

MMS/DSD/MSE00322

23 March 2022

The following is a Company Announcement issued by MAPFRE Middlesea p.l.c., pursuant to the Capital Markets Rules of the Malta Financial Services Authority.

**Quote**

The Board of Directors of MAPFRE Middlesea p.l.c., has today, the 23 day of March 2022, approved the audited financial statements for the financial year ended 31 December 2021. The Board resolved that these audited financial statements be submitted for the approval of the Shareholders at the forthcoming Annual General Meeting (AGM) scheduled for Friday, 29 April 2022. A commentary on the annual results is being attached herewith in terms of the Capital Markets Rules.

Shareholders on the Company's register at the Central Securities Depository of the Malta Stock Exchange as at close of business on Tuesday, 29 March 2022 (the record date), will receive notice of the AGM. The Audited Financial Statements as well as the Annual Report will be available for viewing on the Company's website ([www.mapfre.com.mt](http://www.mapfre.com.mt)) as from the 25 March 2022 at <https://www.mapfre.com.mt/about-us/mapfre-middlesea/investors/>. A hard copy of the Annual Report will also be available upon a request to this end addressed to the Office of the Company Secretary.

The Board of Directors recommends, for the approval of the AGM, the payment of a final net dividend of €2,400,000 (2020 - €3,200,000) equivalent to a gross dividend of €0.0304012 (2020 - €0.052434) per share. The final dividend, if approved at the AGM, will be paid on the 24 May 2022 to the Shareholders on the Company's share register at the Central Securities Depository of the Malta Stock Exchange at the close of business as at the 11 May 2022.

**Unquote**

By Order of the Board  
  
**Dr Daphne Sims Dodebier**  
Company Secretary

## DIRECTORS' DECLARATION ON ESEF ANNUAL REPORT 2021

We, Martin Galea and Taddeo Scerri, in our capacity as Directors of MAPFRE Middlesea p.l.c. (company registration number C 5553) hereby declare and certify:

i. that the Annual Report 2021 for the financial year ended 31 December 2021 has been approved by the Board of Directors of the Company and is hereby being made available to the public;

ii. that the Annual Report 2021 has been prepared in terms of the applicable rules and regulations, including the Commission Delegated Regulation 2019/815 on the European Single Electronic Format (ESEF)<sup>1</sup> and the Capital Markets Rules<sup>2</sup>;

iii. that the Audit Report on the ESEF Annual Report 2021 is an exact copy of the original signed by the auditor and that no alternations have been made to the audited elements of the Annual Report 2021 including the annual financial statements;

iv. that the Annual Report 2021 shall serve as the official document for the purposes of the Capital Markets Rules and the Companies Act (Cap. 386 of the Laws of Malta).



Martin Galea  
Chairman



Taddeo Scerri  
Director

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<sup>1</sup> Commission delegated Regulation 2015/815 of the European Single Electronic Format, as may be further amended from time to time.

<sup>2</sup> Capital Markets Rules as issued by the Malta Financial Services Authority (MFSA).

## Financial Highlights as at the 31 December 2021

Financial highlights of the results for the year ended 31 December 2021 include the following:-

- Total Group profit before tax for the year amounted to €20.39 million as compared to €21.19 million during the previous year with after tax profits at €12.92 million compared to €14.29 million in 2020.

### MAPFRE Middlesea p.l.c. (“The Company”)

MAPFRE Middlesea p.l.c., as a standalone Company, registered a turnover of €80.11 million in gross premium written, a 6.6% increase over FY 2020 registering a marginal increase in its market leadership share. As the economy rebounded back from the retraction in 2020 premium likewise returned to a satisfactory level of growth, though still lower than pre-pandemic levels particularly in Travel and Motor. Technical results deteriorated compared to FY 2020 as claim frequency in Motor and Health returned to pre-pandemic levels as mobility returned to normality. Large losses also had a more significant impact on results following a year with few high severity claims.

Investment income for the Company remained low as losses were registered following property revaluation, with financial instruments having an overall positive contribution compared to the losses in FY2020 emanating from the impairment of available-for-sale equities. Dividends from Group companies were limited to those received from the associate company Middlesea Assist Ltd. MAPFRE MSV Life p.l.c. did not distribute any dividend to strengthen further its Solvency Ratio. This is reflected on the profit of the Company and the dividend that can be paid by the Company.

The Company registered a profit before tax for FY 2021 amounting to €4.06 million, compared to a profit of €6.39 million in FY 2020. Profit after tax dropped from €4.12 million in FY 2020 to €2.61 million in FY 2021.

The Company maintained a strong balance sheet, with its Shareholders’ equity amounting to €76.41 million still maintaining a strong regulatory solvency position as at 31 December 2021 under the Solvency II regime.

### The Group

The Group’s results include the consolidated MAPFRE MSV Life p.l.c. (“MMSV”) profit before tax of €16.69 million (2020: €15.04 million). MMSV reported gross written premiums of €325.14 million compared to €269.58 million in 2020 driven by the economic recovery, the high levels of liquidity in the local economy and the low interest rates characterizing the market with single premium and regular premium business benefitting from such environment. MAPFRE MSV’s With Profit Fund returned a gross return of 4.20% compared to the 2.75% generated in 2020 on favourable economic, financial market and policy conditions. Investment income closed with a return of €97.58 million compared to €62.71 million in 2020. The MMSV profit after tax consolidated for FY 2021 amounted to €10.56 million (2020: €10.33 million).

Total Group capital and reserves attributable to shareholders (excluding non-controlling interests) as at 31 December 2021 was €111.04 million, compared to €100.60 million as at 31 December 2020 as a result of the profit for the year and the increase in the value of-in-force business with no dividend being paid by MAPFRE MSV Life p.l.c..

A final gross dividend in respect of year ended 31 December 2021 of €0.030401 per share amounting to a total dividend of €2,796,910 (2020: €4,823,996) is to be proposed by the directors at the forthcoming annual general meeting. This is equivalent to a net dividend of €0.0260870 per share amounting to a total net dividend of €2,400,000 (2020: €3,200,000).

The outlook of the Board of Directors for 2022 remains one of cautious optimism. The global economic recovery experienced in 2021 should be sustained into 2022 though the growth rate will not benefit from the low base effect of 2020. High liquidity and a still supportive fiscal and easy monetary policy should continue to underpin growth. However, down side risks persist in the form of structural inflationary pressures, supply side bottlenecks, new COVID-19 variants and geopolitical risk particularly the Ukraine conflict. The insurance market has not been effected as negatively as other sectors of the economy although the pinch felt by the rest of the economy is having its side effects on our sector both in the sale of certain products and through inflationary pressures on claims. Within this context, demand for general business is expected to grow at a lower rate than that experienced in the last pre-pandemic years and in the context of Malta's high savings ratio, the demand for the protection, savings and investments products in life is expected to remain strong.

The Ukraine conflict and the sanctions imposed on Russia are not envisaged to have any material impact on the results of the Company and the Group other than on the value of the investment portfolio as the financial markets react to the economic consequences of the conflict.

2022 sees the start of a new Strategic cycle for the Group with the three main pillars being Customer Focus, Distribution and Diversification and Gaining Efficiency, goals that will underpin our strategies for the coming three years.

Notice is hereby given that Tuesday 29 March 2022 is the "record date" for the purposes of Article 53 (2) (b) of the Company's Articles of Association. All shareholders appearing on the Company's Register of Members as at the close of business on Tuesday 29 March 2022 will receive notice of and be entitled to attend and vote at the Company's Annual General Meeting scheduled for Friday 29 April 2022.

Pursuant to the Malta Stock Exchange Bye-Laws, all shareholders appearing on the Company's Register of Members as at close of business on Wednesday 11 May 2022 will be paid, on the 24 May 2022, the final dividend as approved by the Annual General Meeting.

By Order of the Board