FitchRatings

RATING ACTION COMMENTARY

Fitch Upgrades MAPFRE IFS to 'AA-'; Outlook Stable

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Related Content:

MAPFRE, S.A. and MAPFRE Asistencia Compania Internacional de Seguros Y Reaseguros, S.A. - Ratings Navigator

Fitch Ratings - Madrid - 18 Nov 2025: Fitch Ratings has upgraded Spanish insurer MAPFRE, S.A.'s core operating subsidiary MAPFRE Asistencia Compania Internacional de Seguros Y Reaseguros, S.A.'s Insurer Financial Strength (IFS) rating to 'AA-'(Very Strong) from 'A+' (Strong) and MAPFRE, S.A.'s Issuer Default Rating (IDR) to 'A' from 'A-'. The Outlooks are Stable. A full list of rating actions appears below.

The upgrade reflects MAPFRE's sustained improvements in financial performance, while the group continues to maintain its leading competitive positioning in Spain and Latin America, and its very strong capitalization and leverage. The ratings also reflect MAPFRE's substantial exposure to Spanish sovereign debt, which is used to match domestic life-insurance liabilities in Spain, and exposure to investments in lower-rated countries.

KEY RATING DRIVERS

Sustained Improvements in Financial Performance: Fitch believes MAPFRE will be able to deliver strong earnings in 2025 and 2026 following its remedial actions across its main lines of business and geographies. We expect underwriting profitability to remain strong and believe MAPFRE will achieve its target combined ratio of around 94%-95% in 2025-2026, in the absence of large catastrophe events. We expect strong investment income to continue contributing to MAPFRE's earnings.

MAPFRE reported further improved earnings in 1H25 with net income, excluding minorities, of EUR596 million (1H24: EUR494 million), equivalent to a net income return on equity (ROE) of 12.2% (1H24: 10.4%), under IFRS17. This was driven by improved underwriting performance and investment income as a result of higher interest rates. MAPFRE reported an improved combined ratio of 91.1% in 1H25, compared to 93.6% in

1H24, mostly due to higher tariffs across most lines of business, as well as benefitting from the implementation of underwriting measures and the absence of large catastrophic events in 1H25.

Very Strong Company Profile: MAPFRE is a large composite insurer with EUR28 billion of gross written premiums in 2024, and it holds very strong market positions in Spain, where it is a leader in the non-life segment, and Latin America, particularly Brazil. Its market share in Spain was 13.7% in non-life and 7.8% in life in 2024. MAPFRE was the sixth-largest European and the second-largest insurance group in Latin America in 2024. MAPFRE's strong diversification by geography and business line is positive for the stability of its earnings.

Very Strong Capitalization: MAPFRE reported a regulatory Solvency II (S2) ratio of 208.7% at end-1H25 (end-2024: 207.4%, end-2023: 199.6%), which we assess as 'Very Strong'. Own funds backing the S2 ratio largely consist of unrestricted Tier 1 capital. MAPFRE's 'Very Strong' Fitch's Prism Global capital model score at end-2024, which we estimate to remain 'Very Strong' at end-2025, also underpins our view of its very strong capitalization.

MAPFRE's financial leverage ratio (FLR) was broadly stable at 18.5% at end-2024 (end-2023: 19.3%), a level that is commensurate with its ratings. We expect MAPFRE's FLR to remain at a similar level in 2025 and 2026.

Moderate Investment Risk: MAPFRE's risky-assets/capital ratio was 90% at end-2024, supported by a well-balanced and prudent investment portfolio, with 83% of total investments in fixed income allocated to investment-grade instruments at end-2024. However, 22% of the fixed-income portfolio was allocated to 'BBB' rated instruments and 14% to 'BB' or less, with the latter mostly due to MAPFRE's exposure to Brazilian government bonds (IDR: BB/Stable). Our assessment of MAPFRE's asset risk also takes into account the group's substantial, albeit reduced, exposure to Spanish sovereign debt at 81% at end-2024 (2023: 84%) of total capital.

Holding Company IDR Notching: Fitch expands notching between the implied insurance operating company and holding company (MAPFRE, S.A.) IDRs by one notch relative to standard notching under the group solvency regulatory environment due to foreign earnings and capital comprising more than 30% of consolidated group totals.

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

-- Sustained deterioration in earnings, as measured by a ROE below 7% or a combined ratio above 98%;

-- Material deterioration to the group's S2 ratio below 170%;

-- A significant deterioration in the average credit quality of the investment portfolio to 'BBB'.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

-- A larger operating scale, that would be consistent with 'AA' rated peers, combined with a ROE above 15% and an S2 ratio above 230%.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

ESG CONSIDERATIONS

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

RATING ACTIONS

ENTITY / DEBT	RATING		PRIOR
MAPFRE Asistencia Compania Internacional de Seguros Y Reaseguros, S.A.	LT IFS	AA- Rating Outlook Stable Upgrade	A+ Rating Outlook Positive
MAPFRE, S.A.	LT IDR	A Rating Outlook Stable Upgrade	A- Rating Outlook Positive

subordinated	LT	BBB	Upgrade	BBB-
senior unsecured	LT	A-	Upgrade	BBB+
subordinated	LT	BBB+	Upgrade	BBB

VIEW ADDITIONAL RATING DETAILS

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APPLICABLE CRITERIA

Insurance Rating Criteria (pub. 04 Mar 2024) (including rating assumption sensitivity)

APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Prism Global (ex-U.S.) Model, v1.8.2 (1)

ADDITIONAL DISCLOSURES

Dodd-Frank Rating Information Disclosure Form

Solicitation Status

Endorsement Policy

ENDORSEMENT STATUS

MAPFRE Asistencia Compania Internacional de Seguros Y Reaseguros, S.A.	EU Issued, UK Enc
MAPFRE, S.A.	EU Issued, UK Enc

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