

2023 ANNUAL GENERAL
MEETING

ANTONIO HUERTAS
CHAIRMAN AND CEO

Ladies and gentlemen, thank you for the trust you have placed in us for yet another year as our shareholders.

During this closing of the Annual General Meeting, I would like to start by expressing our solidarity with Turkey and Syria following the recent earthquakes they have suffered. As Fernando Mata explained, the impact for MAPFRE in Turkey may be negligible, but we are not indifferent to the pain that this catastrophe has caused. We would also like to reiterate our support for the Ukrainian people, who for more than a year now have suffered an unjust and unimaginable war in the prosperous and peaceful Europe of the 21st century that we had been building.

That said, in this final speech, I will briefly take stock of the 2022 fiscal year for MAPFRE and summarize our achievements and principal lines of action in the different regions and business units around the world. Then I will present the main challenges we are facing this year and the next, with a review of our strategic plan and an update of what will continue to be our aspirational objectives for the next two years.

2022 was not an easy year, like 2021 and 2020 before it.

This is not an excuse. On the contrary, it is a recognition of our strength, because we have once again managed to record a very satisfactory year in one of the most challenging contexts we have faced.

In 2020, we came before you on the eve of a global pandemic, and last year we presented our new plan just as the first war on European soil in more than 20 years began, a war that unfortunately continues today, with a massive impact on hundreds of thousands of lives and which has caused the displacement of millions of citizens.

The war has not been the only factor, but it has contributed to the main phenomenon that has conditioned us all: the resurgence, after more than 15 years, of uncontrolled inflation rates.

When it seemed that the developed world had become accustomed, indefinitely, to stable prices and very low interest rates, which were an aberration, we suddenly had to draw on lessons learned many years ago about how to manage

the business in an environment of double-digit price growth amid the growing cost of money.

What started out as a significant imbalance between supply and demand, apparently temporary after the effects of the pandemic, was aggravated by the upturn in world energy prices and has been consolidated since the Russian invasion of Ukraine.

Faced with this situation, central banks have been forced to sharply increase interest rates. The first to do so, it must be said, were some countries in Latin America, such as Brazil and Mexico, a maneuver that has allowed them, for now, to manage this part of the cycle with relative peace of mind.

In developed countries, it is not yet clear whether the US Federal Reserve and the European Central Bank will be able to achieve that desired soft landing, but the effects of the rate hike will inevitably be felt in the coming months.

In short, between inflation, growth below potential, the aftereffects of the pandemic, market volatility due to monetary policy decisions, etc., the context is full of circumstances that did not help us in 2022.

And yet, as I said earlier, we managed to have a very solid year. So solid that we achieved highest revenue figure in our history, of almost 30 billion euros.

This is because MAPFRE has a series of competitive advantages that allowed us to reasonably manage this situation. I will particularly highlight MAPFRE's diversification, both in terms of geography and also as a product of the balance sheet.

Let me now review the business prospects in each of the global regions and business units where we operate.

Let's begin with IBERIA.

In 2022, we reorganized our internal structures to gain agility, efficiency and competitiveness, highlighting the implementation of a new operating model in the processing and underwriting areas and a new commercial model.

In Non-Life, our most dynamic lines were health, enterprise and multirisk. Automobile was greatly affected by the increase in costs deriving from high inflation, and the P&C lines were impacted by higher claim levels.

In Life, the rise in interest rates allowed us to offer, once again, Life and savings products with more attractive returns, although in turn it led to a reduction in the value of our investment portfolios.

Our sales network is still our company's great asset, which allows us to continue to grow sustainably, and we implemented specific measures to improve our portfolio retention. In addition, we developed a broker plan, which is starting to show good results, and we worked to strengthen our value propositions in dealerships.

In 2023, the big challenge will continue to be growing above the market and delivering better profitability. We will remain focused on developing our customer strategy, optimizing our management models and strengthening and expanding our distribution channels, relying more on our banking partners, Santander Bank and Bankinter, while at the same time continuing to drive our transformation forward.

We will consolidate our operating and sales models, and we will work on designing a new productivity model for central services that maximizes agility and efficiency.

In Automobile, we will continue working to reduce the loss ratio.

In terms of Life, the scenario will be very positive for the distribution of savings and annuities products.

Now let's talk about LATIN AMERICA, a region where MAPFRE attained absolute leadership for the first time. The fiscal year was also our best in history in terms of revenue and earnings, with Latin America being our largest contributor by premium volume and second largest for earnings.

Starting in 2023, we launched a new regional organization in order to simplify our structure and increase efficiency and technical control of the business. Brazil was maintained as a regional area and Mexico as a strategic country, and a new

regional area was created, LATAM South-Central, which encompasses the 15 remaining MAPFRE countries in Latin America.

In BRAZIL, we had a very complicated start to 2022, with a sharp increase in the loss ratio in the agricultural business due to the historic drought that devastated the south of the country. We were also affected by the increase in Automobile claims costs and the latest impacts of COVID in the Life business line. However, the measures we adopted made it possible to close out the year with a marked increase in premiums and results as well as making significant technological progress. I must highlight the tremendous effort made by our partner Banco do Brasil, with whom we developed an active sales plan, which in turn produced excellent premiums and results.

The positive trend in the second half of 2022 makes us optimistic about 2023 in terms of both premium growth and earnings in Brazil. The impact of the increase in the loss ratio in the Automobile line is still the main challenge we are facing in the country, but the measures taken in terms of prices, risk selection and profitable brokers will have positive effects throughout the year. Banco do Brasil will continue to be a major contributor to our business. And the efforts to boost efficiency and reduce internal costs will remain one of the fundamental objectives for improving our competitiveness.

In MEXICO, during 2022, we met our growth targets in gross written premiums and attributable earnings, thanks to technical rigor and the great sales push that was made. Progress on the company's digital transformation was also noteworthy.

For 2023, our objective is to increase Mexico's weight in the Group's results by increasing retained premiums in the most profitable lines, improving process automation through the new *Newtron* technology platform and reducing acquisition expenses.

In CENTRAL AMERICA and THE DOMINICAN REPUBLIC, in 2022, we grew in all countries in terms of premiums, and we also reached new distribution agreements and moved forward in technological and operational development. The main challenges for 2023 are to stabilize our Automobile results in Panama and the Dominican Republic, while making progress on multi-country

technological implementation, product approval, and automation processes to improve efficiency, quality and service to customers and intermediaries. In the Dominican Republic, we also have the support and strength of our partner, one of the country's main financial groups, Centro Financiero BHD León.

For LATAM SOUTH, 2022 was a historic year due to the levels of gross written premiums and especially the results achieved despite the sharp increase in Automobile claims. Excellent financial management played a significant role in helping us to obtain these results. Particularly noteworthy results were achieved in Peru and Colombia—between the two, they contributed 88 percent of regional earnings—as well as Chile and Uruguay.

In 2023, we aim to lower the Automobile combined ratio, cut the expense ratio and strengthen technical and financial controls in each of our companies.

In Latin America, we also launched this year *Club Milla MAPFRE*, which brings together the best Life brokers in a prestigious club that was created with the aim of becoming the largest network of Life insurance vendors across the continent.

In NORTH AMERICA, the main reason for our poor result in 2022 was the inflationary environment, which drove extraordinarily high Automobile claim levels. The vast majority of large US insurance carriers are also reporting their worst results in recent history. At MAPFRE USA, we mitigated these impacts through rate increases, realized capital gains and strict cost control.

In 2023, inflation is expected to fall to a certain extent in some production and consumption sectors. In the P&C lines, significant rate increases are expected due to the greater demands imposed by reinsurers.

Interest rate hikes will also contribute to boosting financial income.

Key actions for 2023 include continuing with rate increases, emphasizing cost control and reduction measures, redefining the reinsurance structure and launching the new company *Auto Club MAPFRE Insurance Company*, together with our partner, AAA automobile club in the state of Washington.

In Puerto Rico, without Hurricane Fiona, we would have achieved the best results in our history. We will maintain our prudent selection policy for risks with catastrophic exposure, considering the increases in reinsurance costs.

In 2022, the EURASIA region, now renamed as EMEA, successfully completed its structural transformation process, with the sale of our insurance operations in Asia and the conclusion of the restructuring plan for our subsidiary in Italy, which now has a more efficient organization in place, with improved technological, pricing and underwriting capabilities.

In Turkey, our results were hampered by the impact of accounting for hyperinflation, in addition to the negative economic landscape that has characterized this country in recent years. Germany and Malta once again showed good performance. In the latter country, our relationship with our partner *Banco de Valetta* is still wonderful and provides us with excellent opportunities for growth in Life insurance.

The challenge for 2023 is to continue growing in Germany through new digital distribution agreements, complete the ambitious technological transformation project in Malta, and achieve profitable growth in Italy through new complementary digital channels. In Turkey, we will work to control volatility and adapt the structure to the country's new business climate.

I would now like to discuss some aspects of our other Business Units:

The Reinsurance Unit, similar to its competitors, has experienced a high catastrophic loss ratio in recent years. Despite this, the great diversification of its portfolio and appropriate risk management allowed it to record strongly positive results.

Increased demand for reinsurance has driven a widespread increase in prices and adaptation of the sector's coverage conditions, which suggests that we are entering a cycle of more attractive profitability. In anticipation of improved margins, MAPFRE agreed in December last year to a capital increase for MAPFRE RE in the amount of 250 million euros, so as to provide the reinsurer with greater capacity to support its customers, enabling it to grow in a far more profitable market environment.

MAPFRE Global Risks had an exceptional 2022, driven by growth in new customers and a well-controlled loss ratio. Looking ahead to 2023, we are facing a more complex scenario due to the increase in reinsurance costs.

MAPFRE ASISTENCIA completed its geographic reorientation process, having left 22 countries since 2016. At the same time, it is consolidating its value proposition with new digital capabilities and high-usability products. This entire transformation was reflected in 2023 in its new branding, MAWDY – decidedly more modern and digital.

SOLUNION, the credit and surety company run together with our partner *Allianz Trade*, achieved fantastic results for yet another year.

It will continue to pursue geographic consolidation and will keep developing the credit model, boosting its presence in Latin American multinationals.

Meanwhile, our asset management business has been gaining prominence within the Group and is currently playing a pivotal role in achieving our objectives.

MAPFRE manages more than 52 billion euros worldwide. A large part of that business is focused on managing the investment portfolio of the company itself in 26 countries, but we also have a growing financial management business for both private and institutional clients.

MAPFRE AM is the largest independent non-bank fund manager in the Spanish market, with more than nine billion euros under management at the end of 2022. This excludes institutional mandates, which would more than triple this amount. Meanwhile, MAPFRE Gestión Patrimonial, the client financial advisory service, grew by 5 percent in assets last year to 1.4 billion euros, and it already has a network of 10 specialized offices in Spain. We are also very proud of our corporate and business alliance with *Abante*, one of the Spanish leaders in asset management. Beyond our borders, we recently took control of *La Financiere Responsable*, a French investment manager specializing in ESG investing.

Also, in recent years, and in a context of interest rates at historic lows, we have diversified our investments more. In real estate, for example, we have already committed more than 800 million euros through funds that we launched with the best possible partners: Macquarie, Munich RE and Swiss Life. In addition, we have done the same in the field of infrastructure, also with Macquarie, in renewables, with Iberdrola, and with Altamar in private equity.

Now let's briefly review the fulfillment of our Three-Year Strategic Plan, which, as you know, was implemented for its first year in 2022.

The pillars of this strategic plan, as we presented to you at this Annual General Meeting last year, are:

- Disciplined, sustainable, balanced, and profitable growth.
- Improvement of internal efficiency.
- Promotion of transformation.

Regarding the growth pillar, we achieved a fantastic increase in premiums of almost 11 percent, far exceeding the average objective set for the three-year period of 5–6 percent.

Along with MAPFRE's positive performance in Spain, despite the loss of BANKIA, we must highlight the increase in Brazil, which exceeded 45 percent, and in the majority of countries in Latin America, in addition to the growth in Reinsurance and the United States.

We are acutely aware that we did not meet our profitability objective, given that year-end ROE stood at 8.4 percent, some way from the targeted average of 9–10 percent for the three-year period.

2022 was supposed to be a year of rapid recovery in our results due to the pandemic coming to an end, but the abrupt and severe deterioration of the Automobile claim levels in our main markets largely overshadowed the brilliance and consistency of our management model. In some countries, we did not foresee the tremendous cost increases, and we could not properly manage rates due to internal weaknesses and delays, limitations imposed by the supervisor, or circumstances concerning the market, distributors and competition.

The downward adjustments in rates made in all countries during the two years of the pandemic due to reduced vehicle use, changes in mobility patterns, increases in the severity of damages—a result of both higher repair costs from accumulated inflation and deviations from accidents caused by speeding and distractions—with a marked increase in commercial transport and delivery vehicles on the road, along with other circumstances, led to an alarming deterioration in the loss ratio

in this line of business. But we are taking the most appropriate measures possible, which will help improve these results throughout this year and the next.

Although its results improved significantly compared to 2021, the reinsurance unit was unable to meet its financial targets for the year either, due to a higher frequency of large claims.

But business diversification protected us in 2022 too. During the pandemic, the Life protection, health and burial lines suffered high losses due to COVID, while the Automobile line positively offset these deviations. In 2022, the opposite occurred, with the losses in the Automobile line being offset by the exceptional profits delivered by the Life protection line, where we have also grown significantly.

Spain, Brazil, Reinsurance and LATAM South achieved very good results, so our territorial diversification continues to help us not depend exclusively on one or two large scale operations. Also, Global Risks, Mexico, Central America, Germany, and even Assistance and smaller countries all contributed significant results relative to their size, which strengthens our trust in our geographically diversified global model.

As far as the pillar relating to improving efficiency and productivity goes, we are very satisfied with the progress made. The most relevant piece of data is undoubtedly the reduction in the general expenses and business acquisition ratio by almost two percentage points. In addition, internal expenses grew less than earned premiums. All operational plans to improve operational, technical, technological and process-automation efficiency continue to provide capabilities that influence this improvement. And in our internal efficiency and productivity indicator, all the ratios that concern perceived quality, contact digitalization, outsourcing, anti-fraud and cost administration are showing very positive performance.

Meanwhile, our Transformation pillar plays a key role in helping us adapt to new social realities and pay closer attention to consumer demand. At the same time, it enables us to introduce sustainability into our day-to-day management and adopt effective policies for full inclusion, gender equality and many other cultural

aspects that are already part of our everyday work. Specifically, we made a public commitment to reduce the gender pay gap to a near-negligible level, and to make rapid progress so that at least 90 percent of our investments are rated in line with ESG criteria. We are on course to achieve both of these objectives by the time we complete this strategic cycle.

But as our First Vice Chairman previously explained, we also have a complete sustainability plan underway, which has improved over the years and continues to contain demanding commitments relating to:

- environmental issues, in which we have also updated our standards in terms of both underwriting requirements and investment in business activities with a clear, direct link to the production, distribution or consumption of energy from fossil fuels.
- social advances, promoting full gender equality, inclusion and equal opportunities. Among all these policies, I always like to refer to one of the most satisfying policies for those of us who work at MAPFRE – the fact that people with disabilities now comprise 3.5 percent of our workforce.
- Regarding improvements in governance, together with all our actions to increase transparency through significant progress in our internal and external communication, we continue to work to ensure the proper functioning of our governing bodies, including both boards of directors and management bodies. It is also worth highlighting the ongoing renewal of these bodies, which have improved in terms of gender equality and professional diversity. Such is the case of this Board of Directors, which has almost reached parity as of today, thanks to the support you have shown for our proposal to add two excellent professionals: Elena Sanz, who was already a member of the Board of Trustees of Fundación MAPFRE, as well as the incorporation of a highly international financial profile in Francesco Vanni, whose career to date speaks for itself.

Now it is time to review our public strategic commitments presented to this AGM last year, and we conclude that:

- In terms of growth, we maintain the same growth objective of 5–6 percent for the next two years, so average growth for the three-year period will exceed 7 percent after our 11 percent growth in the first year.
- The average combined ratio will be around 96 percent in the next two years. In addition to being an achievable objective, it is sufficient to achieve the desired profitability, given that interest rates are at higher levels than initially anticipated.
- We maintain our objective of average ROE of 9–10 percent for the next two years.

We also reaffirm our reference framework:

- To maintain the Solvency II margin at around 200 percent, with a tolerance margin of +/- 25 points.
- To maintain a payout ratio greater than 50 percent.
- And to keep our debt ratio at 23–25 percent.

As our Chief Financial Officer mentioned, the new international financial reporting standards, which also apply to MAPFRE, have been in force since the beginning of this year. They do not affect our demanding commitment to transparency, although they will require an additional effort in terms of adaptation, and we hope that they can help us improve our business management. We don't expect any significant changes in the basic insurance management indicators, which is why we will continue with the objectives defined last year in our Strategic Plan and which we have updated, as I have just mentioned, in light of the new economic context.

We also confirm the other public, social, environmental and governance objectives.

In the final part of this Annual General Meeting, I would like to remind you of two people who have made a significant contribution to MAPFRE on this Board of Directors and many other MAPFRE supervisory bodies, and who are now seated among you as guests, as they recently reached the foreseen statutory age. I'm referring first of all to Alfonso Rebuelta Badías, who, as a board director for more

than 20 years, actively participated in all relevant decisions of this Group concerning international development, securing the business of large enterprises and the strategic development of our Group. And also José Antonio Colomer Guiu, a board director for the last eight years, whose vast international financial experience has been tremendously valuable in our decision-making in these recent, very intense years. Thank you both for your loyalty, support and results.

To conclude our meeting, in summary, I would like to reinforce the idea that, although we did not manage to meet our combined ratio objective, and therefore the ROE was somewhat below our expectations for this first year of our Strategic Plan 2022–2024, business development and strategic performance were very positive and we have a healthy balance sheet and an excellent Solvency position, and we can feel proud of the fact that the Group's transformation process continues to make positive progress.

In addition, ladies and gentlemen, for another year we will be able to meet our objective of remunerating you appropriately, with a total payment of 447 million euros, equivalent to 14.5 cents per share. This continues to position our shareholder remuneration as one of the highest, and always in cash, in the Spanish stock market.

Ladies and gentlemen, as we have made clear throughout this Annual General Meeting, in both the graphics and in some of the messages, we have something to celebrate. On May 16, our Group will reach a very special milestone: we will celebrate 90 years of existence; 90 years of enthusiasm, 90 years of effort in which several generations contributed to the development and transformation of this company. After nine decades, we have attained our highest-ever revenue level, having established ourselves as Spain's largest insurer and the number one insurance group in Latin America. And undoubtedly, beyond the commercial and technical rankings, at least for all of us, our clients, employees, intermediaries and collaborators, and also for you, our shareholders, we have established ourselves as the number one in everything related to business and social commitment, thanks to our strong institutional and business values. Our largest shareholder, Fundación MAPFRE, represents for all of us, and also for you, the peace of mind that comes with continuing to trust in a large, independent, long-

term business project, one identified by its entrepreneurial, innovative and value-generating spirit as well as its vocation to be a resolute creator of social wealth, helping to improve the prosperity and living conditions of citizens in a more balanced, just and supportive world. That is our purpose, and we are firmly convinced that you share it as well. Thank you very much for all this, and for trusting us to continue working to strengthen this company and improve its business results.

Thank you very much for your attention.

Before I go, I'll leave you with a video to summarize what these ninety years of business life and social responsibility have meant to us.

Thank you again.