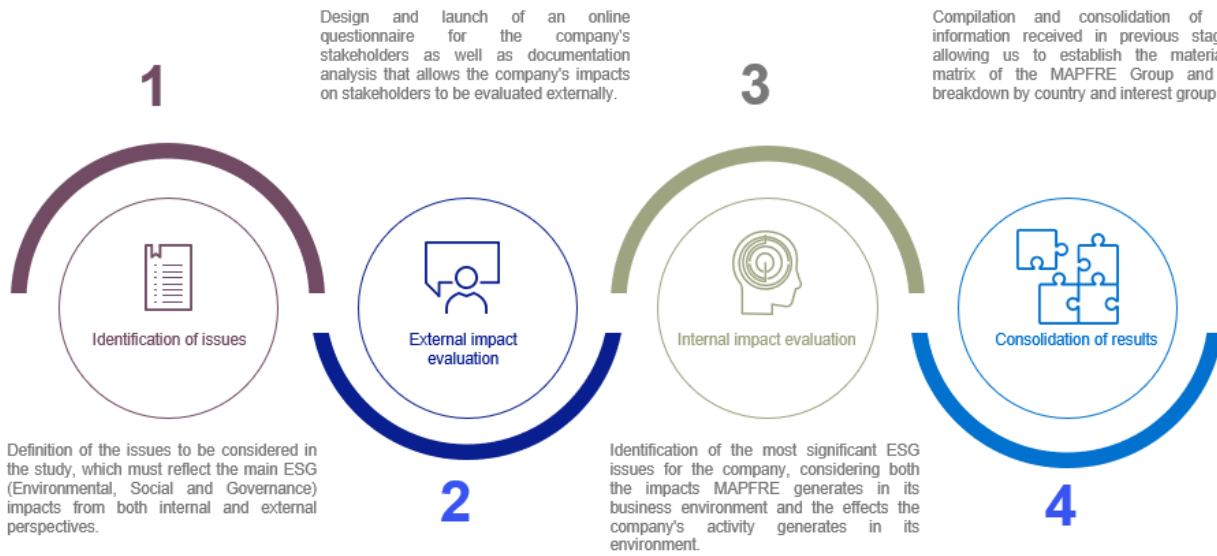
As part of the process of defining the new 2022-2024 Sustainability Plan, a complete materiality study was conducted with an updated methodology that includes the best market practices in this regard and allows internal and external priorities to be established for MAPFRE and in relation to its stakeholders.

The study includes the concept of double materiality, evaluating both the impact that the environment can have on MAPFRE as well as the effects.

It was developed considering the company's global nature, and the scope of the study includes all the stakeholders identified by MAPFRE. The study was deployed in the main countries where it operates: Spain, Brazil, the United States, Mexico, Peru, Puerto Rico, Germany, Italy, Turkey, Panama and Colombia, which cover 91.21 percent of the group's business volume.

Process and methodology:

The study was conducted with the following phases:



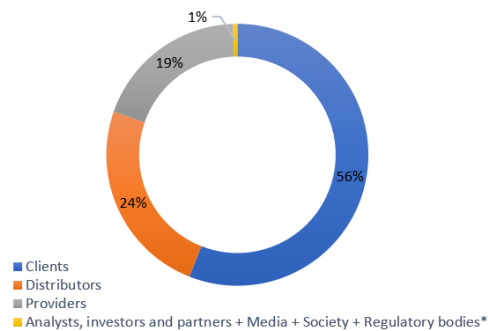
Variables:

The study focuses mainly on the concept of impact, understood as the actual or potential effect on the surroundings, environment and people, whether positive or negative. In this regard, it should be noted that, in view of this materiality study, both MAPFRE's impact on its surroundings as well as the effect that its surroundings may have on MAPFRE are assessed.

Within this framework, two variables have been established that constitute the pillars of the materiality matrix:

- **Internal impact evaluation:** Impact evaluation performed by the company itself and considering documentation and opinions of groups that define MAPFRE's strategic orientation. This assessment considers both the ESG (environmental, social and governance) impacts that MAPFRE generates on its surroundings, as well as the ESG effects that the latter generates on MAPFRE, and which may affect the achievement of the organization's strategic objectives and/or the normal performance of the activity.
- **External impact evaluation:** Impact evaluation performed by each of the different interest groups (employees, customers, suppliers, distributors, analysts, shareholders and investors, regulatory and supervisory bodies, the media and society in general) using the information sources accessible to each of them. In total, more than 12,000 users have actively participated in the consultation process, as shown in the accompanying graphic:

Materiality Study - Parties Consulted

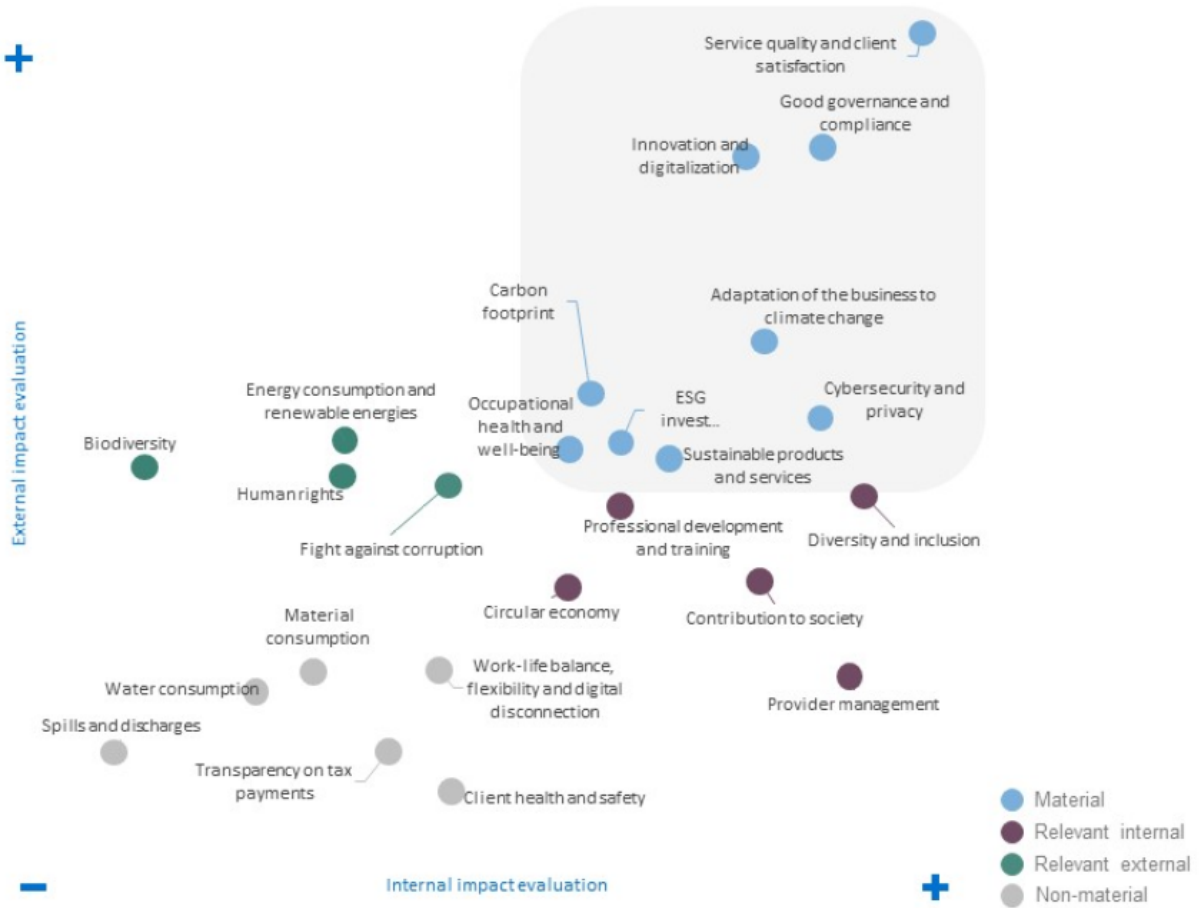


*For these smaller interest groups, surveys were combined with desk analysis.

This external impact evaluation is expressed through the expectations and concerns of the stakeholders, which require MAPFRE to act in relation to matters that have an impact on them.

MATERIALITY MATRIX

The result of the consolidation of the results of both variables in the 11 countries is represented in the following matrix, where the material, internal relevant, external relevant and non-material issues can be observed in the accompanying graphic.



The following table shows the link between the material issues and the Group's strategy, as well as with the sustainability plan. Likewise, the section of this report where its management is detailed is indicated.

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Material issue	Connection with Group strategy (Section 2.2.1)	Connection with Sustainability Plan 2019-2021	Location in this report
Service quality and customer satisfaction	Strategic Pillar: Customer orientation Strategic objectives: - Gain and retain our clients' trust - Achieve efficiency and quality in service delivery	Line: - Product and transparency responsibility	4.2. Protecting the client / Customer satisfaction
Good governance and compliance	Strategic Pillar: Culture and talent Strategic objective: - Position MAPFRE as a benchmark in sustainability, innovation and trust	Line: - Ethical framework	2.4. Good Governance
Innovation and digitalization	Strategic Pillar: Excellence in technical and operational management Strategic objective: - Have available open and flexible global technology that features integrated analytics	Line: - Inclusion and talent	4.2. Protecting the client / Digital business
Adaptation of the business to climate change	and operational management Strategic objectives: - Culture and talent - Rigorously manage risks at all levels of the organization - Position MAPFRE as a benchmark in sustainability innovation	Lines: - Climate change - Circular economy - ESG risks and opportunities in underwriting and investment	3.3.2. Sustainability in the business 5. Committed to the environment
Cybersecurity and privacy	management Strategic objective: - Rigorously manage risks	Line: - Ethical framework	2.4.4 Cybersecurity and Data privacy
Carbon footprint	Strategic objectives: - Rigorously manage risks at all levels of the	- Climate change - Circular economy - ESG risks and opportunities in	3.3.2. Sustainability in the business 5. Committed to the environment
ESG investment	Strategic objectives: - Rigorously manage risks at all levels of the	Line: - ESG risks and opportunities in underwriting and investment	3.3.2. Sustainability in the business
Sustainable products and services	- Innovate in products, services and capabilities - Rigorously manage risks	Line: - ESG risks and opportunities in underwriting and investment	3.3.2. Sustainability in the business
Occupational health and well-being	commitment to MAPFRE's Values - Position MAPFRE as a	Line: - Inclusion and talent	4.4. Developing people / Work-life balance and Well-being

6.3. Notes on additional information

Note 1 Principles of the Global Compact and prevention and compliance measures in the area of human rights

MAPFRE shows its commitment to each of the 10 United Nations Guiding Principles for Business and Human Rights through:

Adherence to:

- Commitment to the United Nations 2030 Agenda and its development goals (SDG)
- United Nations Global Compact
- United Nations Principles for Responsible Investment (PRI)
- UNEPFI Principles for Sustainability in Insurance (PSI)

The approval and public dissemination of:

- Institutional, Organizational and Business Principles
- Code of Ethics and Conduct (express reference)
- Human Rights Policy
- Sustainability Policy

To respond to these commitments, the Group has the following systems for the prevention and assessment of internal risks and those arising from our activity:

- Impact self-assessment - Guide to the implementation of the United Nations Guiding Principles on Business and Human Rights, prepared by the Spanish Network of the Global Compact

The following table shows the organization's specific commitment to each of the 10 Global Compact Principles and human rights, as well as the main prevention and mitigation measures, along with the available grievance and redress mechanisms. These commitments and mechanisms are additional to those already mentioned.

- MAPFRE materiality survey (Detects internal risks and risks derived from the activity)
- Permanent dialogue with stakeholder groups and workers' legal representatives
- Environmental, Social and Governance (ESG) Analysis Report on Underwriting and Investments
- RepRisk report, to assess and monitor the ESG risks of business conduct related, among other things, to human rights
- Internal, control and compliance audits
- Approval of providers working under environmental, social and governance (ESG) criteria, including aspects related to human rights, non-discrimination and compliance with environmental and labor regulations

Likewise, the company has the following claim and repair mechanisms that cover all the circumstances included in the 10 Principles:

- Corporate Sustainability Committee
- Corporate Ethics Committee
- Channels for ethical complaints arising from non-compliance with the Code of Ethics and Conduct, available to any stakeholder and anonymous group
- Specific channels and means for the protection of rights and the management of customer complaints

Global Compact Principles		MAPFRE's public commitment to Human Rights	Prevention and mitigation (due diligence)	Complaint and redress mechanisms
Human Rights	Principle 1 "Companies must support and respect the protection of internationally proclaimed human rights under their sphere of influence."	· Human Rights policy	· Training on human rights for employees and provides, as a preventive measure · Awareness of the United Nations 2030 Agenda	· Ethical whistleblower channel
	Principle 2 Businesses must ensure that their businesses are not complicit in human rights violations."			
Labor	Principle 3 "Businesses must uphold freedom of association and effectively recognize the right to collective bargaining."	· MAPFRE signs up to the UN Women's Principles and adheres to the United Nations Standards of Conduct for Companies on LGBTI Matters · ILO Global Business and Disability Network · Diversity Charter · Diversity and Equal Opportunities Policy · Social commitments 2019 – 2021, assumed at the Annual General Meeting held in 2019: 45% of vacancies in positions of responsibility to be held by women; 3% of the workforce to be made up of people with disabilities · Social commitments 2022 – 2024 (to be published after the Annual General Meeting 2022)	· Distinction of Equality in the Company (Ministry of Equality · EFR certificate · Engagement survey · Performance evaluation · Development plans · Internal and external reputation surveys · Healthy Company Model (occupational risk assessments: safety, hygiene and ergonomics, psychosocial risks, medical examinations, epidemiological studies, etc.) · Gender Diversity: Catalog of measures 2019-2021	· Harassment protocol for employees · Human Resources Departments · Workers' legal representatives
	Principle 4 "Businesses must uphold the elimination of all forms of forced and compulsory labor."			
	Principle 5 "Businesses must uphold the eradication of child labor"			
	Principle 6 "Businesses must uphold the elimination of discrimination with respect to employment and jobs"			
	Principle 7 "Businesses must maintain a precautionary approach that favors the environment"			
Environment	Principle 8 "Businesses must encourage initiatives that promote greater environmental responsibility"	· Paris Pledge for Action · Environment Policy · 2019 – 2021 environmental commitments, assumed at the Annual General Meeting (compiled in the Integrated Report 2020 p. 123-124) · Environmental commitments 2022 – 2024 (see 3.3.2.1. Integration of ESG aspects in MAPFRE's investment processes)	· Environment management system (SIGMAYEc ³)	
	Principle 9 "Businesses must encourage the development and promotion of environmentally friendly technologies"			
	Principle 10 "Businesses must work against corruption in all its forms, including extortion and bribery"			
Anti-Corruption	· MAPFRE Anti-Corruption Framework · Criminal risk prevention model · Internal systems and procedures established to detect situations of corruption, fraud prevention and money laundering	· Anti-corruption Policy	· Financial and Accounting Whistleblower channel available to employees	

As established in the Group's Human Rights Policy, MAPFRE's commitment in this area is inspired by the following international declarations and standards:

- The United Nations International Bill of Human Rights.
- The 10 Principles of the United Nations Global Compact.
- The United Nations Guiding Principles on Business and Human Rights.
- The OECD Guidelines for Multinational Companies.
- The Principles of UN WOMEN.
- The Global Standard of Conduct for the protection of LGTBI people in companies.
- The principles and rights established in the main conventions of the International Labor Organization (ILO).
- The ILO Declaration of Fundamental Principles and Rights at Work.

Preventive action:

At MAPFRE, the protection of human rights is linked to the internal regulations approved at the highest level of the organization. Said protection is reinforced through the commitments acquired by the Group by adhering to different principles and initiatives of the United Nations.

- The Principles for the Sustainability of Insurance (PSI).
- The United Nations Principles for Responsible Investment (PRI).

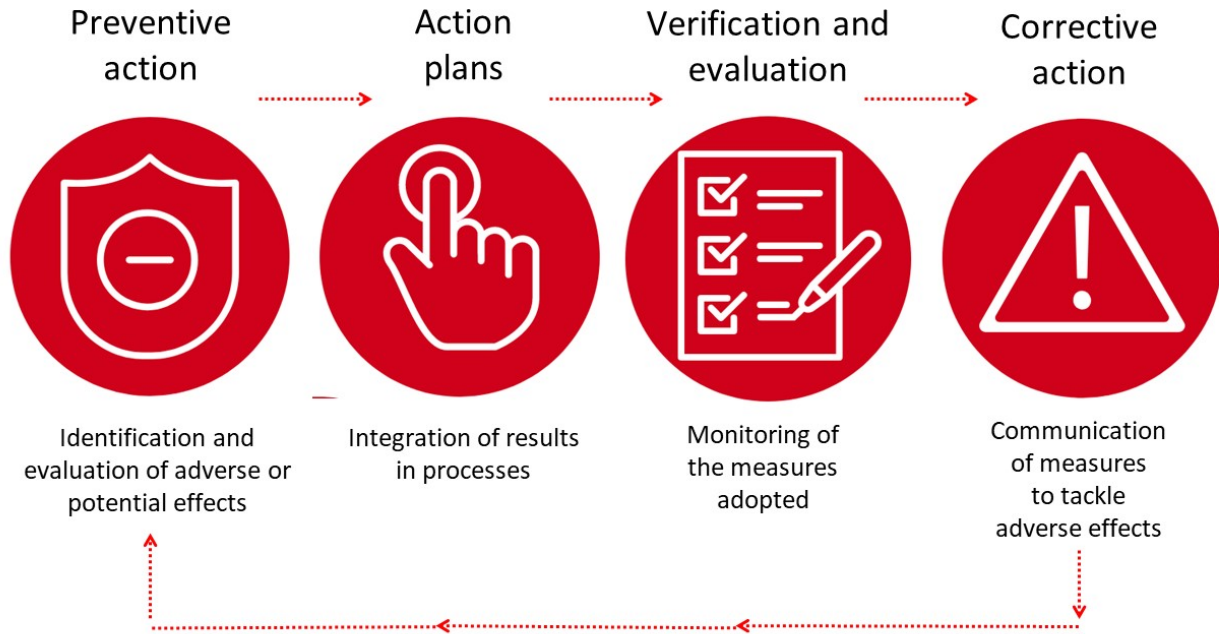
Likewise, in terms of the due diligence approach in the area of human rights, MAPFRE implements this based on four moments:

- The establishment of commitments and design of preventive actions.
- The definition and execution of action plans in relation to each of these.
- The verification and evaluation of the actions implemented.
- The adoption of corrective measures if necessary.

In each of these four moments, the following best practices should be highlighted:

Action plans:

In addition to including respect for Human Rights, the regulations (such as, for example, the MAPFRE purchasing standard and its Responsible Investment Framework) define the roles and responsibilities of the teams impacted by the regulations.



Verification and evaluation:

The progress and level of achievement of the specific commitments of the Group in ESG matters included in the Sustainability Plan, among which are issues related to Human Rights, are periodically reported to the Sustainability Committee and the Board of Directors.

Corrective action:

MAPFRE makes consultation and complaint channels available to all its stakeholders associated with ethical behavior and practices that breach Human Rights.

MAPFRE deals with cybersecurity and business continuity in an integrated manner.

Strategic lines and measures related to cybersecurity

Protection against cyber risks	<ul style="list-style-type: none"> • Identification of external factors likely to modify asset protection needs, fundamentally: threat level, regulatory requirements, internal requirements arising from the transformation process and requirements of stakeholders. • Evaluation and continuous evolution of prevention, detection and response mechanisms against cyber attacks. • Evaluation and continuous evolution of operational resilience mechanisms. • Third Party Security Risk Management
Proactive Privacy	<ul style="list-style-type: none"> • Early adaptation to applicable regulations on cybersecurity and/or privacy in the different geographies in which the company operates • Incorporation into the design of the security and privacy aspects necessary to adequately protect the privacy of personal data • Application in the company's processes of the appropriate technical and organizational measures, not only to guarantee protection and comply with applicable regulations, but also to demonstrate compliance with control authorities and interested parties
Culture of Cybersecurity and Privacy	<ul style="list-style-type: none"> • Permanent awareness-raising plan • Permanent education and training plan • Obtaining recognized certifications in security, privacy and data protection
Cybersecurity and Privacy from the Start	<ul style="list-style-type: none"> • Integration of cybersecurity and privacy in the life cycle of the company's new initiatives, guaranteeing privacy and protection by design and by default • Evaluation of the impact on privacy of the new treatments and the corresponding implementation of controls and measures • Inclusion of cybersecurity and privacy criteria in the processes of purchasing technological solutions and services, as well as in the establishment of agreements with third parties
Promoting collaboration, both through public-private partnerships and private-private partnerships	<ul style="list-style-type: none"> • Participation in industry and institutional initiatives that contribute to improving knowledge related to techniques, tactics and tools used by organized cybercrime groups • Participation in associations and collaborative networks on cybersecurity such as FIRST and CSIRT.es • Participation in associations that promote privacy such as the Data Privacy Institute, ISMS, COTEC and in sectoral and institutional initiatives aimed at clarifying the application of the GDPR, such as the UNESPA Data Protection GT, the Pan-European Insurance Forum (PEIF) , the DPO Forum, the DPO Community • Supporting manifestos on the matter such as the "Commitments for Privacy and Digital Ethics" promoted by COTEC

In order to respond to the needs identified in cybersecurity and meet the established objectives, MAPFRE, through the corporate Security department, has advanced capabilities aimed at increasing the company's digital operational resilience. These capabilities include:

- Highly specialized and accredited personnel (MAPFRE holds a total of 275 personal certifications in cybersecurity and privacy, with a total of 131 certified employees), in charge of identifying, defining, designing, implementing and operating both the different security controls , such as technological tools designed to protect the company's digital assets; as well as incorporating cybersecurity and data privacy requirements, controls and functionalities into the company's new initiatives.

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- Specific technologies for monitoring, detection and protection against security incidents, integrated into the corporate technology platform.
- Tools, methodologies and specialists dedicated to continuously reviewing and evaluating the company's cybersecurity level, covering all assets and actors involved (information systems, people, etc.) and identifying deficiencies and lack of control in a timely manner.
- A General Control Center (CCG-CERT), integrated into the FIRST network and into the CSIRT.es group, which receives alerts on global threats and attacks for continuous monitoring (24 hours, 7 days) of both the information hosted on the technological platform of MAPFRE as that of its property accessible in third-party systems. The center acts as a Global SOC allowing the early detection of possible cyber incidents and the agile response to them. MAPFRE's CCG-CERT is certified under the ISO 9001, ISO 27001 and ISO 22301 standards.
- Crisis management and business continuity plans, which are systematically updated and deployed.
- Obtaining added value in terms of business, through actions such as the digitization of processes using electronic signature capabilities or the fight against fraud.

Given the increase in remote work and the appearance of new cyberattack mechanisms, a reinforcement of actions for the development and evolution of the cybersecurity culture has been required, with 8,500 training actions carried out by the people who work at MAPFRE. For this reason, initiatives with greater impact and permanence are being developed, as well as actions aimed at specific groups whose role is especially critical, which are articulated through the new Corporate Training and Awareness Plan that, with scope to the whole of the MAPFRE Group, will develop in the next three-year period.

Regarding the promotion of relationships with third parties in the area of cybersecurity and privacy, in 2021 MAPFRE experts have joined specialized cybersecurity groups, such as the Cybersecurity Working Group of the EFR, the Ransomware Working Group of the CRO Forum and the National Meeting of SOC (Security Operations Centers) organized by the National Cryptologic Center in Spain.

It is also worth mentioning the adaptation work to the different regulations that are emerging in the different geographical areas where the Group is present. In 2021, the ICT governance and security guidelines of the European insurance supervisor (EIOPA) and the regulations promulgated in the matter in Chile and Peru came into force, which join those already existing in other countries where we operate.

Measures related to the protection of people and business continuity

In an integrated fashion and in line with action in the areas of data privacy and cybersecurity (see 2.4.4 Cybersecurity and data privacy), MAPFRE identifies the protection of the people who work in the Group and its employees as essential elements in terms of security. facilities, as well as the adequate resilience of its operations and the services it provides:

Protection of people

The protection of the people who work at MAPFRE is ensured by providing a safe work environment, as a result of the implementation from the project phase, and maintenance over time, of protection measures for the facilities; the provision of self-protection plans in work centers; or the design and implementation of specific measures in events, trips and deployments (especially to areas considered risky), including training actions and direct and specialized support in the event of risk or crisis situations.

The year 2021 was characterized by periods of staggered return to normality and restricted international mobility marked by the heterogeneity of the situation and the control measures of the different countries. This has meant that the protection of people, both in their usual location and on trips, has required greater attention and continuous updating to the changes in the situation that have been taking place, to guarantee the adequate safety of personnel at all times.

Additionally, to contribute to the perception of security by people who access its facilities, MAPFRE has correctly renewed AENOR certification of the COVID-19 protocols applied at its facilities in Spain and Portugal. The companies located in Venezuela, Chile, Colombia, Peru, Ecuador and Uruguay are currently immersed in the certification process.

Business continuity

In terms of availability, business continuity solutions are designed and implemented to guarantee the maintenance of the services provided to customers in serious contingency situations, thus contributing to the resilience of the operations and services provided.

In 2021, it is worth mentioning the granting by AENOR of the ISO 22301 Business Continuity Management Systems certification to MAPFRE Mexico, MAPFRE Turkey (in the process of being certified), MAPFRE Puerto Rico, MAPFRE BHD (Dominican Republic), MAPFRE Honduras and SOLUNION. In addition to the new certifications, the renewal and maintenance of those obtained in previous years by MAPFRE Spain, MAPFRE RE, MAPFRE Global Risks, MAPFRE Inversión, MAPFRE Portugal and the Global SOC of the MAPFRE Group also took place.

These certifications provide a framework to systematically provide, maintain and increase the organization's resilience capacity, enabling an effective response to crisis situations, which safeguards its main processes and critical activities, as well as the interests of its main stakeholders; capabilities that have been tested and proven effective in numerous real world situations.

Note 3 Data Privacy

To comply with due diligence regarding data privacy, MAPFRE has the following prevention and compliance measures in place.

Prevention measures

Firstly, MAPFRE has established a corporate reference model in terms of privacy and data protection aimed at guaranteeing compliance with its obligations. The model develops and implements measures of various kinds to ensure compliance with the principles relating to data processing: "legality, loyalty and transparency", "limitation of purpose", "minimization of data", "accuracy", "integrity and confidentiality" and "proactive responsibility". In addition, it adapts to the different applicable regulations, monitoring and analyzing the different pronouncements of the regulators, in order to guarantee the alignment of the corporate criteria with them and attending, in a timely manner, to the rights of the interested parties.

Likewise, MAPFRE has a Corporate Data Protection Officer (DPO) and an area specifically dedicated to ensuring the privacy and protection of personal data. Within this area and as support to the Corporate DPO, the Corporate Privacy and Data Protection Office (OCPPD) is framed, whose mission is to be the point of reference for all activities related to the field, providing a unique and global vision, promoting the homogeneity of all the processes and criteria related to this matter.

Lastly, as a complement to the above, MAPFRE has a Privacy and Corporate Data Protection Committee. The committee, acting as an advisory and support body to the DPO in the performance of its functions, supervises and coordinates the different initiatives and projects in this area at a global level. Similarly, in the countries where it is present and the legislation requires this figure, MAPFRE has local Data Protection Officers and their respective committees, with functional dependence on the corporate.

Compliance measures

Regarding the processes associated with compliance with current legislation on data protection, the different pronouncements issued by the different regulators, especially the European ones, have continued to be analyzed in order to incorporate them, if necessary, into the affected processes. Likewise, special work has been done on adapting the internal processes of the different entities of the Group to the new personal data protection laws, which have been enacted, such as those of Panama and Ecuador.

All employees are keenly aware of the obligations to guarantee, among other aspects, the confidentiality of information and compliance with data protection regulations, establishing in the MAPFRE Code of Ethics and Conduct the possibility that, in the event of a breach of these principles, the corresponding sanctions are adopted according to the current disciplinary regime or the resolution of the existing contractual relationship, all without prejudice to the adoption of other measures or the requirement of responsibilities to the offender.

MAPFRE's strategy with the different stakeholders is already addressed from the very definition of MAPFRE's mission and vision, the objective being to build long-term relationships of trust based on commitment and dialogue and developed from integrity, responsibility and transparency, thereby contributing to the sustainable value creation model pursued by the group and acting in accordance with the provisions of MAPFRE's Code of Ethics and Conduct and MAPFRE's Corporate Social Responsibility Policy.

Chapter 4 of this report is dedicated to highlighting the most relevant aspects of management with stakeholders, employees, customers and policyholders, distributors, brokers and collaborators, providers and shareholders.

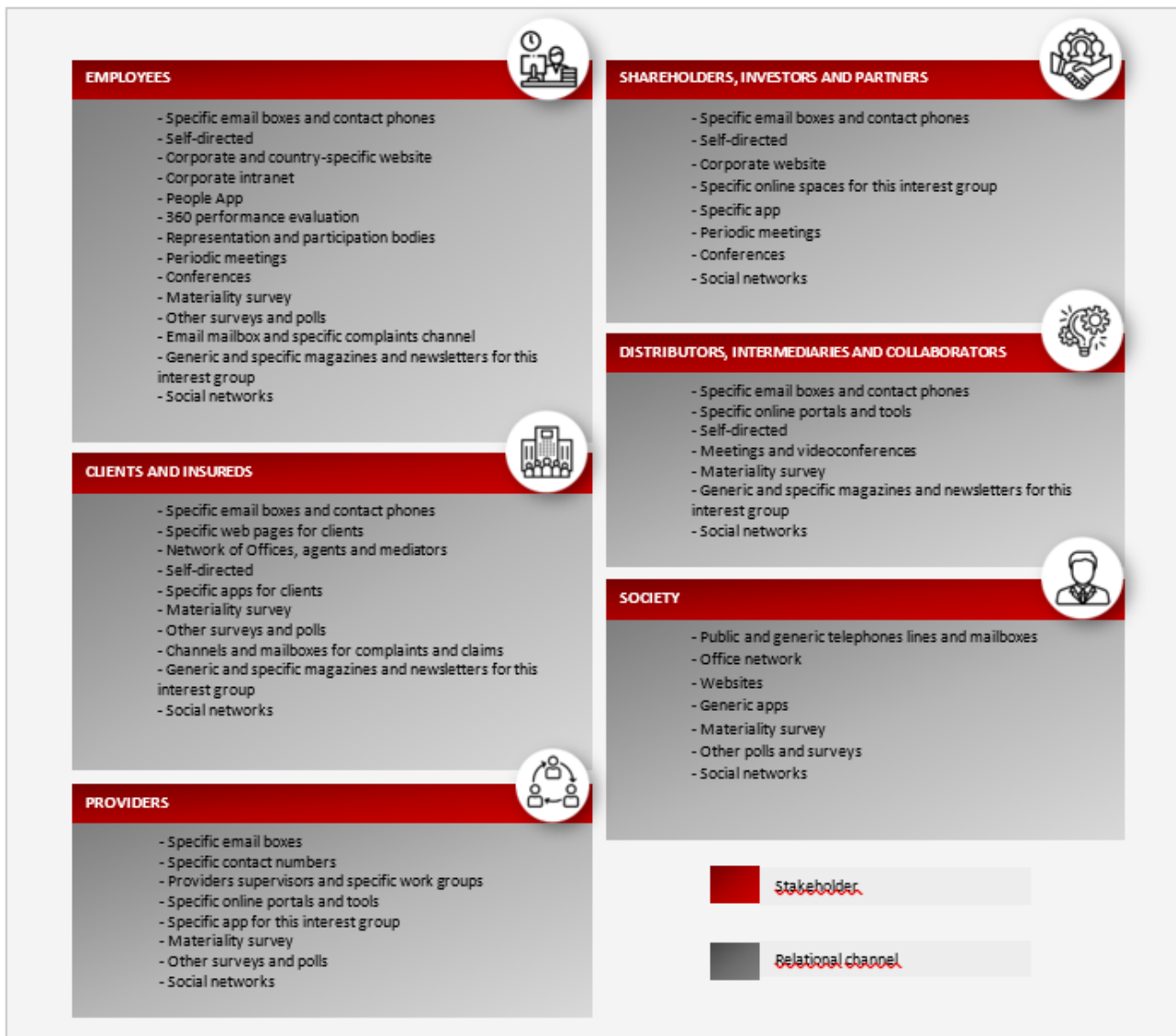
As far as **governments and the authorities** are concerned, MAPFRE conducts its business activities in full compliance with the regulations in force in the countries in which it operates, acting strictly in accordance with the provisions of the Group's Code of Ethics and Conduct, as well as the anti-corruption policy and the company's corporate sustainability policy.

Since 2019, MAPFRE has been registered in the Transparency Registry of the European Union, with the aim of promoting transparency and openness in interaction with community institutions, enabling its participation in the decision-making and policy-making process and ultimately contributing to reinforcing institutional trust. This registration also entails respect for certain ethical and behavioral principles in the course of their work representing interests with the EU institutions, collected in a code of conduct.

Stakeholder groups



Main relational channels for stakeholders



From the firm conviction that alliances and public-private collaboration are essential to contribute to the economic and social development of the communities in which it operates (SDG 17) and the role it plays as a corporate actor, **MAPFRE collaborates and participates in industry and business organizations** that help it form a more comprehensive and global vision of the environment in which the insurance industry operates, its impacts, risks and opportunities, while allowing you to learn the keys to an increasingly complex and interconnected economic and social reality, as well as contributing to the public debate on the main issues of interest for the insurance and investment sector, specifically, and for the business world, in general.

The main business and sector associations, foundations, chambers of commerce and other non-profit organizations through which the MAPFRE Group carries out its institutional activity are shown in the accompanying tables.

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Cámara de Comercio de España	SPAIN	Puerto Rico Association of Insurance Companies	PUERTO RICO
Confederación Española de Organizaciones Empresariales (CEOE)		Puerto Rico Chamber of Commerce	
Unión Española de Entidades Aseguradoras y Reaseguradoras (UNESPA)		Insurance Association of Turkey - TSB	TURKEY
Fundación de Estudios de Economía Aplicada (FEDEA)		Istanbul Ticaret Odasi (Istanbul Chamber of Commerce)	
Investigación Cooperativa entre Entidades Aseguradoras y Fondos de Pensiones (ICEA)		Associazione Nazionale fra le Imprese Assicuratrici	ITALY
Asociación de Instituciones de Inversión Colectiva y Fondos de Pensiones (INVERCO)		Gesamtverband der Deutschen Versicherungswirtschaft (German Insurance Association)	
Fundación Instituto para el Desarrollo e Integración de la Sanidad (IDIS)		Industrie - und Handelskammertag (Chamber of Commerce and Industry)	GERMANY
Fundación SERES			
Consejo Empresarial Alianza por Iberoamérica (CEAPI)			
Fundación Iberoamericana Empresarial (FIE)			
Cámara de Comercio Brasil-España	BRAZIL		
Cámara de Comercio de EE.UU. en España			
Asociación Empresarial España-Asean (ASEMPEA)			
Cámara Comercio Hispano-Turca			
Federação Nacional de Capitalização (FENACAP)	MEXICO		
Federação Nacional de Previdência Privada e Vida (FENAPREVI)			
Federação Nacional das Empresas de Resseguros (FENABER)			
Federação Nacional de Seguros Gerais (FENSEG)	PERU		
Asociación Mexicana de Instituciones de Seguros (AMIS)			
Cámara Oficial de Comercio de España en el Perú	USA		
Massachusetts Insurance Federation Inc.			
Ohio Insurance Institute			
Insurance Association of Connecticut			
American Property Casualty Insurance Association			

Additionally, MAPFRE is a partner of the following sector organizations at the European and global levels:

- Institute of International Finance
- CRO Forum
- Pan-European Insurance Forum
- The Geneva Association
- European Financial Services Roundtable
- International Insurance Society
- Global Reinsurance Forum
- The European CFO Forum

The expense corresponding to contributions from the aforementioned sectoral and institutional entities was around 2.8 million euros in 2021, among which, based on the amount of contributions, stand out: European CFO Forum (contribution: 122,000 euros), The Geneva Association (92,601 euros) and Institute of International Finance –IIF (35,944 euros).

The main topics of interest around which the work of these industry bodies has focused in 2021 are, in order of importance: 1) Financial and prudential regulation (752,669.51 euros); 2) Digital regulation and cyber threats (544,645.14 euros); and 3) Impact of the COVID-19 pandemic and measures related to same (376,334.75 euros).

The total contributions made to the chambers of commerce in the different countries amount to 227,494 euros.

ESG topic		How could it affect the business?	Monitoring and mitigation measures and information reference in MAPFRE
Environmental topics	Adaptation and mitigation of climate change	· The climatic variable can affect the underwriting of insurance and reinsurance. Related to underwriting risk.	· Section 5 Committed to the environment
	Carbon footprint, natural resources, waste management	· Greater local and regional regulation. Related to default risk.	· Section 6.2 Materiality
		· Greater social pressure. Related to reputational risk.	

Social topics	Demographic changes: longevity, mortality and demographic challenges	· Affecting the Life and /or health business. Related to underwriting risk.	· Section 4.2. Protecting the client
		· Could affect the internal management of companies: delay in the retirement age, aging of the workforce, etc. Related to operational risk.	· Section 4.4. Developing employees
			· People and Organization report 2021, available at mapfre.com
			· Solvency and Financial Condition Report (SFCR) on corporate website and Note 7 Risk Management of the Consolidated Annual Accounts of MAPFRE 2021.
	Equality, diversity and non-discrimination in the company	· Greater local and regional risk. Related to non-compliance risk.	· Section 4.2. Protecting the client
		· Affects the public commitments assumed by the company. Related to corporate governance risk and reputational risk.	· Section 4.4. Developing employees
		· Proliferation of regulation. Related to legal risk or non-compliance risk.	· People and Organization report 2021, available at mapfre.com
			· Section 6.2 Materiality
	Health security	· Customer protection and insurance. Related to operational risk and underwriting risks.	· Section 3.2. Economic and insurance environment. COVID-19
		· Protection of employee. Related to operational risk.	· Section 4.1. MAPFRE and COVID-19
		· Protection of the business. Related to operational risk and underwriting risk	
	Cybersecurity and data privacy	· Protecting the business from cyber attacks. Related to operational risk and reputational risk.	· Solvency and Financial Condition Report (SFCR) on corporate website and Note 7 Risk Management of the Consolidated Annual Accounts of MAPFRE 2021.
· Security and protection of customers, employees and providers. Related to operational risk and reputational risk.		· Section 3.3. Risk management: emerging risks	
		· Section on Ethical behavior: Cybersecurity and data protection	

Corporate governance topics	Corporate ethics: corruption and internal fraud	<ul style="list-style-type: none"> · Regulation proliferation. Related to legal risk, non-compliance risk, strategic and corporate governance risk. 	<ul style="list-style-type: none"> · Section 2.4.2. Ethical behavior: main compliance and prevention measures
		<ul style="list-style-type: none"> · Related to the prevention systems of the company and as they pertain to employees. 	<ul style="list-style-type: none"> · Solvency and Financial Condition Report (SFCR) on corporate website and Note 7 Risk Management of the Consolidated Annual Accounts of MAPFRE 2021.
		<ul style="list-style-type: none"> · Could lead to financial loss for the company, sanctions and loss of reputation. 	<ul style="list-style-type: none"> · Section 6.2 Materiality

TABLE

Note 6 Sustainable Products

SUSTAINABLE PRODUCTS AND SERVICES: Investment

Some of the most relevant investment products and services in MAPFRE's countries and business units are presented in the accompanying table.

<p>Inclusión Responsable Fund</p>	<p>Equity fund that invests in companies especially committed to the inclusion of people with disabilities. Included in the 2019 United Nations Global Compact report as an example of best practice, it combines the search for financial profitability with promoting social improvement. The management team, in collaboration with the French partner La Financière Responsable (LFR), applies a methodology based on seven themes with 40 variables that invests in companies particularly focused on recruiting people with a range of disabilities. At the end of 2021, the fund had more than 40 million euros of assets under management.</p>
<p>Capital Responsable Fund</p>	<p>Fund that seeks to preserve capital, but without giving up on long-term growth. To this end, it offers a balanced portfolio of fixed-income assets and European equities (close to 70% are bonds, and around 25% are shares). The objective is to favor those companies that have a strategy focused on monitoring ESG criteria, under the assumption that these companies provide a more appropriate risk return profile. MAPFRE also has a pension plan that replicates this approach. At the end of 2021, the fund has more than 150 million euros of assets under management.</p>
<p>Multifondos Compromiso ESG</p>	<p>MAPFRE's first Unit-Linked product where all the funds that make up the portfolio incorporate ESG criteria into their investment policy. The maximum exposure to equities does not exceed 50%, so as to protect clients from severe market fluctuations.</p>

Other investment products:

- Infrastructure:

MAPFRE and Abante, in the development of their strategic alliance that began three years ago, launched in 2020 through Macquarie, the financial services group of Australian origin, an infrastructure fund of up to 300 million euros. In this sense, MAPFRE undertook to contribute an initial capital of 50 million in accordance with the criteria of sustainability, social and governance (ESG), although that figure has increased to 103 million.

This fund of funds, which has aroused the interest of institutional and private banking investors and which has several Macquarie Infrastructure and Real Assets (MIRA) strategies as its underlying, offers investors an opportunity to access a type of asset that allows them to diversify portfolios in a low interest rate environment.

- Sustainable investments:

The other leg of the insurance group in alternative investments lies in the recent agreement reached with Iberdrola to jointly invest in renewable energies in Spain. This project, which will have an 80% stake from MAPFRE, involves the creation of a pioneering joint venture vehicle between an energy company and an insurance company. The Joint Venture will have up to 298 MW in green projects — both wind and photovoltaic— from the energy company's asset portfolio. Said agreement also provides for the incorporation of other operating assets, as well as new renewable energy development projects, up to 1,000 MW, which would be partially financed by contributions from qualified institutional investors.

SUSTAINABLE PRODUCTS AND SERVICES: Underwriting

Some of the most relevant underwriting products and services in MAPFRE's countries and business units are presented in the accompanying table.

A. SOCIAL PRODUCTS AND SERVICES

Social Impact	Country	Product or Service	As a % of total premiums*	As a % of total for business line*	No. of insureds
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RESPOND TO SOCIAL CHALLENGES AND PROBLEMS FACED BY SOCIALLY DISADVANTAGED GROUPS	SPAIN	Salud Elección: Health care insurance that guarantees primary care and basic diagnostic tests in approved centers. For other medical assistance that the insured may need, reduced prices are offered in the recommended clinics compared to the cost of same as a private patient.	0.0347	0	1,457
	SPAIN	Tú eliges: Out-of-hospital assistance insurance in line with a pre-configured array of medical services, which operates via co-payment. Priced attractively, this product is aimed at a young demographic looking to take out their first health insurance at an affordable price.	0.09	0.0927	4,177
	SPAIN	Decesos Esencial: Burial product, based on a natural rate that is tailored to clients who want to keep their burial insurance but are experiencing financial difficulties.	3.18	3.18	218,565
	BRAZIL	Vida Protegida e Premiada (VPP). Insurance that has coverage for Death, Accidental Death and Accidental Hospitalization Rate. You also benefit from the MAPFRE Taking Care of You Program, which offers discounts on consultations and exams offered by the accredited network; and also discounts in pharmacies.	4.37	98.13	981,000
	BRAZIL	Accidentes Pessoais Awarded CR Diementz: Insurance with coverage for Accidental Death and Total Permanent Disability due to Accident.	N/A	N/A	27,476
	BRAZIL	Accidentes Pessoais Solar Awarded: Insurance with coverage for Accidental Death.	N/A	N/A	33,496
	COLOMBIA	*Personal accident insurance with coverage for serious illnesses: Protection for the insured person who purchases the insurance, in case of first diagnosis of serious illnesses such as Alzheimer's, Parkinson's, paralysis, chronic kidney failure, cancer, heart attack, among others; It also covers organ transplants due to accident or illness, a 50% advance payment for diagnosis of cancer in situ and accidental death. *Personal accident insurance with cancer coverage: Protection for the insured who purchases the insurance, in the event of a first diagnosis of cancer or accidental death. *Personal accident insurance with health assistance: Protection for the insured who purchases the insurance, with coverage for medical or dental emergencies, consultation with a general practitioner and specialists, telemedicine and transfers to medical centers. *Accident insurance with assistance for expectant mothers or future mothers: Protection for the insured who purchases the insurance, with rental coverage for 4 months for the birth of a child and assistance such as medical guidance, examination analysis and health prevention programs.	0.6	16	54,138
	USA	Added value in the Massachusetts private passenger auto program aimed at low-income households, by reducing the insured's premium, providing reduced coverage in turn.	0.12	0.14	726

Social Impact	Country	Product or Service	As a % of total premiums*	As a % of total for business line*	No. of insureds
SOCIALLY RESPONSIBLE BEHAVIOR FOR LOW-INCOME GROUPS	BRAZIL	Owner and Daily Hospitalization due to Accident or Illness. In addition, it has the benefit of being part of the MAPFRE Cuidando de Ti Program, which offers discounts on consultations and medical exams	N/A	N/A	152
	BRAZIL	several plans, with coverage for Death, Accidental Death and Total Permanent Disability due to Accident. It also has the benefit of being part of the MAPFRE Cuidando de Ti Program, which provides discounts on consultations and medical exams within the accredited network, medical health advice (depending on plan) and telemedicine with co-payment (depending on plan) and also discounts at pharmacies. Assistance for People; Limited Homeowners	N/A	N/A	836
	MEXICO	You also benefit from the MAPFRE Cuidando de Ti Program, which offers discounts on consultations and exams offered by the accredited network, as well as discounts at pharmacies.	95	543	Over 600000

B. ENVIRONMENTAL PRODUCTS AND SERVICES

ENVIRONMENTAL IMPACT	COUNTRY	PRODUCT OR SERVICE	As a % of total premiums *	As a % of total for business line*	No. of insureds
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SUSTAINABLE MOBILITY	SPAIN	ECOLOGICAL POLICY: pay-per-use insurance for vehicles with low harmful emissions	0.11	0.11	4,335
	SPAIN	POLICY FOR ELECTRIC VEHICLES: Specific product for electric vehicles and plug-in hybrids.	0.02	0.02	2,815
	SPAIN	ELECTRIC SCOOTERS: A possibility of third-party liability coverage is offered for these vehicles that improve people's sustainable mobility options.	7.09	0.12	26,546
	GERMANY	ELECTRIC AND HYBRID CARS POLICY: Specific product for electric vehicles and plug-in hybrids.	1.5	1.5	14,319
	SPAIN (VERTI)	CUENTA KILOMETROS: Policy that is sold on the basis of packets of kilometers driven.	0.27	0.32	2,307
	PERU	ALL-RISK COVERAGE PREMIUM PER KM: Product that grants a discount for consuming less than 6,000 km per year.	0.0004	0.0033	632
	USA	MOTION SMARTSM: telematics-driven solution that collects data and analyzes the insured's driving, with the resulting driving score generating premium discounts and better driving behavior.	0.23	0.27	1,517
RENEWABLE ENERGY	SPAIN	DAMAGE TO PHOTOVOLTAIC SOLAR PANELS: Coverage of material damage to renewable energy installations.	0.0343	1.3613	1,686
	SPAIN	MATERIAL DAMAGE AND RENEWABLE ENERGY MACHINERY BREAKDOWN: Coverage of material damage to renewable energy facilities (Total Wind, Cogeneration and Solar Plants).	0.1	3.56	434
	BRAZIL	NAMED AND OPERATIONAL PROPERTY RISK INSURANCE.	15.4	15.4	38
	BRAZIL	MAPFRE Empresas: Coverage for solar panels and photovoltaic kits installed on the insured's property (Companies) with the aim of producing energy to be used by the insured in their company.	15.44	66.91	77,967
	BRAZIL	Residential Multiflex: Coverage for solar panels and photovoltaic kits installed on the insured's property (residence) in order to produce energy to be used by the insured in their principal residence.	23.9	60.46	249,214
	BRAZIL	Condominium Insurance: Coverage for solar panels and photovoltaic kit installed in the insured property (Condominium) in order to produce energy to be used by the Insured Condominium.	15.39	100	22,402
	BRAZIL	Non-agricultural machinery and equipment: Coverage for solar panels and photovoltaic kits, regardless of where they are installed and operating.	6.77	59.77	19,645
	GLOBAL RISKS	PHOTOVOLTAIC PLANT POLICIES Policies for the insurance of photovoltaic plants - damage and civil liability policy: insurance that covers the different phases (design, construction, start-up and operation).	0.0273	0.4303	8
	GLOBAL RISKS	WIND FARM POLICIES Policies for the insurance of photovoltaic plants Damage and civil liability policy: insurance that covers the different phases (design, construction, start-up and operation).	0.1095	1.7253	14

CIRCULAR ECONOMY	BRAZIL	EXTENDED WARRANTY for household appliances. There is a range of goods that are characterized as 'Troca Certa'. They are small-sized products (appliances) that, due to their repair cost, are replaced and the damaged product is collected from the insured. These defective/broken products are sent to a company that correctly recycles their materials and electronic components, ensuring that there is no impact on the environment.	60	60	Over 4,000,000
	BRAZIL	RESIDENTIAL/INTELLIGENT DISPOSAL: whereby the insurer sends a professional to dispose of furniture, electronic equipment and appliances, following sustainability practices and current regulations. The removal of furniture and electronic equipment and appliances must take place within the insured's residence.	100	100	Over 270,000
AVOID AND/OR REPAIR ENVIRONMENTAL DAMAGE CAUSED	SPAIN	Environmental Responsibility Coverage in Business and Agricultural Multirisik: Environmental Responsibility Coverage as regulated in current regulations -Law 26/2007 and implementing regulations- to the extent that it prescribes obligations relating to prevention, avoidance or repair of the same nature, for the person responsible for environmental damage or imminent threat of environmental damage.	0.00004	0.0026	168
	SPAIN	Environmental Liability and Civil Liability for Accidental Pollution: Product with environmental coverage.	0.04	1.67	1,548
	SPAIN	Coverage of Environmental Responsibility in Businesses: Service of an Environmental nature.	0.01	0.81	183,332
	SPAIN	Environmental Civil Responsibility in Communities: The guarantee covers the damages that the community of owners or its facilities may produce in the environment.	0.33	0.33	140,762
	BRAZIL	Additional Coverage Removal of remains of recreational boats and Additional Civil Liability Coverage includes pollution-related expenses.	15	15	2,200
	BRAZIL	Additional Environmental Third-party Coverage in Freight Transportation. Coverage focused on the recomposition of the accident area with the cargo transport vehicle.	10	4	350
	PHILIPPINES	My Business: Insurance for owners of small and medium-sized businesses that provides property insurance coverage with general liability insurance. Provides protection for accidental property damage due to fire, lightning, flooding and other catastrophes and any other loss against third-party liability.	N/A	N/A	N/A
	PORTUGAL	Environmental liability: covers the cost of repair due to accident or imminent threat, damage to wild species and habitats, water damage, soil damage.	N/A	N/A	N/A
	COLOMBIA	TRANSPORTATION OF DANGEROUS GOODS AND HYDROCARBONS: coverage extends to cover civil liability and defense expenses in accordance with Royal Decrees 1609 of 2002 (hydrocarbon companies), 4299 of 2005 (truck owners), 321 of 1999 and Law 1333 of 2009.	100	0.63	12
	PUERTO RICO	MCS-90: transport policy that provides coverage for the repair of pollution damage caused by leaks of dangerous products.	8	35	296

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LOW-CARBON AGRICULTURE	SPAIN	FORESTRY: Forest Mass Fire coverage.	0	1.68	156
	COLOMBIA	Climate insurance: insurance that provides protection to the agricultural producer against the effects of natural phenomena on plantations. The coverage catalog is linked to natural events such as excess and deficit of rain, flooding, frost, strong winds, landslides, hail, avalanches and fires.	100	100	340
ENERGY EFFICIENCY IN INSTALLATIONS	SPAIN (MULTIMAP)	LED installation Installation of high performance windows Installation of charging points for electric vehicles Energy certificates	N/A	N/A	N/A

C. TECHNOLOGICAL RISK INSURANCE

ENVIRONMENTAL IMPACT	COUNTRY	PRODUCT OR SERVICE	As a % of total premiums*	As a % of total for business line*	No. of insureds
CYBERSECURITY	USA	Cyber insurance for homeowners	0.0028	0.0034	828
	SPAIN	Cyber Risk Insurance for Companies with more than 10 million euros in revenue.	0.08	0.24	106
		On Cyber Insurance for SMEs and the self-employed	0.01	0.05	224
		Santander MAPFRE cyber insurance	22.1	100	11,509

*Relative to country

Note 7 New hires and employee departures in 2021 and dismissals by job position level**New hires and employee departures**

Reason for new hire	2021	2020
Merger or acquisition	0	679
External recruitment	3,523	2,464
Return after leave of absence	73	6
Return from international posting	0	79
Temporary contract	371	322
Total	3,967	3,550

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Reason for departure	2021	2020
Transfer	186	0
Voluntary	2,591	1,703
Dismissal	1,837	1,813
Leave of absence	126	101
Retirement	110	102
Early retirement	46	17
Death	34	27
Disability	39	36
Termination of temporary contract	387	344
Total	5,356	4,143

Terminations by job position level, gender and age in 2021

	VETERANS			BABY BOOMERS			GENERATION X			GENERATION Y			GENERATION Z		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
SENIOR MANAGEMENT	1	0	1	31	6	37	19	10	29	5	3	8	0	0	0
MIDDLE MANAGERS	0	1	1	44	15	59	36	28	64	21	17	38	2	0	2
ADVISORS	3	4	7	193	79	272	115	113	228	149	174	323	48	92	140
ASSOCIATES	15	0	15	57	28	85	43	73	116	106	166	272	61	79	140
TOTAL	19	5	24	325	128	453	213	224	437	281	360	641	111	171	282

New hires

JOB POSITION LEVEL	VETERANS		BABY BOOMERS		GENERATION X		GENERATION Y		GENERATION Z		TOTAL
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	
SENIOR MANAGEMENT	0	0	6	0	27	13	4	5	0	1	56
MIDDLE MANAGERS	0	0	4	3	26	18	42	28	3	2	126
ADVISORS	1	4	21	15	133	163	395	486	247	357	1,822
ASSOCIATES	0	0	15	30	86	155	294	460	408	515	1,963
TOTAL	1	4	46	48	272	349	735	979	658	875	3,967

Total staff turnover

JOB POSITION LEVEL	VETERANS		BABY BOOMERS		GENERATION X		GENERATION Y		GENERATION Z		TOTAL
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	
SENIOR MANAGEMENT	60.0%	100.0%	11.6%	9.7%	6.9%	8.5%	10.3%	15.1%	—%	—%	9.3%
MIDDLE MANAGERS	50.0%	100.0%	11.0%	9.9%	5.2%	5.8%	12.2%	10.0%	18.2%	12.5%	8.2%
ADVISORS	65.2%	67.9%	20.1%	12.6%	8.1%	7.1%	19.5%	19.3%	28.7%	28.3%	15.3%
ASSOCIATES	183.3%	73.3%	21.1%	11.7%	12.3%	9.9%	31.0%	23.6%	48.9%	35.4%	22.8%
TOTAL	95.5%	72.1%	17.1%	11.8%	8.0%	7.9%	21.4%	20.0%	38.6%	31.9%	16.2%

Data greater than 100% are impacted by the exit from countries of the Assistance business in the first quarter of 2021, which in turn reduces the average workforce and consequently the date with which this table is calculated. Total staff turnover is calculated using the following formula: departures over average headcount. (This data is impacted by the exit of the Asistencia business from the following countries: United States, United Kingdom, Australia, Belgium, Hungary, Canada, China, India.)

Unwanted staff turnover

JOB POSITION LEVEL	VETERANS		BABY BOOMERS		GENERATION X		GENERATION Y		GENERATION Z		TOTAL
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	
SENIOR MANAGEMENT	20.0%	—%	2.0%	2.7%	3.5%	4.4%	5.1%	8.2%	—%	—%	3.7%
MIDDLE MANAGERS	25.0%	—%	3.1%	3.5%	2.1%	3.0%	6.3%	5.6%	6.1%	4.2%	3.6%
ADVISORS	4.3%	7.1%	2.1%	3.6%	3.7%	4.4%	12.0%	11.5%	14.6%	9.4%	7.4%
ASSOCIATES	25.0%	3.3%	3.7%	4.3%	8.1%	5.1%	15.4%	12.2%	24.4%	19.4%	11.3%
TOTAL	13.6%	4.9%	2.5%	3.8%	4.0%	4.4%	12.0%	11.1%	19.5%	14.6%	7.9%

Unwanted staff turnover is calculated using the following formula: voluntary departures over the average workforce. We believe that within a Group as large as MAPFRE, this index remains at low levels.

Total workforce by job position level, contract type, working day, gender and generation - 2021

JOB POSITION LEVEL	CONTRACT TYPE	WORKING DAY	VETERANS		BABY BOOMERS		GENERATION X		GENERATION Y		GENERATION Z		TOTAL
			M	W	M	W	M	W	M	W	M	W	
SENIOR MANAGEMENT	PERMANENT	FULL-TIME	0	0	24	4	23	9	0	0	0	0	60
		PART-TIME	0	0	0	0	0	0	0	0	0	0	0
	TEMPORARY	FULL-TIME	0	0	0	0	0	0	0	0	0	0	0
		PART-TIME	0	0	0	0	0	0	0	0	0	0	0
MANAGEMENT	PERMANENT	FULL-TIME	4	0	362	105	626	333	118	76	1	0	1,625
		PART-TIME	0	0	0	0	0	0	0	1	0	0	1
	TEMPORARY	FULL-TIME	0	0	1	3	1	1	1	1	0	0	8
		PART-TIME	0	0	0	0	0	0	0	0	0	0	0
MIDDLE MANAGEMENT	PERMANENT	FULL-TIME	3	1	495	266	1,288	1,166	687	615	35	25	4,581
		PART-TIME	0	0	0	2	0	6	0	2	0	0	10
	TEMPORARY	FULL-TIME	0	0	2	1	1	2	4	1	0	0	11
		PART-TIME	0	0	0	0	0	0	0	0	0	0	0
ADVISORS	PERMANENT	FULL-TIME	18	21	1,12	920	2,965	3,391	2,541	2,787	546	687	15,000
		PART-TIME	1	3	10	28	29	201	104	373	89	364	1,202
	TEMPORARY	FULL-TIME	0	0	3	4	8	23	53	80	49	48	268
		PART-TIME	0	2	1	2	0	0	5	8	7	5	30
ASSOCIATES	PERMANENT	FULL-TIME	6	18	340	573	816	1,836	1,056	1,890	510	861	7,906
		PART-TIME	0	1	6	67	55	400	86	316	52	110	1,093
	TEMPORARY	FULL-TIME	0	0	5	5	22	21	73	100	62	92	380
		PART-TIME	0	1	0	1	1	4	9	40	34	76	166
TOTALS			32	47	2,37	1,98	5,835	7,393	4,737	6,290	1,385	2,268	32,341

Average workforce by job position level, contract type, working day, gender and generation - 2021

JOB POSITION LEVEL	CONTRACT TYPE	WORKING DAY	VETERANS		BABY BOOMERS		GENERATION X		GENERATION Y		GENERATION Z		TOTAL
			M	W	M	W	M	W	M	W	M	W	
SENIOR MANAGEMENT	PERMANENT	FULL-TIME	0	0	26	5	21	9	0	0	0	0	61
		PART-TIME	0	0	0	0	0	0	0	0	0	0	0
	TEMPORARY	FULL-TIME	0	0	0	0	0	0	0	0	0	0	0
		PART-TIME	0	0	0	0	0	0	0	0	0	0	0
MANAGEMENT	PERMANENT	FULL-TIME	5	0	378	105	632	331	116	70	0	0	1,637
		PART-TIME	0	1	0	0	0	0	0	1	0	0	2
	TEMPORARY	FULL-TIME	0	0	1	3	0	1	1	2	0	0	8
		PART-TIME	0	0	0	0	0	0	0	0	0	0	0
MIDDLE MANAGEMENT	PERMANENT	FULL-TIME	4	2	514	281	1,303	1,176	675	625	33	24	4,637
		PART-TIME	0	0	0	2	0	6	1	2	0	0	11
	TEMPORARY	FULL-TIME	0	0	2	1	1	2	5	1	0	0	12
		PART-TIME	0	0	0	0	0	0	0	0	0	0	0
ADVISORS	PERMANENT	FULL-TIME	22	27	1,243	980	3,014	3,436	2,619	2,809	491	601	15,242
		PART-TIME	1	1	10	30	31	200	102	374	89	358	1,196
	TEMPORARY	FULL-TIME	0	0	3	3	8	21	56	82	33	39	245
		PART-TIME	0	0	0	0	0	1	5	7	4	2	19
ASSOCIATES	PERMANENT	FULL-TIME	12	28	374	599	827	1,905	1,122	2,002	519	904	8,292
		PART-TIME	0	1	6	65	55	402	94	311	54	104	1,092
	TEMPORARY	FULL-TIME	0	0	3	5	29	29	98	119	70	76	429
		PART-TIME	0	1	0	0	1	6	7	28	20	52	115
TOTALS			44	61	2,560	2,079	5,922	7,525	4,901	6,433	1,313	2,160	32,998

Vacancies covered internally

JOB POSITION LEVEL	VETERANS		BABY BOOMERS		GENERATION X		GENERATION Y		GENERATION Z		TOTAL
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	
SENIOR MANAGEMENT	0	0	6	2	16	12	7	3	1	0	47
MIDDLE MANAGERS	0	0	10	16	40	34	59	70	12	7	248
ADVISORS	1	0	29	49	96	125	219	286	99	154	1,058
ASSOCIATES	0	1	7	7	13	26	41	92	53	73	313
TOTAL	1	1	52	74	165	197	326	451	165	234	1,666

Workforce data by FTE
FTEs by gender

	FTE	%
Men	14,299	44.9%
Women	17,544	55.1%
TOTAL	31,843	100.0%

FTEs by age range

	FTE	%
Under 30	5,145	16.2%
Between 30 and 50	18,932	59.5%
Older than 50	7,766	24.4%
TOTAL	31,843	100.0%

FTEs by main nationalities

	FTE	%
Spanish	10,899	34.2%
Brazilian	3,129	9.8%
Mexican	1,852	5.8%
Peruvian	1,413	4.4%
Colombian	938	2.9%
Argentinian	931	2.9%
Turkish	919	2.9%
Italian	778	2.4%
American	537	1.7%
Venezuelan	535	1.7%

% of women out of total FTEs by job position of relevance

	FTE
Women in management job positions	31.6%
Women in top management	26.7%
Women in junior management	43.0%
Women in revenue-generating management job positions	54.3%
Women in STEM job positions	32.4%

FTEs with disabilities by gender

	FTE	%
Men	325	46.8%
Women	370	53.2%
TOTAL	695	100.0%

Average payroll cost per FTE throughout 2021: €1,839.64.

The number of hours of training per FTE in 2021 was 31.31, at an average cost of 255 euros.

Note 8 Information on remuneration
Average remuneration and evolution, broken down by gender, age and professional classification:

AVERAGE REMUNERATIONS IN SPAIN (figures in euros)

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AGE AND JOB POSITION LEVEL	2021			
	No. OF PEOPLE		AVERAGE FIXED REMUNERATION	
	M	W	M	W
VETERANS				
SENIOR MANAGEMENT	3		119,278	
MIDDLE MANAGERS	0		0	
ADVISORS	2		*	
ASSOCIATES AND SUPPORT PERSONNEL	0	0	0	0
BABY BOOMERS				
SENIOR MANAGEMENT	221	41	136,724	107,593
MIDDLE MANAGERS	343	128	62,792	58,195
ADVISORS	778	516	47,205	40,271
ASSOCIATES AND SUPPORT PERSONNEL	188	264	36,822	34,875
GENERATION X				
SENIOR MANAGEMENT	243	110	99,045	94,610
MIDDLE MANAGERS	615	473	48,657	45,969
ADVISORS	1,652	1,909	38,524	34,478
ASSOCIATES AND SUPPORT PERSONNEL	265	1,052	30,199	29,491
GENERATION Y				
SENIOR MANAGEMENT	19	9	85,186	74,858
MIDDLE MANAGERS	106	89	41,483	38,988
ADVISORS	584	604	31,488	30,036
ASSOCIATES AND SUPPORT PERSONNEL	118	482	22,783	22,399
GENERATION Z				
ADVISORS	104	97	22,245	23,023
ASSOCIATES AND SUPPORT PERSONNEL	38	82	19,360	18,757

AGE AND JOB POSITION LEVEL	2020			
	No. OF PEOPLE		AVERAGE FIXED REMUNERATION	
	M	W	M	W
VETERANS				
SENIOR MANAGEMENT	3		131,296	
MIDDLE MANAGERS				
ADVISORS	5	3	110,437	43,843
ASSOCIATES AND SUPPORT PERSONNEL	0	1	0	*
BABY BOOMERS				
SENIOR MANAGEMENT	231	39	135,767	105,877
MIDDLE MANAGERS	359	125	60,842	55,926
ADVISORS	991	588	49,008	40,855
ASSOCIATES AND SUPPORT PERSONNEL	223	286	37,006	34,780
GENERATION X				
SENIOR MANAGEMENT	215	97	99,168	90,496
MIDDLE MANAGERS	549	392	46,766	44,399
ADVISORS	1,739	1,981	38,684	34,369
ASSOCIATES AND SUPPORT PERSONNEL	269	1,092	30,249	29,055
GENERATION Y				
SENIOR MANAGEMENT	19	7	79,943	74,443
MIDDLE MANAGERS	83	64	38,045	36,645
ADVISORS	552	583	30,288	29,006
ASSOCIATES AND SUPPORT PERSONNEL	123	487	22,178	22,055
GENERATION Z				
ADVISORS	54	67	21,645	21,722
ASSOCIATES AND SUPPORT PERSONNEL	37	65	18,453	18,151

*For data protection and confidentiality reasons, in those groups in which there are two or fewer men or women, the information is not published.

COUNTRY	MANAGEMENT AND MIDDLE MANAGEMENT		ADVISORS		ASSOCIATES	
	Men	Women	Men	Women	Men	Women
GERMANY	91,115	76,265	51,888	45,390	32,581	32,616
ALGERIA ASISTENCIA	2,988,599	1,543,918	16,058,243	837,777	4,470,458	9,406,637
ARGENTINA ASISTENCIA	2,033,020	1,583,163	815,595	779,325	536,690	534,722
ARGENTINA	3,516,081	4,151,387	1,833,409	1,843,383	1,139,193	1,466,721
AUSTRALIA ASISTENCIA	130,455		47,462	69,955		71,556
BAHRAIN ASISTENCIA	13,392	*	*	*	5,414	4,974
BRAZIL ASISTENCIA	152,054	113,312	69,119	64,470	*	26,205
BRAZIL	205,435	167,319	72,638	60,325	23,735	21,917
CANADA ASISTENCIA	34,935,107	27,805,696	14,954,072	14,659,497	9,710,412	9,127,075
CHILE ASISTENCIA	52,681,356	45,045,851	20,255,699	21,057,135	10,120,077	11,384,461
CHILE	385,503	389,299	*	142,243	*	76,059
CHINA ASISTENCIA	94,948,960	134,115,674	45,559,592	60,219,645	24,768,245	20,453,600
COLOMBIA ASISTENCIA	110,051,230	96,692,316	36,645,576	34,185,454	18,335,868	19,676,231
COLOMBIA	22,199,333	23,069,844	8,170,238	8,596,972	*	4,716,000
COSTA RICA	34,088	20,036	8,395	9,330	6,522	6,375
ECUADOR ASISTENCIA	34,159	24,665	11,029	15,640	8,730	9,187
ECUADOR	16,520	13,925	6,847	7,855	*	*
EL SALVADOR ASISTENCIA	44,772	44,984	15,673	13,625	8,966	10,907
EL SALVADOR	307,443	*		*		*
UNITED ARAB EMIRATES ASISTENCIA	72,292	56,629	38,864	34,220	30,130	27,960
SPAIN	140,155	112,822	79,008	69,805	40,086	40,561
UNITED STATES OF AMERICA ASISTENCIA	1,502,448	893,222	237,550	276,374	*	316,369
UNITED STATES OF AMERICA	1,253,249	1,327,516	630,665	636,241	387,817	368,142
PHILIPPINES ASISTENCIA	55,196	39,870	*	23,618	16,603	13,537
PHILIPPINES	226,550	*	82,380	*	46,605	44,490
GREECE ASISTENCIA	402,264	291,886	118,788	281,180	57,320	55,791
GUATEMALA ASISTENCIA	*	*	136,519	*	101,384	135,954
GUATEMALA	1,149,248	947,969	365,415	306,271	196,330	207,213
HONDURAS ASISTENCIA	*	*	*			3,160,000
HONDURAS	241,662,625	*	*		55,640,000	61,427,517
HUNGARY ASISTENCIA	394,605,366	610,349,974	86,003,779	92,496,761	60,107,463	62,251,829
INDONESIA ASISTENCIA	73,512	55,000	38,872	36,526	23,474	24,490
INDONESIA	53,586	37,832	26,991	28,529	22,289	21,497
IRELAND ASISTENCIA	67,648	60,300	42,922	41,141	27,278	29,357
ITALY ASISTENCIA	28,383	12,392	7,894		6,226	5,951
ITALY	34,196	21,357	*		15,548	14,221
JORDAN ASISTENCIA	65,844	51,725	30,689	24,210	17,981	17,942
MALTA ASISTENCIA	483,458	357,406	171,800	149,076	96,912	87,324
MALTA	981,048	746,547	282,192	324,716	191,521	226,824
MEXICO ASISTENCIA	590,727	*	*	*	131,395	133,306
MEXICO	983,582	1,392,517	355,163	250,631	181,870	180,700
NICARAGUA ASISTENCIA	29,652	29,478	17,713	13,361	9,704	9,744
NICARAGUA	76,286	50,049	19,519	15,769	12,145	11,780
PANAMA ASISTENCIA	194,383,000	148,619,333	64,110,508	62,335,171	38,570,000	46,410,000

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PANAMA	189,769	102,698	47,905	39,239	21,718	27,349
PARAGUAY ASISTENCIA	41,585	29,251	16,328	15,296	16,232	13,986
PARAGUAY	49,589	40,801	25,602	24,320	19,316	20,198
PERU	90,905	67,797	39,630	36,765	20,837	23,350
PORTUGAL ASISTENCIA	65,248	64,464	40,880	32,786	25,533	24,239
PORTUGAL	690,824	1,556,976	491,325	346,017	254,736	251,273
PUERTO RICO	2,515,259	1,779,046	805,450	698,661	377,944	381,067
UK ASISTENCIA	44,359	32,426	12,342	18,168	10,049	10,414
DOMINICAN REPUBLIC ASISTENCIA	157,015	253,847	88,798	123,561	54,868	52,255
DOMINICAN REPUBLICA	288,529	278,084	112,947	110,096	58,748	71,667
TUNISIA ASISTENCIA	2,351,911	1,086,925	856,278	828,580	326,115	402,018
TURKEY ASISTENCIA	3,171,347	2,172,451	1,885,800	1,502,354	1,288,792	1,206,878
TURKEY	4,684	2,253	1,326	1,186	493	477
URUGUAY ASISTENCIA	27,781	5,182	2,307	2,199	1,721	1,963
URUGUAY	3,171,347	2,172,451	1,885,800	1,502,354	1,288,792	1,206,878
VENEZUELA ASISTENCIA	4,684	2,253	1,326	1,186	493	477
VENEZUELA	27,781	5,182	2,307	2,199	1,721	1,963

The countries reflected in the table correspond to 99% of the workforce, excluding the employees of BANCO DO BRASIL and MAPFRE Salud ARS.

* For data protection and confidentiality reasons, in those countries where there are two or less men or women in a given group, the information is not published.

Average fixed remuneration by country and generation (figures in local currency)

	VETERANS	BABY BOOMERS	GENERATION X	GENERATION Y	GENERATION Z
GERMANY		50,433	51,122	44,651	28,697
ALGERIA ASISTENCIA		*	2,394,725	2,821,705	12,395,251
ARGENTINA ASISTENCIA	*	*	1,377,310	649,607	505,733
ARGENTINA	*	2,337,198	2,346,074	1,918,544	1,206,910
AUSTRALIA ASISTENCIA			164,460	86,089	*
BAHRAIN ASISTENCIA			14,942	6,093	5,338
BRAZIL ASISTENCIA	*	43,561	117,933	53,635	27,648
BRAZIL	108,832	93,610	104,118	65,118	32,829
CHILE ASISTENCIA	*	21,754,529	14,440,982	11,561,319	9,533,006
CHILE		36,180,066	27,726,387	21,425,855	15,971,527
CHINA ASISTENCIA			352,105	190,148	*
COLOMBIA ASISTENCIA		35,000,160	69,135,715	33,741,564	20,959,160
COLOMBIA		76,800,116	56,058,504	33,587,295	19,994,221
COSTA RICA SEGUROS		*	20,674,562	10,562,918	6,924,071
ECUADOR ASISTENCIA		6,181	19,588	8,058	6,400
ECUADOR		*	25,671	13,957	9,753
EL SALVADOR ASISTENCIA			11,533	11,190	5,386
EL SALVADOR		29,792	31,524	14,251	7,909
UNITED ARAB EMIRATES ASISTENCIA			232,824	247,725	
SPAIN	109,119	55,365	40,296	29,923	21,406
UNITED STATES OF AMERICA	64,920	86,619	80,866	61,443	43,934
PHILIPPINES ASISTENCIA			1,473,986	419,557	258,270
PHILIPPINES		1,415,688	1,391,193	647,291	395,405
GREECE ASISTENCIA		18,244	21,660	15,641	*
GUATEMALA ASISTENCIA			*	106,609	53,250
GUATEMALA		256,491	273,994	199,655	56,183
HONDURAS ASISTENCIA		*	213,807	184,690	99,753
HONDURAS		615,121	653,012	290,940	213,861
HUNGARY ASISTENCIA			8,624,900	4,380,000	
INDONESIA ASISTENCIA			*	84,475,735	58,036,911
INDONESIA		600,722,085	165,109,147	101,719,712	62,064,891
IRELAND ASISTENCIA		45,854	34,831	33,672	22,830
ITALY ASISTENCIA		48,120	31,069	24,626	21,099
ITALY		40,753	38,571	35,424	31,766
JORDAN ASISTENCIA			17,993	12,590	5,657
MALTA ASISTENCIA		15,909	17,182	26,275	14,341
MALTA	*	50,260	42,997	28,954	22,030
MEXICO ASISTENCIA		112,997	209,225	147,575	91,518
MEXICO	*	1,076,881	524,570	362,120	249,119
NICARAGUA ASISTENCIA		*	548,704	207,382	151,053
NICARAGUA		1,023,566	867,286	359,167	177,872
PANAMA ASISTENCIA		*	24,365	14,248	9,546
PANAMA		49,405	35,885	20,613	12,980
PARAGUAY		*	183,373,680	79,779,000	43,465,059
PERU	112,929	91,435	76,591	43,182	30,047
PORTUGAL ASISTENCIA		30,594	22,458	14,305	12,253
PORTUGAL	*	38,548	28,542	21,620	18,506
PUERTO RICO	35,207	56,097	43,873	32,890	23,044
UNITED KINGDOM ASISTENCIA		46,812	56,179	40,037	20,800
DOMINICAN REPUBLIC ASISTENCIA		2,471,086	822,248	377,458	261,843

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DOMINICAN REPUBLIC		1,878,053	1,540,368	658,192	469,488
TUNISIA ASISTENCIA		114,323	22,929	12,756	
TURKEY ASISTENCIA		84,000	206,622	68,653	54,617
TURKEY		298,074	168,031	120,138	86,061
URUGUAY ASISTENCIA			1,533,959	746,321	462,072
URUGUAY		2,805,079	2,135,425	1,659,041	1,036,116
VENEZUELA ASISTENCIA		*	1,299	1,600	543
VENEZUELA	3,490	26,019	3,865	2,407	2,097

The countries reflected in the table correspond to 99% of the workforce, excluding the employees of BANCO DO BRASIL and MAPFRE Salud ARS.

* For data protection and confidentiality reasons, in those countries where there are two or less men or women in a given group, the information is not published.

Average remuneration of directors and managers, including variable remuneration, allowances, severance pay, payment of long-term savings forecast systems, by gender. Managers in Spain by gender and age (figures in euros)

AGE GROUP	2020*			
	No. OF PEOPLE		AVERAGE REMUNERATION	
	MEN	WOMEN	MEN	WOMEN
VETERANS	3		139,812	
BABY BOOMERS	216	41	213,278	170,827
GENERATION X	243	110	151,836	143,423
GENERATION Y	19	9	110,213	97,990

*This table includes information relating to the main directors of the Group worldwide with headquarters in Spain. All persons with a Management position level are included, excluding the directors of MAPFRE S.A., whose information is presented in the Annual Report on Remuneration of Directors of listed corporations, published on the corporate website www.mapfre.com and in Note 6.25 of the Consolidated Annual Accounts.

Managers by gender and country (figures in local currency)

COUNTRY	2021			
	MEN	WOMEN	AVERAGE MEN'S REMUNERATION	AVERAGE WOMEN'S REMUNERATION
GERMANY	7	1	194,898	*
ALGERIA ASISTENCIA	5			
ARGENTINA ASISTENCIA	3	4	3,663,522	3,113,018
ARGENTINA	24	15	6,184,811	8,333,854
AUSTRALIA ASISTENCIA	1			
BRAZIL ASISTENCIA	2		*	
BRAZIL	50	29	621,708	480,659
CANADA ASISTENCIA	4	1	62,603,450	*
CHILE ASISTENCIA	20	10	81,677,912	91,516,635
CHILE	2	2	*	*
CHINA ASISTENCIA	2	4	*	236,877,840
COLOMBIA ASISTENCIA	10	11	292,285,067	246,004,558
COLOMBIA	2	6	*	32,607,601
COSTA RICA	3	1		
ECUADOR ASISTENCIA	5	3	105,476	84,800

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ECUADOR	2	1	*	*
EL SALVADOR ASISTENCIA	7	4	68,137	93,197
EL SALVADOR	1		*	
UNITED ARAB EMIRATES ASISTENCIA	63	38	288,227	235,778
UNITED STATES OF AMERICA ASISTENCIA	3	3	3,527,825	2,403,815
UNITED STATES OF AMERICA	6	8	3,230,368	4,197,658
PHILIPPINES ASISTENCIA	4	1	107,378	*
PHILIPPINES	1		*	
GREECE ASISTENCIA	6	2	1,137,835	*
GUATEMALA ASISTENCIA	1		*	
GUATEMALA	5	8	1,865,507	1,330,078
HONDURAS ASISTENCIA	1		*	
HONDURAS	2		*	
HUNGARY	8	10	1,185,505,500	1,706,239,050
INDONESIA ASISTENCIA	3	1	132,531	*
INDONESIA	6	2	131,869	*
IRELAND ASISTENCIA	2	6	*	119,425
ITALY ASISTENCIA	4	1	61,090	*
ITALY	2		*	
JORDAN ASISTENCIA	15	8	104,750	101,783
MALTA ASISTENCIA	2		*	
MALTA	33	15	3,040,021	2,218,791
MEXICO ASISTENCIA	2	2	*	*
MEXICO	3	6	2,581,009	3,705,591
NICARAGUA ASISTENCIA	1	2	*	*
NICARAGUA	15	15	161,041	99,014
PANAMA ASISTENCIA	10	11	358,449,055	251,581,626
PANAMA	60	18	457,293	251,478
PARAGUAY	3	2	95,142	*
PERU	13	3	109,876	99,814
PORTUGAL ASISTENCIA	26	19	188,562	128,949
PORTUGAL	8	3	113,030	109,917
PUERTO RICO		4		3,543,566
UK ASISTENCIA	13	7	5,254,005	4,474,019
DOMINICAN REPUBLIC ASISTENCIA	5	6	115,852	52,242
DOMINICAN REPUBLIC	6	4	243,983	647,909
TUNISIA ASISTENCIA	33	31	613,487	459,278
TURKEY ASISTENCIA	3	1	4,132,808	*
TURKEY	5		5,586,694	
URUGUAY ASISTENCIA	3	1	8,886	*
URUGUAY	14	7	107,868	11,781
VENEZUELA ASISTENCIA	3	1	8,886	*
VENEZUELA	14	7	107,868	11,781

The countries reflected in the table correspond to 99% of the workforce, excluding the employees of BANCO DO BRASIL and MAPFRE Salud ARS.

* For data protection and confidentiality reasons, in those countries where there are two or less men or women in a given group, the information is not published.

Ratio of the standard entry-level salary by gender compared to the local minimum salary

MAPFRE applies the principle of equal opportunities and non-discrimination to all selection, promotion and mobility processes, with the aptitudes, merits, worth and professional capacity of the candidates being the criteria taken into account in order to objectively make the right choice.

At MAPFRE, the salary ratio of the standard initial category is established by level and the nature of the function to be performed and does not distinguish by gender.

Normally, the ratio of the standard initial category is determined by a collective agreement (sectoral or company). In general, in those countries where there is a local minimum wage, MAPFRE's starting remuneration is higher. For example, in Spain, the Group's headquarters, the ratio is 1.20.

Annual Total Compensation Ratio

This ratio is calculated for the employees of the Iberia regional area located in Spain, as the place where the company's headquarters are located, without including the corporate areas or the business units (MAPFRE RE, MAPFRE GLOBAL RISKS and MAPFRE ASISTENCIA), as the ratio between the total annual compensation (fixed compensation plus target variable compensation) of the highest paid person in the company and the median total annual compensation (fixed compensation plus target variable compensation) of all employees taking full-time annualized compensation, excluding the highest paid person into account. The resulting data is reasonable considering the current structure of the workforce.

The annual total compensation ratio in Spain is 20.52. The Iberia regional area in Spain represents 29 percent of the Group's workforce.

Ratio of the percentage increase of the annual total compensation

The ratio of the percentage increase in total annual compensation in Spain is 1.05. The variation in the ratio of the increase in annual compensation responds to the salary composition of the profiles incorporated in relation to the rotation and not to changes in the remuneration policy. The figure for a homogeneous workforce is 29 percent.

This ratio is calculated for the employees of the Iberia regional area located in Spain, as the place where the company's headquarters are located, without including the corporate areas or the business units (MAPFRE RE, MAPFRE GLOBAL RISKS and MAPFRE ASISTENCIA), as the ratio between the increase in total annual compensation (fixed compensation plus target variable compensation) of the highest paid person in the company and the percentage increase in the median total annual compensation (fixed compensation plus target variable compensation) of all employees taking full-time annualized compensation, excluding the highest paid person, into account. The Iberia regional area in Spain represents 29 percent of the Group's workforce.

Note 9 Work-related accident data: calculation method

In 2020, work was carried out to homogenize accident data on a global level, strictly adhering to GRI 403.

The formulas used to calculate these indices were:

- **ACCIDENT FREQUENCY RATE:** Represents the number of accidents with leave occurring during the workday for every one million hours worked.
- **OCCUPATIONAL ILLNESSES FREQUENCY RATE:** Represents the number of occupational illnesses with leave occurring for every one million hours worked.
- **INCIDENCE RATE OF OCCUPATIONAL ILLNESSES:** Represents the number of occupational illnesses resulting in an absence per 100,000 workers.
- **INCIDENCE RATE OF WORK-RELATED ACCIDENTS:** Represents the number of work-related accidents resulting in an absence per 100,000 workers.

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- **RATE OF LOST DAYS:** Represents the number of days lost for every 1,000 hours worked.
- **EMPLOYMENT ABSENTEEISM RATE:** Refers to the number of days lost in the period in question in relation to the total days listed by the workforce in the same period, indicating how many days have been lost in every 100.
- **FREQUENCY INDEX:** Represents the number of accidents for every one million hours worked.
- **SEVERITY INDEX:** Represents the number of days lost for every 1,000 hours worked.
- **DEATHS FROM WORK-RELATED ACCIDENTS:** Represents the number of deaths resulting from a work-related accident for every one million hours worked.
- **DEATHS FROM OCCUPATIONAL ILLNESS:** Represents the number of deaths resulting from an occupational illness for every one million hours worked.

Note 10 Contribution to Agenda 2030

Environmental	11. Sustainable Cities and Communities	<p>MAPFRE protects its clients, and by extension society as a whole, thanks to the design, insurance, use, maintenance, repair and recycling of vehicles and other mobility solutions for goods and people. Section 4.2 Protecting the client. Our Products includes, in the field of innovation in products and services, the work of CESVIMAP, a global benchmark technology center that focuses its technological research on, among other things, reducing accident rates and defining more efficient repair processes. (Goal 11.2)</p> <p>Acting in the event of catastrophes and mitigating their impact on people (Goal 11.5) is inherent to the insurance activity. MAPFRE has a catastrophic risk management framework in place. (See chapter 5 "Committed to the environment. Natural disasters".) An example of this at work would be the catastrophic claims such as storms Uri, Volker and Bernd, as well as hurricane Ida, the most notable being storm Bernd in Europe in July, which had a net impact attributable to the result in the amount of 92.8 millions euros.</p>
	13. Climate Action	<p>MAPFRE is working on adapting financial planning to climate change, both from a risk and opportunity approach (Goal 13.2). Chapter 5 Committed to the environment² describes the levers for its transformation into a low-carbon company and its performance. (See 6.3 Note 12 Environmental Indicators.)</p> <p>Given the nature of the insurance business, MAPFRE contributes to reinforcing resilience and the ability to adapt to climate risks and climate-related natural catastrophes (Goal 13.1). Information related to eligible economic activities of the Taxonomy can be consulted in section 3.3.2.2. Integration of ESG aspects in MAPFRE's underwriting processes.</p> <p>As an expert in hedging risks, MAPFRE works to improve education, awareness and individual institutional capacities in relation to climate change adaptation, mitigation and early warning systems (Goal 13.3). It does so, not only directly through participation in the Spanish Green Growth Group, in events such as Green Weekend held in Spain or in the CONAMA (National Environment Congress) working groups, but also by promoting environmental products and services. (See Note 12 in Section 6.3.)</p>

Social	01. No Poverty	<p>MAPFRE strives to ensure that all people, particularly the most vulnerable, have access to economic services, including microfinancing (Goal 1.4). Given the nature of its insurance activity, it contributes to fostering the resilience of these people, reducing their exposure and vulnerability to extreme events (Goal 1.5). In particular, the company promotes products with a high social content with basic coverage (death, home, life, etc.) adapted to very specific local needs and with reduced premiums, which contribute to preventing and covering the personal risks of different groups and that promote insurance culture. (See 6.3. Note 6 Social products and services.)</p> <p>MAPFRE volunteers and the donation program linked to it (see 4.6 Our footprint. Shared value) provide assistance to people living in extreme poverty and help to eradicate same (Goals 1.1 and 1.2).</p>
	03. Good Health and Well-being	<p>MAPFRE has a healthy company model in place that makes it possible to systematize actions in terms of promoting both physical and mental health. (See 4.4. Developing employees. Conciliation and Well-being.) The Group's health promotion strategy involves working on the main causes of death and disease in the world, which according to the WHO consist of intervention in the prevention of non-communicable diseases and psycho-emotional well-being (Goal 3.4).</p> <p>Through the promotion of microinsurance (see 6.3. Note 6 Social products and services) the Group contributes to universal health coverage, in particular protection against financial risks and access to quality essential health services (Goal 3.8).</p> <p>Likewise, among other things, CESVIMAP (see section 4.2 Protecting the client. Our Product) engages in technological research aimed at reducing accident rates that in turn affect the number of deaths and injuries caused by road traffic accidents around the world (Goal 3.6).</p>
	08. Decent Work and Economic Growth	<p>MAPFRE, within the framework of the circular economy, provides SMEs with advice, training, technological support and information, with the aim of improving the competitiveness and sustainability of the business sector in Spain (Goals 8.3 and 8.4).</p> <p>The Group has a Global Diversity and Equal Opportunities Policy in place (see 4.4. Developing employees Diversity and Inclusion) that is aimed at contributing to the achievement of full and productive employment and decent work for all women and men, including young people and people with disabilities, as well as equal pay for work of equal value (see 6.3. Note 8 Information on remuneration) (Goal 8.5) employing 32,341 people in 2021.</p> <p>Regarding indirect employment, MAPFRE promotes responsible and sustainable management in terms of occupational health and safety of the people it works with (Goal 8.8) and the protection of human rights among its more than 150,000 providers (see 4.5. Generating business for providers), the elimination of child and forced labour, basic labor rights etc. (Goal 8.7) as a company priority in terms of sustainability. This management extends to the sales network made up of 77,754 agents. (See section 4.2 Protecting the client.)</p>

Governance	16. Peace, Justice and Strong Institutions	<p>MAPFRE recognizes the importance of human rights, which is why the protection of same is linked to the Group's internal regulations. In order to contribute to significantly reducing all forms of violence (Goal 16.1) and promoting the protection of fundamental rights, 435 security providers have been trained in this area. Likewise, MAPFRE maintains a zero tolerance policy with regard to corruption and bribery (Goal 16.5).</p> <p>To ensure compliance with the foregoing, MAPFRE has an internal control policy in place that, among other objectives, seeks to ensure the reliability of information (financial and non-financial, and both internal and external) regarding its reliability, timeliness or transparency (Goal 16.6) and the company has established channels that facilitate reporting and lodging complaints and seeking redress for damage caused (Goal 16.3). (See 2.4.2. Ethical behavior: main compliance and prevention measures.)</p>
	17. Partnerships for the Goals	<p>MAPFRE collaborates and participates in business and industry organizations that help it to form a more comprehensive and global vision of the environment in which the insurance industry operates, its impact on society and the risks and opportunities present, while allowing it to learn about the key elements of the economic reality and increasingly complex and interconnected society the company operates in. (Goal 17.6 and 17.7.) (See 6.3. Note 4 Stakeholders.)</p> <p>MAPFRE's international and local commitment to sustainable development and the 2030 Agenda is solid and is reflected in its voluntary adherence to the main international and local benchmark initiatives, in which it actively participates. (See: https://www.mapfre.com/global-commitments/.)</p>

There follows an explanation of the underlying theory of change that guides these contributions and the financial and social or environmental impact information related to same.

Contribution and Theory of Change	Financial KPIs	Environmental KPIs
<p>Goal 11.2</p> <p>MAPFRE protects its customers and, by extension, society as a whole through the design, insurance, use, maintenance, repair and recycling of vehicles and other solutions for the mobility of goods and people.</p> <p>Theory of change</p> <p>The promotion of increasingly effective and efficient accident prevention systems is key to reducing the number of accidents on the roads and in cities. A lower accident rate not only improves the health and well-being of citizens, but also frees up resources that would otherwise be used by insurers to repair damage caused to public spaces and real estate, directing them towards research aimed at further reducing accident rates or developing repair techniques with a lower environmental impact.</p> <p>In this sense, traffic accidents, in addition to having a high social impact, leave a significant footprint on the planet. The treatment of the waste generated in the accident itself, as well as in the subsequent repair of the vehicles involved, can be an opportunity to contribute to the circular economy and safeguard natural capital.</p>	<p>Note 6 Sustainable Products gives details of those products and services that respond to challenges of sustainable mobility.</p>	<p>In 2021, 38,819 vehicles were processed, from which a total of 156,948 parts were recovered for reuse in different markets.</p>

Contribution and Theory of Change	Financial KPIs	Environmental KPIs
<p>Goal 11.5</p> <p>Action in the event of catastrophes and mitigation of their impact on people is inherent to MAPFRE's insurance activity.</p> <p>Theory of change</p> <p>The World Meteorological Organization (WMO) and the United Nations Office for Disaster Risk Reduction (UNDRR) explain a dangerous trend has been observed, especially in recent years, involving a steady rise in natural disasters. Preventing and repairing the damage caused to the environment helps to reduce the danger of these phenomena for people and the planet.</p> <p>According to data collected by both entities in the Atlas of Mortality and Economic Losses from Weather, Climate and Water Extremes, from 1970 to 2019 natural hazards accounted for half of the disasters that occurred, causing 45% of the deaths reported and 74% of the economic losses. There were more than 11,000 natural disasters, just over 2 million deaths, and 3.46 trillion dollars in losses.</p> <p>According to the study “The impact of disasters and crises on agriculture and food security: 2021,” of the United Nations Food and Agricultural Organization (FAO), natural hazards (large fires), extreme weather events and even the coronavirus pandemic have caused considerable damage that is particularly affecting the agricultural sector, so much so that up to 63% of the impact of these disasters is on agriculture. This severely affects local communities in particular—which are put under strain by major economic losses—and it also has a big impact at the national and international level more generally.</p> <p>MAPFRE helps people and communities adapt to the risks derived from climate change and different catastrophes by underwriting insurance to cover damages derived from fires, rain, etc. and, where appropriate, agricultural insurance.</p>	<p>Note 6 Sustainable Products includes information on those insurance products that prevent and/or repair damage caused to the environment.</p>	<p>Note 6 Sustainable Products includes information on those insurance products that prevent and/or repair damage caused to the environment.</p>

Contribution and Theory of Change	Financial KPIs	Environmental KPIs
<p>Goal 13.1</p> <p>MAPFRE contributes to strengthening resilience and adaptive capacity in the face of climate risks and climate-related natural disasters.</p> <p>Theory of change</p> <p>The climate crisis compels us to act to cut carbon dioxide emissions in half by 2030 and achieving neutrality by 2050 if the Paris Agreement targets are to be met.</p> <p>To achieve this, it is necessary to promote investments, products and services that truly meet the needs of the sustainable agenda and build a recovery and development model that, as part of the Green Recovery, gives way to a decarbonized, sustainable and resilient economy.</p>	<p>The exposure of Non-Life insurance premiums to economic activities eligible by the Taxonomy is 43.51%.</p>	<p>N/R / N/A</p>
<p>Goal 13.2 and 13.3</p> <p>MAPFRE undertakes to incorporate environmental protection policies and measures in its activity, in the policyholder and customer portfolio and in the supply chain, working to improve education, awareness and individual institutional capacities in relation to climate change adaptation, mitigation and early warning systems.</p> <p>Theory of change</p> <p>Global CO2 emissions have increased by almost 50% since 1990. In light of this situation, the United Nations urges action to address the climate emergency in order to save lives and livelihoods.</p> <p>To accelerate the decarbonization of all aspects of the company, a wide range of technological measures and behavioral changes have been put in place to help limit the increase in the average global temperature.</p>	<p>During 2021, energy consumption was reduced by 23,064,812 kWh compared to 2019, which represents a 15.3% reduction, which exceeds the planned reduction target of 2% and 2,950,124 kWh for the year 2021.</p> <p>The consumption of 1,132 tons of paper has been avoided thanks to the biometric electronic signature, avoiding the emission of 1,040.76 TonCO2e in Spain and Portugal.</p>	<p>The total photovoltaic generation in 2021 was 586,322 kWh, which is equivalent to 5% of electricity consumed from own generation.</p> <p>Awareness campaigns to achieve a more efficient and responsible use of sanitary water in offices and buildings by employees in Chile, Costa Rica, El Salvador, Honduras, Puerto Rico and Uruguay.</p>

Contribution and Theory of Change	Financial KPIs	Environmental KPIs
<p>Goals 1.1 and 1.2</p> <p>MAPFRE volunteers and the related donation program assist people living in extreme poverty and help to eradicate this phenomenon.</p> <p>Theory of Change</p> <p>Volunteering from its community and corporate dimension creates links between excluded groups, the community and the companies present in it, thus fostering dialogue and social improvement.</p> <p>Through the voluntary service of the people who work at MAPFRE, the company multiplies the impact of its social purpose as an insurer and the activity of Fundación MAPFRE, its main shareholder.</p> <p>The Global Corporate Volunteering Program run through Fundación MAPFRE sets the basic lines of action for volunteer development in the various countries. Its lines of action (nutrition, health, education, environment, emergency aid and social action) contribute both directly to ending poverty and indirectly by establishing the minimum conditions necessary to promote the growth of communities and the individual development of their members.</p>	<p>In 2021, resources worth €423,000 were allocated to the development of the volunteering program.</p>	<p>A total of 4,247 volunteers participated in activities in 2021, including employees and family members, and 1,391 activities were carried out around the world, directly impacting more than 169,000 people. More than 12% of the global workforce has enjoyed a volunteering experience.</p> <p>The global impact of volunteer actions directly aimed at ending poverty was 24% in 2021; representing 17% of the funds raised in various collections and reaching 68% of the direct beneficiaries of the program.</p>
<p>Goals 1.3; 1.4 and 1.5</p> <p>MAPFRE contributes to providing a shield of economic protection to all people</p> <p>Theory of Change</p> <p>Insurance provides a safety net to all those who have access to it (goal 1.3), thus making it easier for families not to experience situations of vulnerability after an accident (goal 1.5). In this sense, insurance provides a shield of economic protection to all people (goal 1.4).</p> <p>In an environment of growing vulnerability, the company promotes products with a high social content with basic coverage (death, home, life, etc.) adapted to very specific local needs and with reduced premiums, which contribute to prevent and cover the personal risks of different groups and promote the culture of insurance. (See Note 6 Sustainable Products.)</p>	<p>Note 6 Sustainable Products details those products and services that respond to social challenges and the problems faced by socially disadvantaged groups.</p>	<p>Note 6 Sustainable Products details those products and services that respond to social challenges and the problems faced by socially disadvantaged groups.</p>

Contribution and Theory of Change	Financial KPIs	Environmental KPIs
<p>Goal 3.4</p> <p>The Group's health promotion strategy involves working on the main causes of death and disease in the world which, according to the WHO consist of intervention in the prevention of non-communicable diseases and psychological and emotional well-being.</p> <p>Theory of Change</p> <p>The World Health Organization has defined health as the capacity of people to develop harmoniously in all areas of their lives:</p> <p>In its People Space, MAPFRE is developing coverages that complete the protection of our policyholders against contingencies that occur in everyday family life, added-value services linked to healthy habits and health care and personalized counseling, proactively adapting products and solutions to the family life cycle.</p> <p>In the workplace, one of the central tools for the continuous improvement of occupational health and safety conditions is the development and consolidation of a culture of prevention.</p> <p>Promoting steps in these two areas helps reduce the main causes of death and illness around the world, which, according to the WHO, means intervening for the prevention of non-communicable diseases and for psychological-emotional well-being (Goal 3.4).</p>	<p>In 2021, €1.4 million were invested in actions to promote physical and psychological health, both in the work environment and in the personal and family environment of workers.</p>	<p>MAPFRE promotes health care globally by maintaining collaboration agreements with 17,889 clinics in 18 countries.</p> <p>A total of 28,307 employees, 87% of the workforce, are represented in joint management-employee health and safety committees, which have been established to help control and advise on this matter.</p> <p>1.7 million hours lost to absenteeism due to non-occupational accidents and common illnesses. Reduction of 0.08 pps in the absenteeism ratio compared to the base year (2019).</p>

Contribution and Theory of Change	Financial KPIs	Environmental KPIs
<p>Goal 3.6</p> <p>MAPFRE, through CESVIMAP, is committed to technological research aimed at reducing accident rates, which will have an impact on reducing the number of deaths and injuries caused by road traffic accidents in the world.</p> <p>Theory of change</p> <p>Since 2015, CESVIMAP has been carrying out research through testing, disassembling and evaluating vehicles incorporating ADAS, such as the Autonomous Emergency Braking System (AEB), Lane Departure Warning (LDW) or its evolution, which is capable of correcting the trajectory, or the Lane Keeping System (LKS), with the aim of gaining clear and precise insight into how these systems work and the limits of same.</p> <p>The main objective of this evaluation is to assess the vehicle's ability to avoid accidents and, therefore, personal and material damages with a direct influence on road safety. Also, the incorporation of ADAS system sensors can influence the cost of vehicle repair, as they are located in areas of relative exposure to accidents.</p> <p>Likewise, the investigation of traffic accidents makes it possible to determine the conditions prior to the accident and to reconstruct the mechanics of the event. CESVIMAP conducts research in this field with the aim of offering objective data that can lead to the resolution of events and the issuance of expert reports for use in court cases.</p> <p>Accident reconstruction also has a positive impact on road safety since it provides significant data on the human factor, the road, weather conditions, the condition of vehicles and the functioning of safety elements.</p>	<p>More than €212,000 assigned to investigating road traffic accidents and reducing the accident levels.</p>	<p>CESVIMAP has evaluated the ADAS systems of 77 different models of vehicles, extrapolating results to multiple different versions. 87% of the models present in the MAPFRE Spain catalog are covered.</p>

Contribution and Theory of Change	Financial KPIs	Environmental KPIs
<p>Goal 3.8</p> <p>MAPFRE contributes to universal health coverage through facilitating access to quality essential health services.</p> <p>Theory of Change</p> <p>Health and illness insurance together with social security systems play a complementary role until effective universal coverage is achieved.</p> <p>Through the promotion of microinsurance and assistance services (see Note 6 Sustainable products / A. Social products and services). MAPFRE contributes to universal health coverage by facilitating access to quality essential health services (Goal 3.8).</p> <p>The development of this activity not only promotes a greater share of penetration in markets with growth potential for MAPFRE, but also contributes to modifying behavior related to seeking health care in these environments. Among the evidence collected by Tra T.T. Pham and Thong L. Pham, in a study developed in Vietnam and published by the Labor Organization in 2012 in relation to health care-seeking behaviors, is the observation that taking out a health microinsurance for vulnerable HCFP people increased to a great extent attendance at outpatient consultations, at 1.11 times, and visits to a public hospital, at 1.7 times.</p> <p>(http://www.impactinsurance.org/sites/default/files/repaper11.pdf)</p>	<p>Note 6 Sustainable Products details those products and services that respond to social challenges and the problems faced by socially disadvantaged groups in relation to health coverage.</p>	<p>Note 6 Sustainable Products details those products and services that respond to social challenges and the problems faced by socially disadvantaged groups in relation to health coverage.</p>

Contribution and Theory of Change	Financial KPIs	Environmental KPIs
<p>Goal 8.5</p> <p>MAPFRE contributes to the achievement of full productive employment and decent work for all women and men, including young people and people with disabilities; as well as equal pay for work of equal value.</p> <p>Theory of change</p> <p>The ILO-Gallup global survey “Towards a better future for women at work: Voices of women and men” shows how women, on a global scale, want to do paid work. However, one of the main challenges for women in the workplace is unequal pay.</p> <p>It is a nearly universal fact that women are paid less than men for work of equal value. In the G20 and OECD countries, the average monthly income of women is 17% lower than that of men.</p> <p>One of the levers to achieve full employment and decent work is to move towards equal pay for work of equal value or to establish, as a general rule, an entry-level wage higher than the local minimum wage (in those countries where it exists).</p>	<p>The amount of salaries and wages amounted to 1,214 million euros in 2021.</p>	<p>The average global adjusted gap on fixed remuneration of the Group, considering 99% of the workforce, is 2.93%, a percentage equivalent to that of the previous year.</p> <p>For 2021, in Spain, where the Group employs 29% of its workforce, the starting category salary ratio is 1.20.</p> <p>In this financial year, 27,591 people have worked under annual variable remuneration systems, which represents 85.31% of the global workforce.</p>

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Contribution and Theory of Change	Financial KPIs	Environmental KPIs
<p>Goals 8.7 and 8.8</p> <p>MAPFRE protects fundamental and labor rights with effective monitoring and control systems and promotes awareness and respect for same among its providers and intermediaries.</p> <p>Theory of change</p> <p>Forced labor is sometimes the result of situations of vulnerability that households go through when the main breadwinner dies or becomes seriously ill.</p>	<p>Spending on approved providers represents 66.7% of total spending on service providers.</p>	<p>Since the start of the Provider Approval project in 2019, 4,325 suppliers have participated in it, and 100% of them have been approved.</p>
<p>In addition to the indirect contribution of insurance in covering the loss of income resulting from such events, it can have a direct impact by establishing approval procedures throughout its value chain to assess the human and labor rights performance of providers, intermediaries and investees.</p>	<p>Promotion of indirect employment through contracts with special employment centers or companies with similar characteristics for an amount of 68,000 euros.</p>	<p>100% of the providers included in the approval process in 2021 (757) have already participated in programs aimed at raising awareness of human rights.</p>

Contribution and Theory of Change	Financial KPIs	Environmental KPIs
<p>Goal 16.1</p> <p>Significantly reduce all forms of violence and promote protection of fundamental rights.</p>	<p>N/R / N/A</p>	<p>435 security providers have been trained in the area of human rights, which represents 89% of all providers of this type.</p>
<p>Goal 17.6 and 17.7</p> <p>MAPFRE collaborates and participates in business and industry organizations, helping it to obtain a more comprehensive and global view of the environment in which the insurance industry operates, its impacts, risks and opportunities, and the key factors in an increasingly complex and interconnected economic and social reality.</p>	<p>The expense corresponding to contributions from trade and institutional organizations that help create a more comprehensive and global vision of the environment in which the insurance industry operates, its impacts, risks and opportunities was approximately 2.8 million euros in 2021.</p>	<p>The MAPFRE Group carries out its institutional activity mainly through 31 business and sector associations, foundations, chambers of commerce, and other non-profit organizations.</p>

Note 11 Main tax data by country

Main data by country:

COUNTRY	TOTAL REVENUE	EARNINGS BEFORE TAX	TAX ON EARNINGS		NUMBER OF EMPLOYEES AT YEAR END
			PAID	ACCRUED	
ALGERIA	4,438,045	2,127,926	-1,559,808	-615,897	58
ARGENTINA	406,929,784	13,079,356	-6,281,653	-4,852,638	1,025
AUSTRALIA	230,871	-2,264,881	0	0	19
BAHRAIN	3,701,546	-189,622	0	-27,247	22
BELGIUM	133,850,874	-6,405,450	788,000	1,512,413	10
BRAZIL	3,753,377,094	309,474,094	-80,060,558	-73,471,229	5,024
CANADA	292	148,548	-53,473	0	1
CHILE	342,090,624	11,813,137	-904,851	-1,329,229	455
CHINA	449,097	124,289	0	0	22
COLOMBIA	448,506,929	10,348,964	-5,807,513	-4,866,226	910
COSTA RICA	45,387,126	2,778,094	-456,958	-845,882	70
DOMINICAN REPUBLIC	386,420,912	22,118,965	-33,653,507	-2,334,941	1,101
ECUADOR	71,373,041	203,712	0	-591,924	256
EGYPT	61,921	67,540	0	0	0
EL SALVADOR	91,108,931	5,319,682	-1,482,592	-1,390,203	177
FRANCE	523,605,252	-6,812,700	1,381,000	1,111,010	20
GERMANY	652,111,431	-51,237,705	-699,200	16,805,128	568
GREECE	16,251,418	-242,889	-14,237	31,439	109
GUATEMALA	85,547,134	6,122,817	-283,320	-1,286,306	184
HONDURAS	82,851,182	-5,319,919	-2,194,560	-1,529,000	204
HUNGARY	2,104,337	114,169	-2,737	-9,878	7
INDIA	1,989,531	2,052,896	0	0	1
INDONESIA	45,920,497	12,839,231	-4,376,594	-2,350,902	482
IRELAND	24,902,753	3,621,274	-638,953	-530,704	100
ITALY	413,740,455	-50,410,194	-671,000	9,615,943	871
JORDAN	44,905	-1,133,733	0	-127,822	55
LUXEMBOURG	0	-78,000	0	19,000	0
MALAYSIA	8,960,351	2,348,772	0	-565,564	0
MALTA	623,519,949	21,092,906	-2,524,466	-7,281,190	334
MEXICO	1,435,010,156	25,572,772	-11,879,995	-6,346,062	1,881
NICARAGUA	17,933,155	1,464,207	-343,141	-541,102	113
PANAMA	237,392,931	-3,617,378	0	-738,299	482
PARAGUAY	69,663,828	4,475,440	-921,387	-545,422	184
PERU	586,118,487	26,694,381	12,373,713	-4,510,349	1,433
PHILIPPINES	26,164,049	893,126	0	-448,688	249
PORTUGAL	159,971,385	9,071,621	-1,946,128	-2,461,476	249
PUERTO RICO	344,859,709	28,288,183	-173,250	-12,168,046	548
SINGAPORE	87,504,769	5,429,336	-223,000	-920,272	83
SPAIN	12,693,032,732	831,115,039	-171,346,548	-186,018,657	11,150
TAIWAN	0	-152	0	-15,214	11,150

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TUNISIA	13,194,525	851,804	-438,061	-807,334	63
TURKEY	413,440,213	3,503,661	-900,930	-1,755,919	922
UNITED KINGDOM	517,507,859	23,037,133	0	-7,349,413	164
URUGUAY	111,860,617	7,791,747	-1,843,100	-1,061,955	1,101
USA	2,336,294,541	87,562,374	-32,016,608	-18,775,744	2,175
VENEZUELA	37,819,200	1,219,731	-18,301	-84,677	2,175
TOTAL	27,257,244,440	1,355,054,302	-349,173,718	-319,460,479	32,341

Figures in euros

The companies that make up the Group and their main activities are detailed in Annex 1 and 2 of the Consolidated Annual Accounts of MAPFRE S.A.

The subsidies received by MAPFRE during the year are not significant.

Note 12 Environmental indicators**Table I Environmental context**

	UNITS	2021	2020	2019
Employees working under environmental reporting (Integrated Report)*	employees	31,243	31,906	32,256
	%	96.60	94.59	93.98
Employees working under environmental management certification (ISO 14001)	employees	15,140	12,351	11,759
	%	46.81	36.62	34.26
Employees working under energy management certification (ISO 50001)	employees	7,864	7,405	6,730
	%	24.32	21.95	19.61
Employees working under carbon footprint verification (ISO 14064)	employees	26,344	21,922	16,945
	%	81.46	64.99	49.37
Premium volume managed under SIGMAYEc3 in relation to total premiums	%	92.46	80.64	64.18

* Data from Spain, Argentina, Brazil, Chile, Colombia, USA, Italy, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Ecuador, Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, Philippines, Malta and Germany.

Table II SIGMAYEc³ control

	GRI	UNITS	2021	2020	2019
Environmental diagnosis and inspections	FS9	Units	12	3	20
Internal environmental audits	FS9	Units	54	50	50
Environmental certification audits	FS9	Units	37.5	30	28
Assets subject to environmental controls	FS9	%	0.4681	37%	34%

Environmental compliance: In relation to environmental fines, there was no record of having received any significant fine in 2021.

Resources devoted to environmental risk prevention: €1.04 million euros

The MAPFRE Group (in Germany, Argentina, Brazil, Spain, USA, Italy and Peru) has public liability insurance in place, with specific coverage for the management of its environmental risks due to pollution (€300,000-10,000,000) and environmental responsibility (€300,000), as established by state legislation.

Table III Carbon footprint broken down by scope

The following greenhouse gases are reported: CO₂, CH₄, N₂O, HFCS, PFCS, SF₆, NF₃, for the three scopes included in the GHG Protocol, as well as in the ISO 14064 Standard. The methodology for calculating the carbon footprint of MAPFRE is carried out through financial control. For the calculation, emission factors of the generation mix of the corresponding country and the latest available information are applied: DEFRA, International Energy Agency, GHG Protocol.

	GRI	UNITS	2021	2020*	2019*
Carbon footprint (GHG emissions)					
Scope 1	305-1	TmCO ₂ eq	10,035.33	8,400.45	12,239.26
	305-5				
Scope 2 (market based)	305-1	TmCO ₂ eq	11,144.46	11,197.17	14,639.01
	305-5				
Scope 2 (location based)	305-1	TmCO ₂ eq	24,860.21	25,037.22	35,911.94
	305-5				
Scope 3	305-1	TmCO ₂ eq	29,276.65	24,732.78	56,569.26
	305-5				
(Scope 1 + 2 (market based) +3)	305-1	TmCO ₂ eq	21,179.80	19,597.62	26,878.27
	305-5				
Total GHG emissions (Scope 1+ 2 (market based) +3)	305-1	TmCO ₂ eq	50,456.44	44,330.40	83,447.53
	305-5				
Carbon footprint indicators					
Emissions per employee	305-4	TmCO ₂ eq/ employee	1.61	1.39	2.58
Emissions per premium	305-4	TmCO ₂ eq/ premium	2.28	2.19	3.69
		%	96.60	94.59	93.98

*The GHG emissions data for the years 2019, 2020 have been recalculated, adapting them to the Group's carbon footprint calculation methodology.

*Data for Spain, Argentina, Brazil, Chile, Colombia, USA, Italy, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Ecuador, Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, Philippines, Malta and Germany.

Table IV Carbon footprint breakdown and categories included in the different scopes

	GRI	UNITS	2021	2020*	2019*
Scope 1		TmCO2eq	10,035.33	8,400.45	12,239.26
Natural gas	302-1	TmCO2eq	2,726	2,061	2,528
	302-4				
	305-1	m3	1,442,049	1,072,478	1.227629,61
Fuels in fixed installations	302-1	TmCO2eq	1388	1038	793
	302-4				
	305-1	L	458,674	477,094	292,189
Refrigerant gases	302-1	TmCO2eq	1,479	1,743	2855
	302-4				
	305-1	Kg	753	1,017	1490
Fuels in own vehicles	302-1	TmCO2eq	4686	3558	6,063
	302-4				
	305-1	l	1,969,118	1,475,009	1,550,377
Scope 2		TmCO2eq	11,144	11,197	14,639
Electricity	302-1	GWh	92	91	113
	302-4				
	305-2				
Scope 3		TmCO2eq	29,277	24,733	56,569
Business travel (air, train and bus)	302-4	TmCO2eq	2,494	2,971	13,643
	305-3	Km	14,506,838	17,263,105	47,380,622
Business travel (vehicles)	302-4	TmCO2eq	1,119	844	1,700
	305-3	Km	6,523,547	4,926,911	9,466,857
Paper consumption*	302-4	TmCO2eq	1,333	2,376	1,493
	305-3				
Paper waste	302-4	TmCO2eq	10.86	10.07	18.7
	305-3				
Toner use	302-4	TmCO2eq	74.73	69.43	75.4
	305-3 -2				
Toner waste	302-4	TmCO2eq	94.75	86.44	129.9
	305-3				
Fluorescent waste	302-4	TmCO2eq	0.31	0.23	0.34
	305-3				
Commuting	302-4	TmCO2eq	24150.04	18374.88	39509.9
	305-3				

2019: Data for Spain, Argentina, Brazil, Chile, Colombia, USA, Italy, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Ecuador, Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, Philippines, Malta and Germany.

2020: Data for Spain, Argentina, Brazil, Chile, Colombia, USA, Italy, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, Malta and Germany. *In 2020, the data for Scope 3 do not include paper consumption in the USA.

2021: Data for Spain, Argentina, Brazil, Chile, Colombia, USA, Italy, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Ecuador, Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, Philippines, Malta y Germany.

*The GHG emissions data for the years 2019, 2020 have been recalculated, adapting them to the Group's carbon footprint calculation methodology.

Table V Resource consumption

	GRI	UNITS	2021	2020	2019
ENERGY					
Total energy consumption	302-1	GWh	127.99	122.44	150.73
	302-4				
Natural gas consumption	302-1	GWh	14.56	11.52	12.89
	302-4				
Fuel consumption fixed installations	302-1	GWh	1.33	4.26	2.85
	302-4				
Fuel consumption of mobile installations	302-1	GWh	19.93	15.22	15.5
	302-4				
Consumption of conventional electricity	302-1	GWh	31.79	33.92	46.1
	302-4				
Consumption of renewable energy	302-1	GWh	60.39	57.52	66.83
	302-4				
Energy consumption/employee	302-3	kWh / employee year	4093.89	3838	4672.96
Energy consumption/premium	302-3	premium (thousand)			
<p>2019: Data for Spain, Argentina, Brazil, Chile, Colombia, USA, Italy, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Ecuador, Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, Philippines, Malta and Germany.</p> <p>2020: Data for Spain, Argentina, Brazil, Chile, Colombia, USA, Italy, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, Malta and Germany.</p> <p>2021: Data for Spain, Argentina, Brazil, Chile, Colombia, USA, Italy, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Ecuador, Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, Philippines, Malta and Germany.</p>					
WASTE					
Recycling*	GRI	MT	2960.13	2524.63	3397.84
Paper	306-2	MT	453.7	427.4	929.05
Toner and cartridges	306-2	MT	7.9	7.23	9.61
Electrical appliances	306-2	MT	52.1	44.8	33.14
Donated electrical appliances	306-2	MT	41.1	13.49	16.24
Batteries	306-2	MT	6.2	1.57	1.69
IT support	306-2	MT	1	1.55	0.14
Mobile phones	306-2	MT	0.14	0.14	0.3
Bulbs and fluorescent lamps	306-2	MT	2.34	1.54	2.26
X-rays	306-2	MT	0.54	0.37	0.09
Workshops and maintenance	306-2	MT	1800.17	1215	1699.14
Urban	306-2	MT	594.87	765.74	706.09
Landfill	306-2	MT	116.4	476.65	1241.85
Urban	306-2	MT	23.02	8.98	3.57
Sanitary waste	306-2	MT	0.21	0.14	0.09
Workshops and maintenance	306-2	MT	11.8	4	36.66
Other	306-2	MT	0.05	0.26	0.66
Total waste generated	306-2	MT	3111.59	3014.66	4680.58

MAPFRE S.A.

2019: Data for Spain, Argentina, Brazil, Chile, Colombia, USA, Italy, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Ecuador, Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, Philippines, Malta and Germany.

2020: Data for Spain, Argentina, Brazil, Chile, Colombia, USA, Italy, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, Malta and Germany.

2021: Data for Spain, Argentina, Brazil, Chile, Colombia, USA, Italy, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Ecuador, Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, Malta, Philippines and Germany.

* Includes recycling and waste evaluation operations.

WATER*

Total water consumption	303-5	m3	585,781.98	660,626.00	711,795.00
Water consumption per employee	303-5	m3 / employee	18.73	20.71	22.07

Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Ecuador, Dominican Republic, Uruguay, Paraguay, Peru, Venezuela, Portugal, Philippines, Malta and Germany.

2020: Data for Spain, Argentina, Brazil, Chile, Colombia, USA, Italy, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, Malta and Germany.

2021: Data for Spain, Argentina, Brazil, Chile, Colombia, USA, Italy, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Ecuador, Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, Philippines, Malta and Germany.

PAPER

Total paper use	301-1	MT	1,456.83	2,583.00	1,513.00
Paper use with label	301-1	MT	725.94	391.00	1,269.00

2019: Data for Spain, Argentina, Brazil, Chile, Colombia, USA, Italy, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Ecuador, Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, Philippines, Malta and Germany.

2020: Data for Spain, Argentina, Brazil, Chile, Colombia, Italy, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, Philippines, Malta and Germany.

2021: Data for Spain, Argentina, Brazil, Chile, Colombia, USA, Italy, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Ecuador, Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, Philippines, Malta and Germany.

TONER

Toner consumption	301-1	Units	7,897.20	7,352.00	9,628.00
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2019: Data for Spain.

2020: Data for Spain, Argentina, Brazil, Chile, Colombia, USA, Italy, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, Philippines, Malta and Germany.

2021: Data for Spain, Argentina, Brazil, Chile, Colombia, USA, Italy, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Ecuador Nicaragua, Honduras, Panama, Guatemala, Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, the Philippines, Malta and Germany.

6.4. Table of contents GRI

Data responding to GRI Indicators and the requirements established by Directive 2014/95 EUA on the disclosure of non-financial and diversity information, as well as its respective transpositions in Spain (Law 11/2018 of December 28) and in Italy (Legislative Decree 254/16 NFI) was obtained through Sygris, the Group's social responsibility data-management tool.

Standard and Content GRI	PAGE No.(P.) / INFORMATION	Other references
GRI 101. Foundation 2016		
GRI 102. General contents 2016		
1. Organizational profile		
102-1. Name of the organization	MAPFRE	
102-2. Activities, brands, products, and services	2.1 About us	
	2.3 Functional structure	
	3.2 MAPFRE key figures	SDG 12
	4.1 Protecting the client. Our products	
102-3. Location of headquarters	6.3 Note 6 - Sustainable Products	
	2.1 About us Madrid (Spain)	
102-4. Location of operations	2.1.3 Geographic footprint	
102-5. Ownership and legal form	2.3 Shareholder and functional structure	
102-6. Markets served	2.1 About us: Geographic footprint	SDG 8,17
	3.2 MAPFRE key figures	
102-7. Scale of the organization	2.1 About us: Geographic footprint	SDG 8,17
	3.2 MAPFRE key figures	
102-8. Information on employees and other workers		SDG 8,10
	4.4 Developing people: Diversity and inclusion	Principle 6 of the Global Compact
102-9. Supply chain	4.5 Generating business for providers	SDG 8 / Principles 1-10 of the Global Compact
102-10. Significant changes to the organization and its supply chain	3.2 MAPFRE key economic data – Relevant facts occurring in the period and impacting key figures	SDG 8 / Principles 1-10 of the Global Compact
	4.5 Generating business for providers	
102-11. Precautionary principle or approach	2.4.2. Ethical behavior: main prevention and compliance measures	SDG 13, 16
	3.3 Risk management.	
	5 Committed to the environment	Principles 1-10 of the Global Compact
	6.1 Bases of preparation and presentation of the report	
102-12. External initiatives	https://www.mapfre.com/en/global-commitments/	SDG 16,17 Principles 1-10 of the Global Compact
	6.3 Note 4 Stakeholders https://www.mapfre.com/en/global-commitments/	SDG 17
2. Strategy		
102-14. Statement from senior management decision-makers	1. Letter from the chairman and CEO 2.4.1. Corporate governance system	

Standard and Content GRI	PAGE No.(P.) / INFORMATION	Other references
102-15. Key impacts, risks, and opportunities	2.1 About us: Mission, vision and values	Principles 1-10 of the Global Compact
	3.1 Regulatory framework and global environment	SDG 8,16, 17
	3.3 Risk management and sustainability in the business	
	5 Committed to the environment 6.2 Materiality	
3. Integrity and ethics		
102-16. Values, principles, standards, and norms of behavior	2.1 About us: Mission, vision and values	Principles 1-10 of the Global Compact
	2.4 Good governance 2.4.2. Ethical behavior: main prevention and compliance measures	SDG 8,17
102-17. Mechanisms for advice and concerns about ethics	2.4.2. Ethical behavior: main prevention and compliance measures	SDG 16, 17
	6.3 Note 1 Principles of the Global Compact and prevention and compliance measures in the area of human rights https://www.mapfre.com/en/ethical-behavior/	Principles 1-10 of the Global Compact
4. Governance		
102-18. Governance structure	2.4 Good Governance - 2.4.1 Corporate Governance System 2.2 Strategy - Sustainability	SDG 16
102-19. Delegating authority	2.4 Good Governance - 2.4.1 Corporate Governance System 2.2 Strategy - Sustainability Section C.2.1. of the Annual Corporate Governance Report (ACGR).	Principles 1-10 of the Global Compact
102-20. Executive-level responsibility for economic, environmental, and social topics	2.4 Good Governance - 2.4.1 Corporate Governance System 2.2 Strategy - Sustainability Section C.2.1. and G, Recommendation 53 of the Annual Corporate Governance Report (ACGR)	Principles 1-10 of the Global Compact
102-21. Consulting stakeholders on economic, environmental, and social topics	6.2 Materiality	Principles 1-10 of the Global Compact SDG 16
102-22. Composition of the highest governance body and its committees	2.4 Good Governance - 2.4.1 Corporate Governance System	SDG 5,16
102-23. Chair of the highest governance body	2.4 Good Governance - 2.4.1 Corporate Governance System	SDG 16
102-24. Nominating and selecting the highest governance body	Sections C.1.5., C.1.6. and C.1.1.16. of the Annual Corporate Governance Report (ACGR)	SDG 5,16
102-25. Conflicts of interest	Section D.1. and D.6 of the Annual Corporate Governance Report (ACGR)	SDG 16
102-26. Role of highest governance body in setting purpose, values, and strategy	2.4.1. Corporate governance system Section C.2.1. of the Annual Corporate Governance Report (ACGR). Title I, Chapter I of the Regulations of the MAPFRE Board of Directors: "Functions and Responsibilities of the Board"	SDG 16, 17
102-27. Collective knowledge of highest governance body	Section C.1.5. of the Annual Corporate Governance Report (ACGR)	
102-28. Evaluating the highest governance body's performance	Section C.1.17. of the Annual Corporate Governance Report (ACGR).	
	Given its relevance, we refer to the Board of Directors Regulation from MAPFRE and published on the corporate website. Title I. Board of Directors and Title II. Committees and Steering Committees.	SDG 16

Standard and Content GRI	PAGE No.(P.) / INFORMATION	Other references
102-29. Identifying and managing economic, environmental, and social impacts	3.3 Risk management and sustainability in the business	Principles 1-10 of the Global Compact
	6.2 Materiality Sections E.1. and E.6. of the Annual Corporate Governance Report (ACGR) Given its relevance, we refer to the Board of Directors Regulation published on the corporate website. Title II, Chapter IV: Risk Committee	SDG 16
102-30. Effectiveness of risk management processes	3.3 Risk management and sustainability in the business	Principles 1-10 of the Global Compact
	Sections E.2. and E.6. of the Annual Corporate Governance Report (ACGR) Given its relevance, we refer to the Board of Directors Regulation published on the corporate website. Chapter IV: Risk and Compliance Committee	
102-31. Review of economic, environmental, and social topics	3.3 Risk management and sustainability in the business	Principles 1-10 of the Global Compact
	6.2 Materiality Section E.1. and E.6. of the Annual Corporate Governance Report (ACGR) Given its relevance, we refer to the Board of Directors Regulation published on the corporate website. Title II, Chapter IV: Risk and Compliance Committee	
102-32. Highest governance body's role in sustainability reporting	6.1 Bases of preparation and presentation of the report	Principles 1-10 of the Global Compact
	Section C.2.1. and G, Recommendation 53 of the Annual Corporate Governance Report (ACGR) Given its relevance, we refer to the Board of Directors Regulation published on the corporate website. Title I Chapter I: Duties and Responsibilities of the Board	
102-33. Communicating critical concerns	2.4.2. Ethical behavior: main compliance and prevention measures	Principles 1-10 of the Global Compact
	4.2.1 Grievances and complaints https://www.mapfre.com/en/ethical-behavior/	
102-34. Nature and total number of critical concerns	Given its relevance, we refer to the Regulations of the Board of Directors, a document approved in January 2016 and published on the corporate website. Title I Chapter I: Duties and Responsibilities of the Board	
102-35. Remuneration policies	4.4 Developing people - Remuneration and recognition	Principles 1, 2, 3, 4, 6 and 10 of the Global Compact
	https://www.mapfre.com/en/corporate-governance/ - Policies and Corporate Regulations	
102-36. Process for determining remuneration	Policy on Director's Remuneration and Annual report on the remuneration of directors - https://www.mapfre.com/en/corporate-governance/	SDG 16
102-37. Stakeholders' involvement in remuneration		
102-38. Annual total compensation ratio	6.3 Note 8 Information on remuneration	Principles 1, 2, 3, 4, 6 and 10 of the Global Compact
102-39. Percentage increase in annual total compensation ratio	6.3 Note 8 Information on remuneration	Principles 1,2, 3, 4,6 and 10 of the Global Compact

5. Participation of stakeholders

Standard and Content GRI	PAGE No.(P.) / INFORMATION	Other references
102-40. List of stakeholder groups	6.3 Note 4 Stakeholders Stakeholders - https://www.mapfre.com/en/our-stakeholders/	SDG 17 Principles 1-10 of the Global Compact
102-41. Collective bargaining agreements	4.4 Developing people - Employee experience: Employee legal representative 6.3 Note 4 Stakeholders Stakeholders - https://www.mapfre.com/en/our-stakeholders/	Principles 1, 2, 3, 4 and 6 of the Global Compact SDG 8
102-42. Identifying and selecting stakeholders	6.3 Note 4 Stakeholders Stakeholders - https://www.mapfre.com/en/our-stakeholders/	
102-43. Approach to stakeholder engagement	6.2 Materiality 4.4 Developing people - Employee experience: Employee legal representative	SDG 17 Principles 1-10 of the Global Compact
102-44. Key topics and concerns raised	6.2 Materiality 4.4 Developing people - Employee experience: Employee legal representative	Principles 1-10 of the Global Compact
6. Practices for drawing up reports		
102-45. Companies included in the consolidated financial statements	6.1 Bases of preparation and presentation of the report Report 2021 - https://www.mapfre.com/en/financial-information/	
102-46. Defining report content and topic Boundaries	6.1 Bases of preparation and presentation of the report	
102-47. List of material topics	6.2 Materiality	Principles 1-10 of the Global Compact
102-48. Restatements of information	6.1 Bases of preparation and presentation of the report 6.4 External verification report Information from previous reports has not been restated.	
102-49. Changes in reporting	6.1 Bases of preparation and presentation of the report 6.4 External verification report There have been no changes with respect to the reporting periods.	
102-50. Reporting period	6.1 Bases of preparation and presentation of the report	
102-51. Date of most recent report	6.1 Bases of preparation and presentation of the report Date of latest report - https://www.mapfre.com/en/annual-reports/	
102-52. Reporting cycle	Annual	
102-53. Contact point for questions regarding the report	6.1 Bases of preparation and presentation of the report	
102-54. Claims of reporting in accordance with the GRI Standards	6.1 Bases of preparation and presentation of the report	
102-55. GRI content index	6.4 GRI content index	
102-56. External assurance	6.4 External verification report	

GRI 103 – Focus on management 2016

Standard and Content GRI	PAGE No.(P.) / INFORMATION	Other references
103-1 Explanation of the material topic and its Boundary	6.2 Materiality	Principles 1-10 of the Global Compact
	3.3 Risk management and sustainability in the business	SDG 16
103-2 The management approach and its components	2.2.1 Strategic plan	
103-3 Evaluation of the management approach	6.2 Materiality	
	3.3 Risk management and sustainability in the business	
	2.2.1 Strategic plan	
GRI 201. Economic performance 2016		
201-1 Direct economic value generated and distributed	3.2 MAPFRE key figures	Principles 1-10 of the Global Compact
	4.6 Social footprint, shared value Consolidated Annual Report - https://www.mapfre.com/en/general-meeting/	SDG 1,2,5,7,8 and 9
201-2-Financial implications and other risks and opportunities due to climate change	3.3 Risk management and sustainability in the business	Principles 7, 8 and 9 of the Global Compact
	5 Committed to the environment: Action strategy against climate change	SDG 13
	6.3 Note 6 Sustainable Products Consolidated Annual Report 2021 - https://www.mapfre.com/en/general-meeting/	
201-3- Defined benefit plan obligations and other retirement plans	4.4. Developing people: Work-life balance and well-being / Remuneration and recognition	
	MAPFRE has established a social security plan for employees that includes a pension plan with assets that at the end of 2021 stood at 492 million euros. For more information, consult articles 30 and 40 of the MAPFRE Grupo Asegurador collective agreement.	Principles 1, 6 and 10 of the Global Compact
201-4- Financial assistance received from government	The public subventions received do not represent a significant amount as a percentage of Group total revenues	
GRI 202. Market presence 2016		
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	6.3 Note 8 Information on remuneration	SDG 8
202-2 Proportion of senior management hired from the local community	4.4 Developing people – Cultural diversity	SDG 8
GRI 203: Indirect Economic Impacts		
203-2 Significant indirect economic impacts	3.2 Key MAPFRE figures - Relevant facts occurring in the period and impacting key figures	ODS 1, 8
	3.3 Risk management and sustainability in the business	
	6.3 Note 6 Sustainable Products	
	6.3 Note 11 Environmental products and services	
GRI 204. Acquisition practices 2016		
204-1 Proportion of spending on local providers	4.5 Generating business for providers - Sustainable provider management	Principle 10 of the Global Compact SDG 1,5, 8
GRI 205. Anti-Corruption 2016 - Material - Related to the material topic of prevention and mitigation of corruption, fraud and bribery		
205-1- Operations assessed for risks related to corruption	2.4.2 Ethical behavior: Main compliance and prevention measures	Principle 10 of the Global Compact
	3.3 Risk management and sustainability in the business	SDG 16

Standard and Content GRI	PAGE No.(P.) / INFORMATION	Other references
205-2- Communication and training about anti-corruption policies and procedures	6.4 Note 1 Principles of the Global Compact and prevention and compliance measures in the area of human rights	
205-3- Confirmed incidents of corruption and actions taken	In 2021, there were no significant corruption cases in the Group and, in those detected, all of low relevance, the internal control mechanisms functioned correctly, facilitating the detection of same and the application of the corresponding measures	
GRI 206. Anti-Corruption 2016 - Material - Related to the material topic of prevention and mitigation of corruption, fraud and bribery		
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In 2021, no legal actions were taken for anti-competitive behavior, anti-trust, and monopoly practices.	Principle 10 of the Global Compact SDG 16
GRI 207. Taxation 2019		
207-1- Fiscal Approach (Version 2019)	4.6 Our footprint, shared value - Economic footprint Annual Corporate Governance Report 2021 (IAGC). - Section E - Risk control and management systems https://www.mapfre.com/en/corporate-governance/ - Corporate Policies and Regulations - Tax Policy The determination of the Company's tax strategy is not made public due to strategic issues.	Principle 10 of the Global Compact SDG 8,10 and 16
207-2- Fiscal Governance, Control and Risk Management (Version 2019)	2.4.2. Ethical behavior: Main compliance and prevention measures - Financial and Accounting Whistleblower Channel Section E - Risk Management and Control Systems - of the 2021 Annual Corporate Governance Report (ACGR)	
207-3- Stakeholder participation and management of tax concerns (Version 2019)	6.2 Materiality https://www.mapfre.com/en/corporate-governance/ - Policies and Corporate Regulations - Tax Policy	
207-4- Country-by-country reporting (Version 2019): For the following paragraphs: a, b.i, b.ii, b.iii, b.vi, b.viii, c	6.3 Note 11 Main tax information by country Annex I - Table of subsidiaries, associated companies and joint businesses of the Annual Accounts and Consolidated Management Report 2021	
GRI 301. 2016 Materials		
301-1 Materials used by weight or volume	6.3 Note 12 Environmental indicators / paper / toner	Principles 7, 8 and 9 of the Global Compact SDG 8, 12
GRI 302. Energy 2016 - Material - Related to Climate Change and Carbon Footprint		
302-1- Energy consumption within the organization	6.3 Note 12 Environmental indicators / Table V Resource consumption	Principles 7, 8 and 9 of the Global Compact SDG 7, 8, 12 and 13
302-3- Energy intensity	6.3 Note 12 Environmental indicators / Table V Resource consumption	Principles 7, 8 and 9 of the Global Compact SDG 7, 8, 12 and 13
302-4- Reduction of energy consumption	6.3 Note 12 - Environmental indicators / Table V Resource consumption	Principles 7, 8 and 9 of the Global Compact SDG 7, 8, 12 and 13

Standard and Content GRI	PAGE No.(P.) / INFORMATION	Other references
303-5 – Water consumption	6.3 Note 12 Environmental indicators / Table V Resource consumption	Principles 7, 8 and 9 of the Global Compact SDG 6
GRI 304. Biodiversity 2016		
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	5 Committed to the environment - Natural capital management and biodiversity preservation	Principles 7, 8 and 9 of the Global Compact
GRI 305. Emissions 2016 - Material - Related to Climate Change and Carbon Footprint		
305-1 Direct (Scope 1) GHG emissions		Principles 7, 8 and 9 of the Global Compact
305-2 Energy indirect (Scope 2) GHG emissions	6.3 Note 12 Environmental indicators / Carbon footprint broken down by scope	SDG 2,3,12,13, 14 and 15
305-3- Other indirect (Scope 3) GHG emissions		
305-4 GHG emissions intensity		
305-5 Reduction of GHG emissions	5 Committed to the environment: Action strategy against climate change 6.3 Note 12 Environmental indicators	Principles 7, 8 and 9 of the Global Compact SDG 13, 14, 15
GRI 306. Waste 2020		
306-2 - Management of significant waste-related impacts	5 Committed to the environment 6.3 Note 12 Environmental indicators / Table V Resource consumption	
306-3 - Waste generated	6.3 Note 12 Environmental indicators / Table V Resource consumption	
GRI 307. Environmental compliance 2016		
	In relation to fines of an environmental nature, in 2021, there is no record of having received any fine of a significant nature.	10 of the Global SDG 16
GRI 308. Provider environmental evaluation 2016		
308-1. New providers that were screened using environmental criteria	4.5 Generating business for providers / Sustainable provider management	Principles 7, 8, 9 and 10 of the Global Compact
308-2- Negative environmental impacts in the supply chain and actions taken		Principles 7, 8, 9 and 10 of the Global Compact
GRI 401. Employment 2016		
401-1 - New employee hires and employee turnover	4.2 Developing people – General data 6.3 Note 7 New hires and employee departures in 2021 by job position level For more information, see the People and Organization 2021 report	Principles 1,2,3,6 and 10 of the Global Compact SDG 5, 8 and 10
401-2- Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.2 Developing people - Employee Experience: Work-life balance and Well-being For more information, see the People and Organization 2021 report	SDG 3, 5 and 8
401-3 Parental leave	4.2 Developing people – Employee experience: Work-life balance and Well-being For more information, see the People and Organization 2021 report	Principles 1, 2, 3, 6 and 10 of the Global Compact SDG 5,8

Standard and Content GRI	PAGE No.(P.) / INFORMATION	Other references
GRI 402. Labor/Management Relations 2016		

402-1 - Minimum notice periods regarding operational changes	4.4 Developing people - Employee experience: Employee legal representatives	Principles 1, 2, 3, and 6 of the Global Compact SDG 8
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GRI 403. Occupational health and safety 2018 - Material - Related to material issue Security and Workplace Health		
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403-1 - Occupational health and safety management system		Principles 1,2,3 and 6 of the Global Compact SDG 3, 8
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403-2 - Hazard identification, risk assesment, and incident investigation		6 of the Global SDG 3, 8
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403-3 Occupational health services		6 of the Global SDG 3, 8
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403-4 - Worker participation, consultation, and communication on occupational health and safety	4.2 Developing people – Employee experience	Principles 1,2,3, 4 and 6 of the Global Compact SDG 3, 8
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403-5 Worker training on occupational health and safety		Principles 1,2,3, 4 and 6 of the Global Compact SDG 3, 8
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403-6 Promotion of worker health		Principles 1,2,3, 4 and 6 of the Global Compact SDG 3, 8
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403-7- Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.5 Generating business for providers / Sustainable provider management	Principles 1,2,3, 4 and 6 of the Global Compact SDG 3, 8
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403-8 Workers covered by an occupational health and safety management system	4.2 Developing people – Employee experience: Health and well-being For more information, see the People and Organization 2021 report	Principles 1,2,3, 4 and 6 of the Global Compact SDG 3, 8
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403-9 Work-related injuries	4.2 Developing people – Employee experience: Work-life balance and Well-being For more information, see the People and Organization 2021 report	Principles 1,2,3, 4 and 6 of the Global Compact SDG 3, 8
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403-10 Work-related ill health	4.2 Developing people – Employee experience: Work-life balance and Well-being For more information, see the People and Organization 2020 report	Principles 1,2,3, 4 and 6 of the Global Compact SDG 3, 8
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GRI 404. Training 2016		
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404-1 - Average hours of training per year per employee	4.2 Developing people – Talent For more information, see the People and Organization 2021 report	and 8 of the Global SDG 4,5 and 8
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Standard and Content GRI	PAGE No.(P.) / INFORMATION	Other references
404-2 Programs for upgrading employee skills and transition assistance programs	4.2 Developing people – Talent	Principles 1, 2, 3, 4, 6 and 8 of the Global Compact
	For more information, see the People and Organization 2021 report	SDG 8
404-3 - Percentage of employees receiving regular performance and career development reviews	4.2 Developing people – Remuneration and recognition	Principles 1, 2, 3, 4, 6 and 8 of the Global Compact
	For more information, see the People and Organization 2021 report	SDG 5,8 and 10

GRI 405. Diversity and equal opportunities 2016 - Material - Related to material issue of Non-discrimination

405-1- Diversity of governance bodies and employees	2.4 Good governance: Corporate Governance System - Diversity and experience	Principles 1, 2, 3, 4 and 6 of the Global Compact
	4.2 Developing people – Diversity For more information, see the People and Organization 2021 report	SDG 5,8
405-2 – Ratio of basic salary and remuneration of women to men	4.2 Developing people – Diversity management / Remuneration and recognition 6.3 Note 8 Remuneration information	Principles 1, 2, 3, 4 and 6 of the Global Compact
	For more information, see the People and Organization 2021 report	SDG 5, 8 and 10

GRI 406. Non-discrimination 2016 - Related to material issue of Non-discrimination

406-1 – Incidents of discrimination and corrective actions taken	2.4.2 Ethical behavior: Main compliance and prevention measures.	Principles 1, 2, 3, 4, 6 and 10 of the Global Compact
	6.3 Note 1 Principles of the Global Compact and prevention and compliance measures in the area of human rights	SDG 5,8 and 16

GRI 407. Freedom of association and collective bargaining 2016

407-1- Operations and providers in which the right to freedom of association and collective bargaining may be at risk	2.4.2 Ethical behavior: Main compliance and prevention measures.	Principles 1, 2, 3, 4, 6 and 10 of the Global Compact
	4.2 Developing people – Employee experience 4.5 Generating business for providers: Sustainable provider management 6.3 Note 1 Principles of the Global Compact and prevention and compliance measures in the area of human rights	SDG 8

GRI 408. Child labor 2016

408-1 Operations and providers at significant risk for incidents of child labor	2.4.2 Ethical behavior: Main compliance and prevention measures	Principles 1, 2, 3, 5, 6 and 10 of the Global Compact
	4.2 Developing people 4.5 Generating business for providers: Sustainable provider management	SDG 8, 16
	6.3 Note 1 Principles of the Global Compact and prevention and compliance measures in the area of human rights	

Standard and Content GRI	PAGE No.(P.) / INFORMATION	Other references
GRI 409. Forced or compulsory labor 2016		
409-1 Operations and providers at significant for incidents of forced or compulsory labor	2.4.2 Ethical behavior: Main compliance and prevention measures. 4.2 Developing people 4.5 Generating business for providers: Sustainable provider management 6.3 Note 1 Principles of the Global Compact and prevention and compliance measures in the area of human rights	Principles 1, 2, 3, 4, 6 and 10 of the Global Compact SDG 8, 16
GRI 410. Security practices 2016		
410-1 Security personnel trained in human rights policies or procedures	2.4.2 Ethical behavior: Main compliance and prevention measures. 6.3 Note 1 Principles of the Global Compact and prevention and compliance measures in the area of human rights	Principles 1, 2, 3, and 10 of the Global Compact SDG 16
GRI 411. Rights of indigenous peoples 2016		
411 - 1 Incidents of violations involving rights of indigenous peoples	2.4.2 Ethical behavior: Main compliance and prevention measures. 6.3 Note 1 Principles of the Global Compact and prevention and compliance measures in the area of human rights There is no record of any incidents of violations involving rights of indigenous people.	Principles 1, 2, 3, and 10 of the Global Compact SDG 2, 15, 16
GRI 412. Human Rights Assessments 2016		
412-1 Operations that have been subject to human rights reviews or impact assessments	6.3 Note 1 Principles of the Global Compact and prevention and compliance measures in the area of human rights https://www.mapfre.com/en/corporate-governance/ - Policies and Corporate Regulations	SDG 16 Principles 1-10 of the Global Compact
412-2 Employee training on human rights policies or procedures	2.4.2 Ethical behavior: Main compliance and prevention measures. 6.3 Note 1 Principles of the Global Compact and prevention and compliance measures in the area of human rights https://www.mapfre.com/en/corporate-governance/ - Policies and Corporate Regulations	SDG 16 Principles 1-10 of the Global Compact

Standard and Content GRI	PAGE No.(P.) / INFORMATION	Other references
412-3 Significant investment agreements and contracts that include human rights clauses	2.4.2 Ethical behavior: Main compliance and prevention measures.	
	4.5 Generating business for providers: Sustainable provider management	SDG 16
	6.2 Materiality	Principles 1,2,3,4,5,6,7 and 10 of the Global Compact
	6.3 Note 1 Principles of the Global Compact and prevention and compliance measures in the area of human rights	
	https://www.mapfre.com/en/corporate-governance/ - Policies and Corporate Regulations	

GRI 413. Local communities 2016

413-1 Operations with local community engagement, impact assessments and development programs	4.2 Developing people	SDG 1, 10
	4.6 Our footprint, shared value	Principles 1, 2, 3, 4, 5, 6, 7 and 10 of the Global Compact
	People and Organization 2021 report	
	www.fundacionmapfre.org	

413-2 Operations with significant actual and potential negative impacts on local communities	4.2 Developing people	Principles 1, 2, 3, 4, 5, 6, 7 and 10 of the Global Compact
	4.6 Social footprint, shared value	SDG 1, 10
	prevention and compliance measures in the field of	
	www.fundacionmapfre.org	

GRI 414. Provider Social Assessment 2016

414-1 New providers that were screened using social criteria	4.5 Generating business for providers: Sustainable provider management	Principles 1-10 of the Global Compact
		SDG 5, 8 and 16
414-2 Negative social impacts in the supply chain and actions taken	2.4.2 Ethical behavior: Main compliance and prevention measures.	Principles 1-10 of the Global Compact
	4.5 Generating business for providers: Sustainable provider management	SDG 5, 8, 16

GRI 415. Public policies 2016

415-1 Political contributions	2.4.2 Ethical behavior: Main compliance and prevention measures.	Principle 10 of the Global Compact
	6.3 Note 4 Stakeholders	SDG 16
	Code of Ethics and Conduct- https://www.mapfre.com/en/ethical-behavior/ Institutional, Business and Organizational Principles of the MAPFRE Group - https://www.mapfre.com/en/corporate-governance/	

GRI 417. Marketing y etiquetado 2016

417-1 Requirements for product and service information and labeling	4.2 Protecting the client	
	The descriptive document of the product is in itself the contract of the policy and is complied with in accordance with current local regulations.	ODS 12

Standard and Content GRI	PAGE No.(P.) / INFORMATION	Other references
417-2 Incidents of non-compliance concerning product and service information and labeling	2.4.2 Ethical behavior: Main compliance and prevention measures. The descriptive document of the product is in itself the contract of the policy and is complied with in accordance with current local regulations.	Principle 10 of the Global Compact SDG 16
417-3 Incidents of non-compliance concerning marketing communications	No significant cases of non-compliance with regulations or voluntary codes assumed by the Company were reported in 2021.	Principle 10 of the Global Compact SDG 16
GRI 418. Client privacy 2016		
418-1 Substantiated complaints concerning breaches of client privacy and losses of client data	6.3 Note 3 Data privacy	Principles 1, 2, 3, and 10 of the Global Compact SDG 16
GRI 419. Environmental compliance 2016		
419-1 Non-compliance with laws and regulations in the social and economic area	2.4.2 Ethical behavior: Main compliance and prevention measures.	10 of the Global SDG 16

GRI FINANCE SUPPLEMENT INDICATORS

GRI Indicators		Page / Information
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Impact of products and services

FS1	Policies with specific social and environmental components applied to business lines.	2.2.2 Sustainability 2.4. Good governance. Corporate Governance system 4.1. MAPFRE and COVID-19 4.4. Developing people 5. Committed to the environment 6.3. Note 6 Sustainable products
FS2	Procedures to assess and protect business lines in terms of environmental and social risks.	2.4. Good governance. Corporate Governance system 3.3. Risk management and sustainability in the business 5. Committed to the environment 6.3. Note 6 Sustainable products
FS3	Processes to monitor the implementation of and compliance with environmental and social requirements included in agreements and transactions with clients.	2.4. Good governance. Corporate Governance system 3.3. Risk management and sustainability in the business 4.2. Protecting the client 5. Committed to the environment 6.3. Note 6 Sustainable products
FS4	Processes to improve the competence of the workforce when implementing the social and environmental policies and procedures applicable to the lines of business.	2.2.2. Sustainability 2.4. Good governance. Corporate Governance system 3.3. Risk management and sustainability in the business 4.3. Developing people 5. Committed to the environment
FS5	Interactions with clients, investors and partners regarding the risks and opportunities in social and environmental issues.	3.3. Risk management and sustainability in the business 5. Committed to the environment 6.2 Materiality

Product portfolio

FS6	Portfolio breakdown for each business line, by specific region, size and sector.	3.2. MAPFRE key figures. Business unit information. 4.2. Protecting the client
FS7	Monetary value of products and services designed to offer a specific social benefit for each line of business broken down by objectives.	3.3.2. Sustainability in the business 6.3. Note 6 Sustainable products
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by objective.	

Auditing

FS9	Coverage and frequency of audits to assess the implementation of environmental and social policies and risk assessment procedures.	6.1. Bases of preparation and presentation of the report 6.3. Note 12 Environmental indicators
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Active ownership

FS10	Percentage and number of companies in the portfolio with which it has interacted on social or environmental issues.	3.2.2. Sustainability in the business
FS11	Percentage of assets subject to positive or negative social or environmental analysis.	

Community

FS13	Accessibility in low population density or disadvantaged areas.	6.3. Note 6 Sustainable products See MAPFRE Economics report "Financial inclusion in insurance" - https://www.mapfre.com/en/mapfreeconomics/studies/ Fundación MAPFRE Annual Report 2021
FS14	Initiatives to improve the access disadvantaged groups have to financial services.	

Customer health and safety - Material - Related to the material topic of Cybersecurity and data privacy

FS15	Policies for the design and sale of financial products and services, in a reasonable and fair manner.	2.2. Sustainability 3.3.2. Sustainability in the business 4.1. MAPFRE and COVID-19 6.3. Note 6 Sustainable products
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Marketing communications

FS16	Initiatives to improve financial literacy and education according to the type of beneficiary	4.6. Our footprint, shared value Fundación MAPFRE Annual Report 2021
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6.5. Correspondence of GRI content and non-financial information status (Law 11/2018 of December 28)

INDEX OF CONTENTS OF LAW 11/2018

Information requested by the Law 11/2018	Reporting criterion: Selected GRI (Version 2016 unless otherwise noted)	Page or section of the report where the requirement of Law 11/2018 is met
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GENERAL INFORMATION

A brief description of the business model that includes its operating environment, organization, and structure	GRI 102-2 (2016) GRI 102-7 (2016)	2.1 About Us 2.3 Shareholder and functional structure 2.4.1 Corporate Governance system 3.2 MAPFRE key figures
Markets in which we operate	GRI 102-3 (2016) GRI 102-4 (2016) GRI 102-6 (2016)	2.1.3 Geographical footprint (deployment) 3.1.2 Information on business units
Organizational objectives and strategies	GRI 103-2 (2016) GRI 102-14 (2016)	2.2 Strategy
Major factors and trends that may affect future evolution	GRI 102-14 (2016) GRI 102-15 (2016)	3.1 Regulatory framework and global environment 3.2 MAPFRE key figures 3.3 Risk management
Reporting framework used	GRI 102-54 (2016)	6.1 Bases of preparation and presentation of the report
Materiality principle	GRI 102-46 (2016) GRI 102-47 (2016)	6.1 Bases of preparation and presentation of the report 6.2 Materiality

ISSUES RELATING TO THE ENVIRONMENT

Management focus: Description and results of policies relating to these issues as well as the main risks related to these issues associated with the activities of the group	GRI 102-15 (2016) GRI 103-2 (2016)	3.3 Risk management and sustainability in the business 5. Committed to the environment
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DETAILED GENERAL INFORMATION

Detailed information on the current and foreseeable effects of the company's activities on the environment and, where appropriate, health and safety	GRI 102-15 (2016)	3.3 Risk Management and sustainability in the business 5. Committed to the environment
Environmental assessment or certification procedures	GRI 103-2 (2016)	5. Committed to the environment / Action strategy against climate change action 6.3 Note 12 Environmental indicators / Table I. Environmental context / Table II. SIGMAYEC3 control
Resources dedicated to the prevention of environmental risks	GRI 103-2 (2016)	3.3 Risk management 5. Committed to the environment 6.3 Note 12 Environmental indicators / Table II. SIGMAYEC3 control
Application of the precautionary principle	GRI 102-11 (2016)	5 Committed to the environment

Quantity of provisions and guarantees against environmental risks	GRI 103-2 (2016)	3.3 Risk management 5. Committed to the environment 6.3 Note 12 Environmental indicators / Table II. SIGMAYEC3 control
POLLUTION		
Measures to prevent, reduce or repair emissions that seriously affect the environment; taking into account any form of activity-specific air pollution, including noise and light pollution	N/A	Non-material aspect
CIRCULAR ECONOMY AND WASTE PREVENTION AND MANAGEMENT		
Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste	GRI 306-2 (2020) GRI 306-3 (2020)	5. Committed to the environment 6.3 Note 12 Environmental indicators / Table V. Resource consumption
Measures to fight food waste	N/A	Non-material aspect
SUSTAINABLE USE OF RESOURCES		
Water consumption and water supply in accordance with local limitations	GRI 303-5	5. Committed to the environment 6.3 Note 12 Environmental indicators / Table V. Resource consumption
Consumption of raw materials and measures taken to improve the efficiency of use	GRI 301-1 GRI 301-2	5. Committed to the environment 6.3 Note 12 Environmental indicators / Table V. Resource consumption
Direct and indirect energy consumption	GRI 302-1	5. Committed to the environment 6.3 Note 12 Environmental indicators / Table V. Resource consumption
Measures taken to improve energy efficiency	GRI 103-2 (2016)	5. Committed to the environment 6.3 Note 12 Environmental indicators / Table V. Resource consumption
Use of renewable energy	GRI 302-1	5. Committed to the environment 6.3 Note 12 Environmental indicators / Table V. Resource consumption
CLIMATE CHANGE		
Greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces	GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4	5. Committed to the environment 6.3 Note 12 Environmental indicators / Table IV. Carbon footprint breakdown and categories included in the different scopes
Measures taken to adapt to the consequences of climate change	GRI 103-2 (2016)	5. Committed to the environment 6.3 Note 12 Environmental indicators / Table IV. Carbon footprint breakdown and categories included in the different scopes

Voluntarily established reduction targets in the medium and long term to reduce greenhouse gas emissions and the means implemented for this purpose

GRI 103-2 (2016)
GRI 305-5

5. Committed to the environment
6.3 Note 12 Environmental indicators / Table IV. Carbon footprint breakdown and categories included in the different scopes

BIODIVERSITY PROTECTION

Measures taken to preserve or restore biodiversity

GRI 103-2 (2016)

5. Committed to the environment / Corporate Environmental Footprint Plan

Impacts caused by activities or operations in protected areas

GRI 103-2 (2016)

5. Committed to the environment
6.3 Note 12 Environmental indicators
6.3 Note 6 Sustainable products

ISSUES RELATING TO SOCIETY AND EMPLOYEES

Management focus: Description and results of policies relating to these issues as well as the main risks related to these issues associated with the activities of the group

GRI 102-15
GRI 103-2

4.4 Developing employees

EMPLOYMENT

Total number and distribution of employees by country, sex, age and professional classification

GRI 102-15 (2016)
GRI 103-2 (2016)
GRI 405-1 (2016)

4.4 Developing people

Total number and distribution of labor contract modalities and annual average of indefinite contracts, temporary contracts and part-time contracts by sex, age and professional classification

GRI 102-8 (2016)

4.4 Developing people
6.3 Note 7 New hires and employee departures in 2021 by job position level

Number of layoffs by sex, age and professional classification

GRI 103-2 (2016)
GRI 401-1 (2016)

4.4 Developing people
6.3 Note 7 New hires and employee departures in 2021 by job position level

Average remuneration and trends by sex, age and professional classification or similar value

GRI 103-2 (2016)

4.4 Developing people - Remuneration and recognition
6.3 Note 8 Information on remuneration

Pay gap, remuneration of equal work or average across society

GRI 103-2 (2016)
GRI 405-2

4.4 Developing people - Remuneration and recognition
6.3 Note 8 Information on remuneration

Average remuneration of directors and managers, including variable remuneration, allowances, compensation, payment to long-term savings systems and any other earnings, by sex

GRI 103-2 (2016)

4.4 Developing people - Remuneration and recognition
6.3 Note 8 Information on remuneration

Implementation of work disconnection policies

GRI 103-2 (2016)

4.4 Developing people - Reconciliation and Well-being

Number of employees with disabilities

GRI 103-2 (2016)
GRI 405-1

4.4 Developing people - Diversity and inclusion

WORK ORGANIZATION

Organization of working time

GRI 103-2 (2016)

4.4 Developing employees

Number of absentee hours

GRI 103-2 (2016)
GRI 403-9

4.4 Developing people - Reconciliation and Well-being
6.3 Note 9 Work-related accident data: calculation method

Measures to facilitate the enjoyment of a work-life balance and encourage the corresponding exercise of these by both

GRI 103-2 (2016)
GRI 401-3

4.4 Developing people - Reconciliation and Well-being

HEALTH AND SAFETY

Occupational health and safety conditions	GRI 103-2 (2016) GRI 403-1 GRI 403-2 GRI 403-3 GRI 403-4 GRI 403-5 GRI 403-6 GRI 403-7 GRI 403-8	4.4 Developing people - Reconciliation and Well-being 6.3 Note 9 - Work-related accident data: calculation method
Accidents at work, in particular the frequency and severity of same, as well as occupational illnesses, by sex	GRI 403-9 GRI 403-10	4.4 Developing people - Reconciliation and Well-being 6.3 Note 9 - Work-related accident data: calculation method
SOCIAL RELATIONS		
Organization of social dialog including procedures for informing, consulting and negotiating with employees	GRI 103-2 (2016)	4.4 Developing employees - Employee legal representatives
Percentage of employees covered by collective agreement by country	GRI 102-41 (2016)	4.4 Developing employees - Employee legal representatives
Balance of collective agreements, particularly in the field of health and safety at work	GRI 103-2 (2016) GRI 403-4	4.4 Developing employees - Employee legal representatives
TRAINING		
Policies implemented in the field of training	GRI 404-2	4.4 Developing people - Talent
Total number of training hours broken down by professional classification	GRI 103-2 (2016) GRI 404-1	4.4 Developing people - Talent
UNIVERSAL ACCESSIBILITY		
Universal accessibility for people with disabilities	GRI 103-2 (2016)	4.4 Developing people - Diversity and inclusion
EQUALITY		
Measures taken to promote equal treatment and opportunities between women and men	GRI 103-2 (2016)	4.4 Developing people - Diversity and inclusion
Equality plans, measures taken to promote employment, protocols against sexual and gender-based harassment	GRI 103-2 (2016)	4.4 Developing people - Diversity and inclusion
Policy against all forms of discrimination and, where appropriate, diversity management	GRI 103-2 (2016)	4.4 Developing people - Diversity and inclusion
RESPECT FOR HUMAN RIGHTS		
Management approach: Description and results of policies relating to these issues as well as the main risks related to these issues associated with the activities of the group	GRI 102-15 (2016) GRI 103-2 (2016)	2.4.2. Ethical behavior: main compliance and prevention measures
APPLICATION OF DUE DILIGENCE PROCEDURES		
Implementation of due diligence procedures in the field of Human Rights and prevention of the risk of Human Rights violations and, where appropriate, measures to mitigate, manage and redress possible abuses	GRI 102-16 (2016) GRI 102-17 (2016) GRI 412-1 a 412-3	2.4.2. Ethical behavior: main compliance and prevention measures Note 1 Principles of the Global Compact and prevention and compliance measures in the field of Human Rights
Complaints of instances of Human Rights violations	GRI 103-2 (2016) GRI 406-1	2.4.2. Ethical behavior: main compliance and prevention measures

Measures taken to promote and comply with the provisions of the ILO's fundamental conventions relating to respect for freedom of association and the right to collective bargaining; the elimination of employment and occupational discrimination; the elimination of forced or compulsory labor; the effective abolition of child labor

GRI 103-2 (2016)

2.4.2. Ethical behavior: main compliance and prevention measures
Note 1 Principles of the Global Compact and prevention and compliance measures in the field of Human Rights

INFORMATION ON FIGHTING CORRUPTION AND BRIBERY

Management approach: Description and results of policies relating to these issues as well as the main risks related to these issues associated with the activities of the group

GRI 102-15 (2016)
GRI 103-2 (2016)

2.4.2. Ethical behavior: main compliance and prevention measures

Measures taken to prevent corruption and bribery

GRI 103-2 (2016)
GRI 102-16 (2016)
GRI 102-17 (2016)
GRI 205-1 a 205-3

2.4.2. Ethical behavior: main compliance and prevention measures

Measures to combat money laundering

GRI 103-2 (2016)
GRI 102-16 (2016)
GRI 102-17 (2016)
GRI 205-1 a 205-3

2.4.2. Ethical behavior: main compliance and prevention measures

Partnership or sponsorship actions

GRI 102-13 (2016)

2.4.2. Ethical behavior: main compliance and prevention measures
6.3 Note 4 Stakeholders

COMPANY OVERVIEW

Management approach: Description and results of policies relating to these issues as well as the main risks related to these issues associated with the activities of the group

GRI 102-15 (2016)
GRI 103-2 (2016)

2.2.2 Sustainability
2.4.2. Ethical behavior: main compliance and prevention measures

THE COMPANY'S COMMITMENT TO SUSTAINABLE DEVELOPMENT

The impact of the company's activities on local employment and development

GRI 103-2 (2016)

2.2.2 Sustainability
4.6. Our footprint, shared value

The impact of the company's activities on local and national populations

GRI 103-2 (2016)
GRI 411-1

2.2.2 Sustainability
4.6. Our footprint, shared value

Relationships maintained with local community actors and the modalities of dialog with these

GRI 102-43 (2016)

2.2.2 Sustainability
4.6. Our footprint, shared value

Contributions to foundations and non-profit organizations

GRI 103-2 (2016)

2.4.2. Ethical behavior: main compliance and prevention measures
6.3. Note 4 Stakeholders

SUBCONTRACTING AND PROVIDERS

MAPFRE S.A.

Inclusion of social, gender equality and environmental issues in the procurement policy	GRI 103-2 (2016)	4.5 Generating business for providers / Sustainable provider management
Consideration of social and environmental responsibility in our relationships with suppliers and subcontractors	GRI 102-9 (2016)	4.5 Generating business for providers / Sustainable provider management
Supervision and audit systems and results thereof	GRI 102-9 (2016)	4.5 Generating business for providers / Sustainable provider management

CONSUMERS

Consumer health and safety measures	GRI 103-2 (2016)	2.2.2 Sustainability 4.2 Protecting the client
Complaint systems, complaints received and resolution of complaints	GRI 103-2 (2016) GRI 418-1	2.4.2. Ethical behavior: main compliance and prevention measures 4.2 Protecting the client / Grievances and complaints

TAX INFORMATION

Profits generated by country	GRI 103-2 (2016) GRI 207-4 vi	4.6. Our footprint, shared value / Economic footprint 6.3 Note 11 Main tax information by country
Taxes on profits paid	GRI 103-2 (2016) GRI 201-1 GRI 207-4 viii	4.6. Our footprint, shared value / Economic footprint 6.3 Note 11 Main tax information by country
Public subsidies received	GRI 201-4	4.6. Our footprint, shared value / Economic footprint 6.3. Note 4 Stakeholders 6.3 Note 11 Main tax information by country

REGULATION (EU) 2020/852 - TAXONOMY

Requirements of the Regulation	MAPFRE's own methodology developed based on article 8 of the European Taxonomy	3.3.2. Sustainability in the business
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The Integrated Report for MAPFRE S.A., corresponding to the financial year 2021, on the preceding pages 1 to xxx herein, endorsed in their entirety by the Secretary of the Board, and which includes the non-financial information that is included in the Consolidated Management Report, was ratified by the Board of Directors at its meeting held on February 9, 2022.

Mr. Antonio Huertas Mejías
Chairmen

Mr. Antonio Gómez Ciria
Member

Mr. Ignacio Baeza Gómez
1st Vice Chairman

Mr. Luis Hernando de Larramendi Martínez
Member

Ms. Catalina Miñarro Brugarolas
2nd Vice Chairman

Mr. Francisco J. Marco Orenes
Member

Mr. José Manuel Inchausti Pérez
3rd Vice Chairman

Mr. Fernando Mata Verdejo
Member

Mr. José Antonio Colomer Guiu
Member

Mr. Antonio Miguel-Romero de Olano
Member

Ms. María Leticia de Freitas Costa
Member

Ms. Pilar Perales Viscasillas
Member

Ms. Ana Isabel Fernández Alvarez
Member

Mr. Alfonso Rebuelta Badías
Member

Ms. Rosa M.^a García García
Member

Mr. Ángel Luis Dávila Bermejo
Secretary and Non-Member

DILIGENCE to establish, in line with articles 253.2 of the Companies Act and 366.1.2 of the Mercantile Registry Regulations, that (i) Ms. María Leticia de Freitas Costa and Ms. Rosa María García García have endorsed the Integrated Report for MAPFRE S.A. corresponding to 2021, but have not signed it, neither in writing nor electronically, as a result of them having attended the meeting via videoconference; and (ii) Mr. Luis Hernando de Larramendi has excused himself from attending the meeting, specifically delegating his representation and vote to Ms. Catalina Miñarro Brugarolas.

In Madrid, on February 9, 2022.
Ángel Luis Dávila Bermejo – Secretary of the Board of Directors