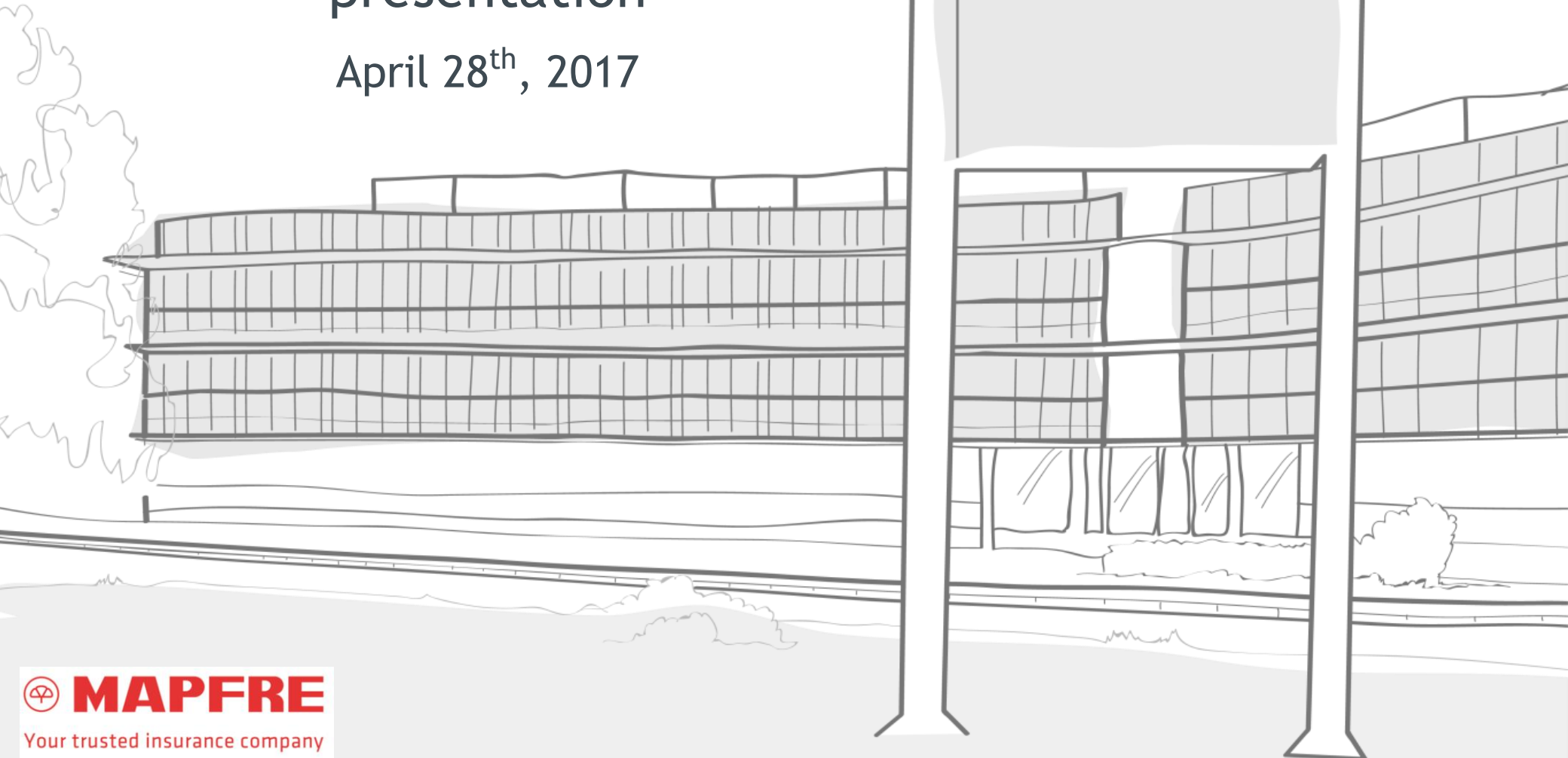


Financial results First quarter 2017

Analyst and Investor
presentation

April 28th, 2017





01 KEY HIGHLIGHTS

02 FINANCIAL OVERVIEW

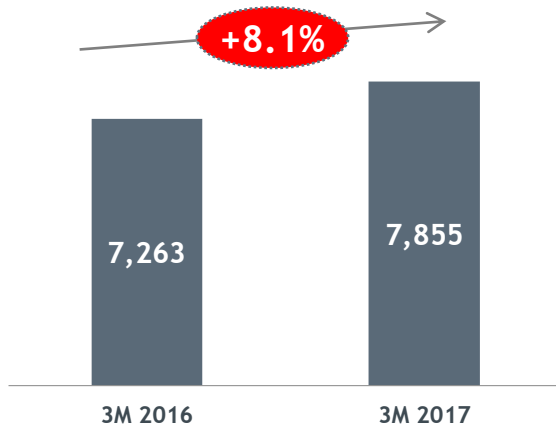
03 BACKUP

Key Figures

	3M 2016	3M 2017	Δ %
Results			
Income	7,263.2	7,854.9	8.1%
Total written and accepted premiums	6,112.9	6,674.6	9.2%
- Non-Life	5,024.5	5,217.9	3.8%
- Life	1,088.4	1,456.7	33.8%
Net result	191.7	206.2	7.5%
Balance sheet			
Assets under management	55,471.7	60,521.2	9.1%
Shareholders' equity	8,491.7	9,052.6	6.6%
Ratios			
Non-Life Loss Ratio	69.4%	70.8%	1.5 p.p
Non-Life Expense Ratio	27.4%	26.7%	-0.7 p.p
Non-Life Combined Ratio	96.8%	97.5%	0.7 p.p
ROE	7.8%	9.0%	1.2 p.p
	12M 2015	12M 2016	Δ %
Ratios			
Solvency	198.0%	210.0%	12.0 p.p

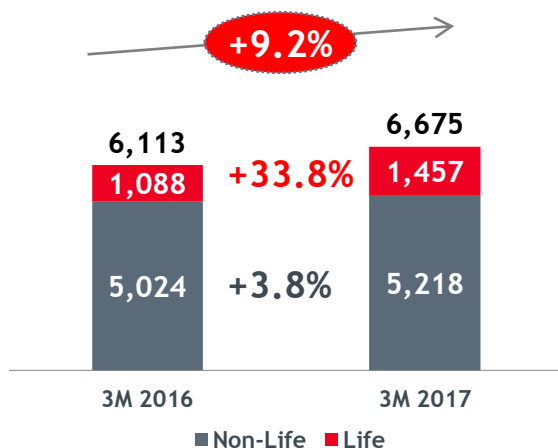
Consolidation of positive trends in main markets, resilient financial income and tailwinds from main currencies

Revenue



- ✓ **Increase in revenue** supported both by solid developments in local currency in main markets as well as the **appreciation of the US dollar and the Brazilian real**
- ✓ **Excellent performance of the Life business** in Spain, especially in *unit-linked* products
- ✓ **Pick up in Non-Life**, with positive developments in Spain, Brazil and USA, despite the cancellation of non-profitable segments

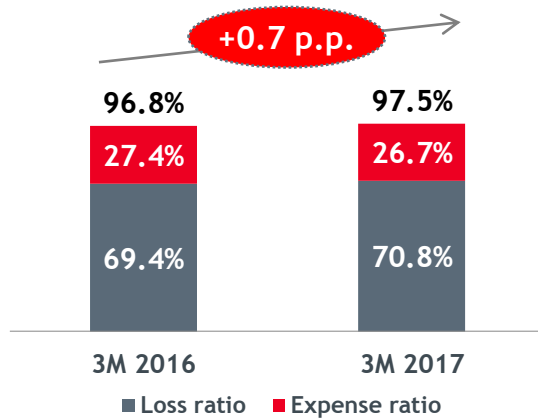
Premiums



- ✓ **Resilient financial income** despite the low interest rate environment in Europe
- ✓ **MAPFRE RE** continues contributing to growth, both in Non-Life and Life

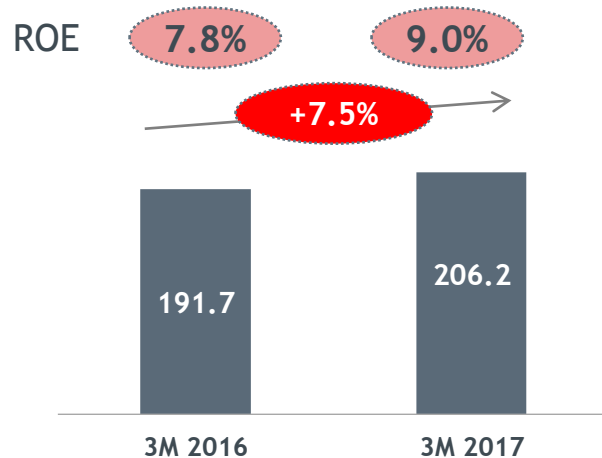
Growth in net result supported by continued improvements in cost containment and technical management

Combined ratio



- ✓ **Lower expense ratio** continues demonstrating strict cost containment policies
- ✓ **Improved claims experience** in main markets, thanks to stricter underwriting policies and technical management (Motor lines in Spain and Turkey, Homeowner in USA, and Non-Motor lines in Brazil)
- ✓ **Higher claims experience** in the first quarter due to adverse weather conditions in Southern Spain and in Peru, as well as several large industrial claims at MAPFRE GLOBAL RISKS

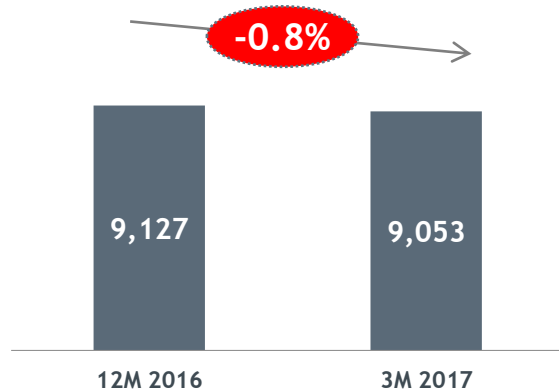
Net result



- ✓ **Strong improvement in net result**, on the back of higher profit in the Life business, as well as resilient results in Non-Life in main markets

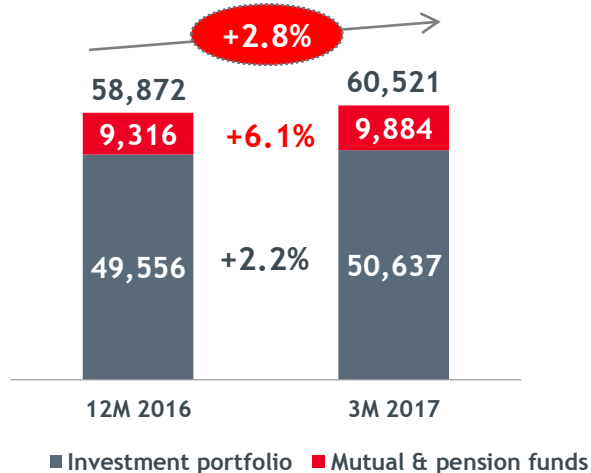
Stable shareholders' equity and growing assets under management

Shareholders' equity



- ✓ **Relatively stable shareholders' equity** due to lower market volatility and currency movements during the year with a slight decrease (-€74 mn), due to the deduction of final dividends

Assets under management



- ✓ **Assets under management have continued growing**, driven by the rally in equity markets during the year, positive evolution of the mutual and pension fund business, the incorporation of the Life business acquired by BANKINTER VIDA in Portugal, as well as the appreciation of the Brazilian real

Final dividend will be fully paid in cash on June 20th, which will lead to a 12.7% increase in shareholder remuneration

Payout

50.9%

50.6%

51.0%

56.5%

57.6%

Dividends paid against results

338,8

400,3

431,1

400,3

446,5

2012

2013

2014

2015

2016

Earnings per share (€)	0.22	0.26	0.27	0.23	0.25
Dividend per share (€)	0.11	0.13	0.14	0.13	0.145

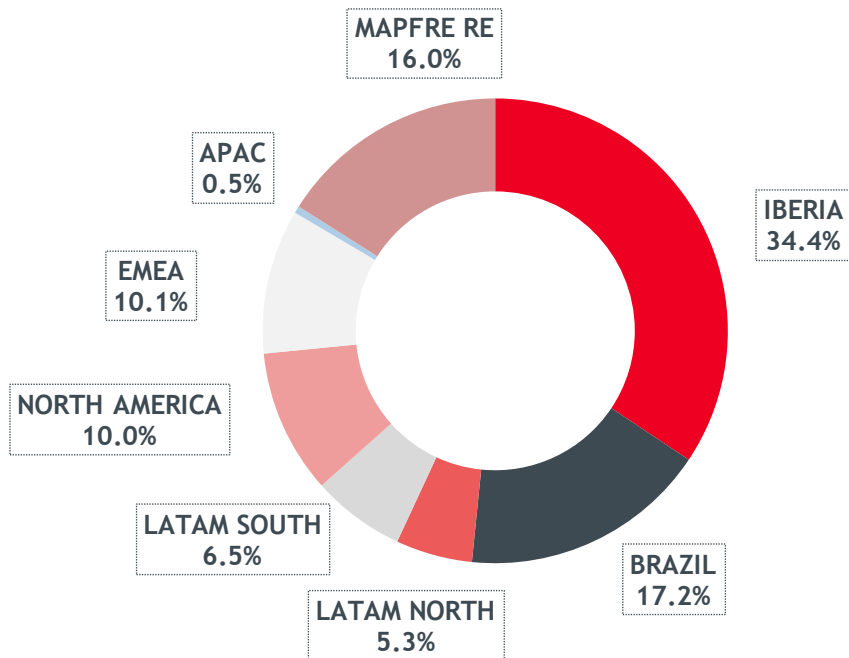
Effective earnings per share (adjusted for treasury stock): €0.2543

Effective remuneration for shareholders per share (adjusted for treasury stock): €0.146

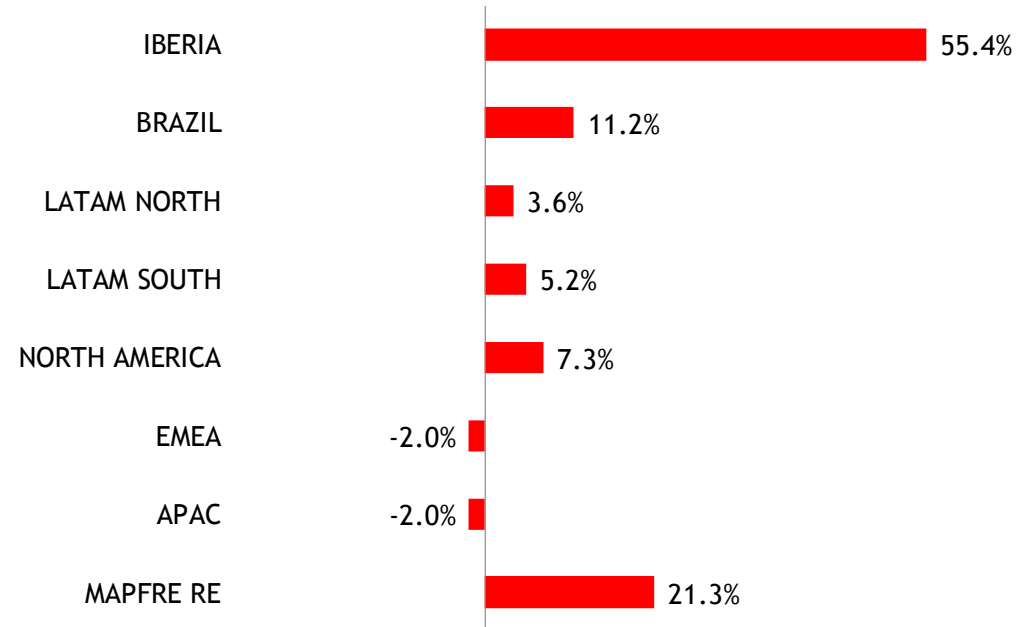
Dividends: interim dividend €0.06; final dividend of €0.085 was approved at Annual General Meeting on March 10th

MAPFRE benefits from a well diversified business profile

Distribution of premiums*



Distribution of attributable result*



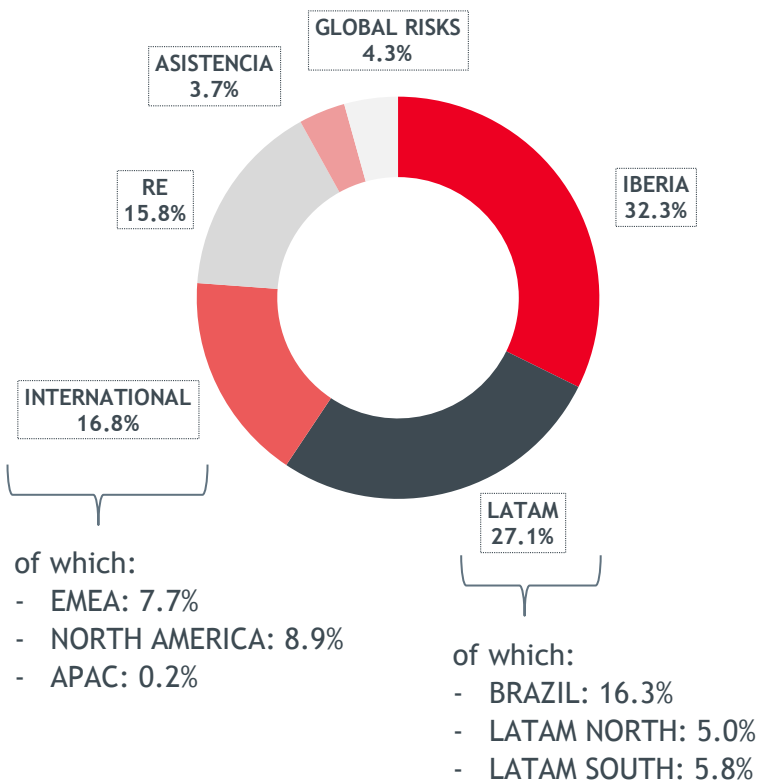
*Premiums and attributable results by regional area and MAPFRE RE

Regional areas include business from insurance units, MAPFRE GLOBAL RISKS and MAPFRE ASISTENCIA

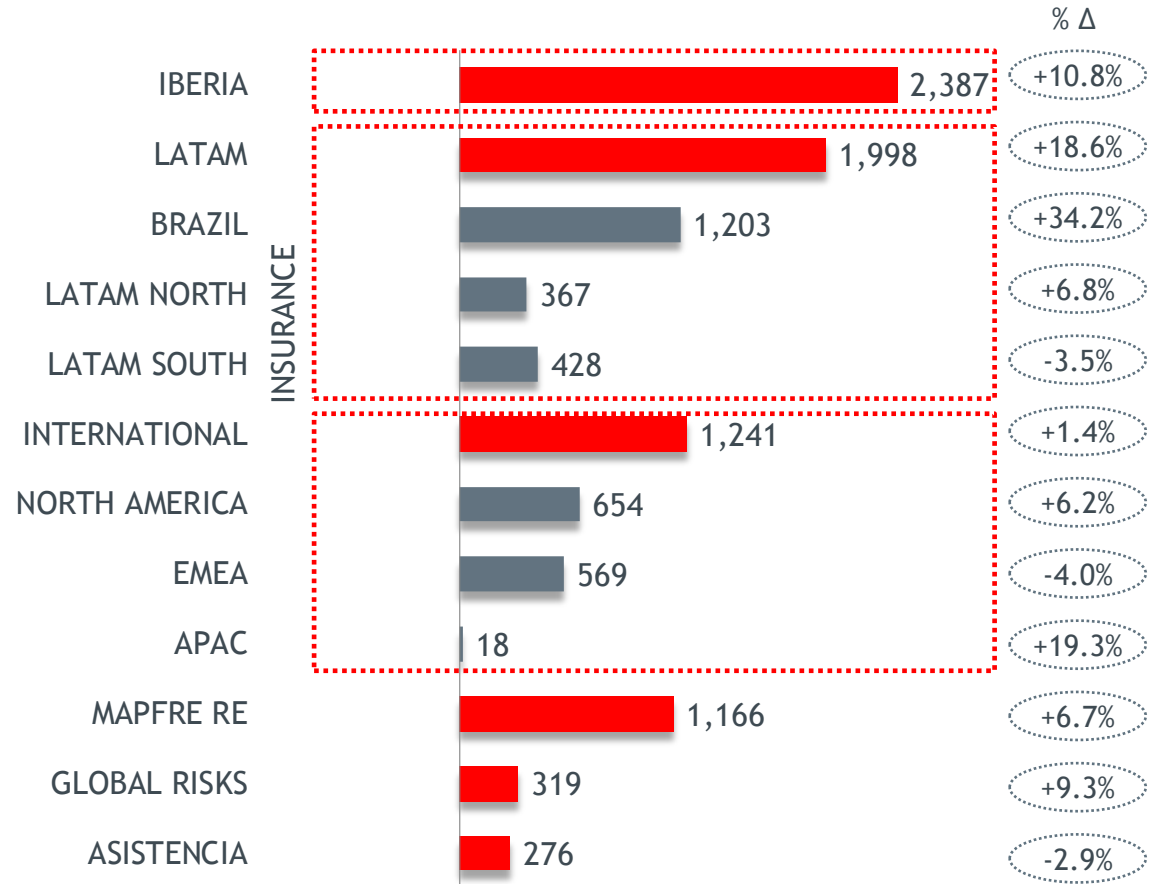
Million euros

Tailwinds from the recovery in Spain, as well as solid growth in BRAZIL, USA and MAPFRE RE

Premiums - breakdown by business unit



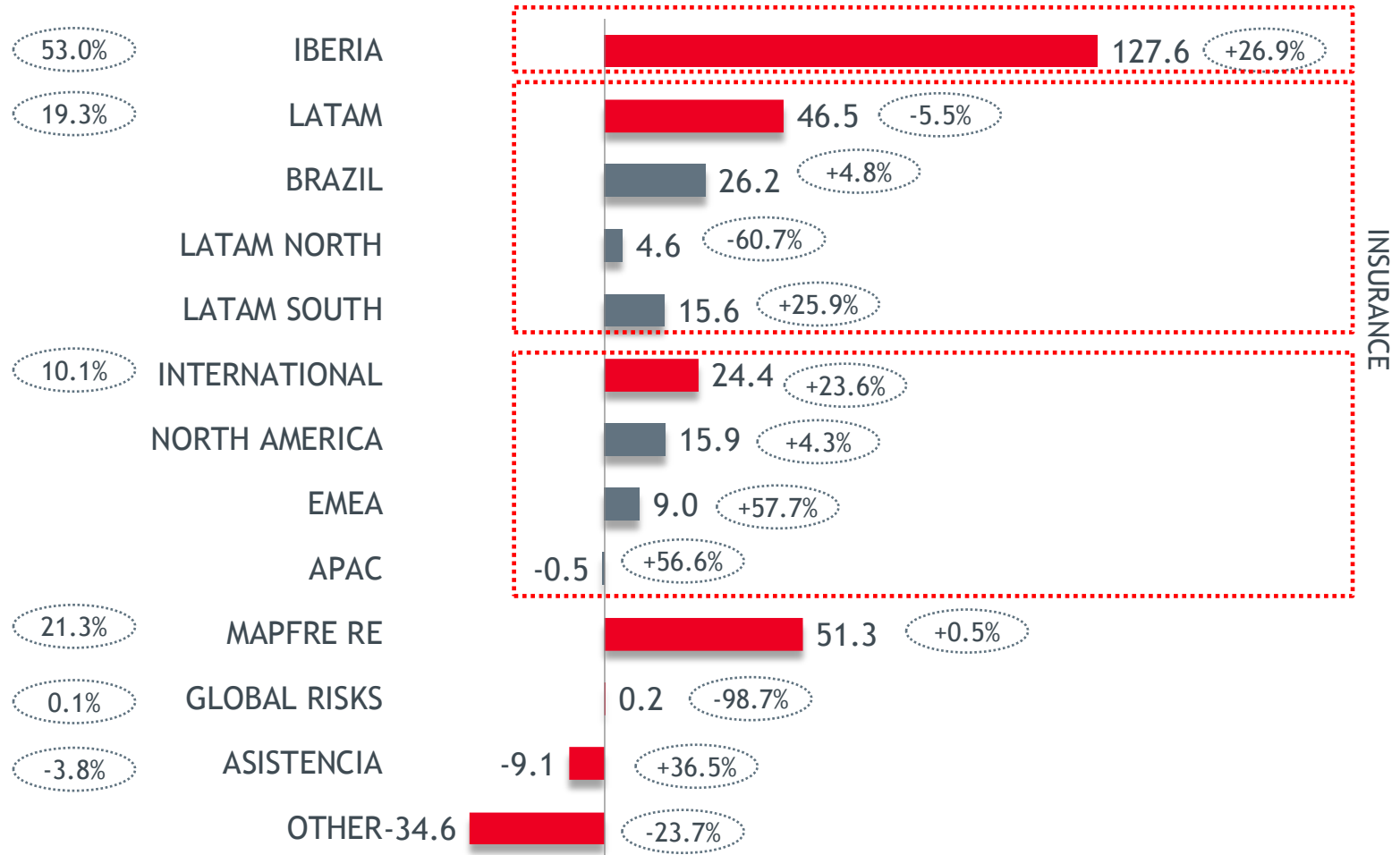
Premiums - evolution by business unit



Strong improvement in results in main markets, despite higher incidence of climatological events

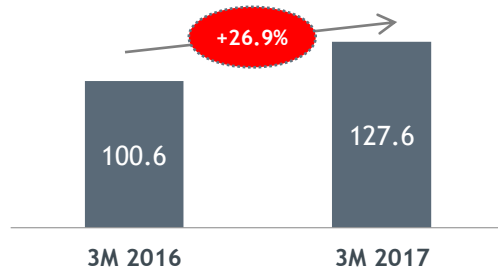
Attributable result by business unit

% over total ⁽¹⁾



IBERIA: Solid performance in the first quarter of 2017

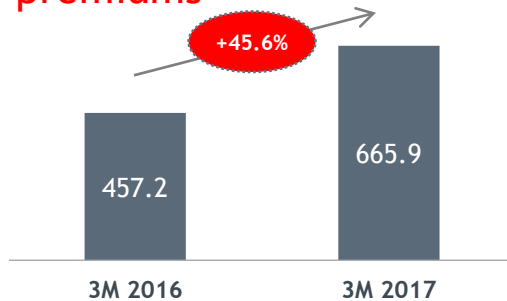
Profit before tax



✓ **Improvement in results** based on successful implementation of a transformation process:

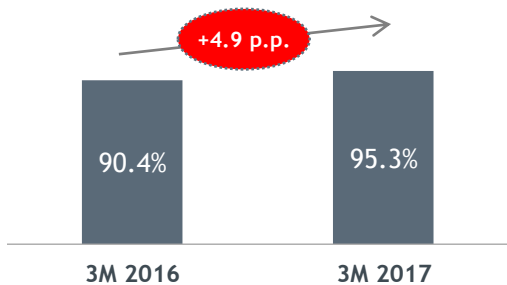
- Focus on profitable growth
- Cost cutting
- Value proposition for the best clients
- Broker segmentation and value proposition
- Digitalization of claims handling (E-claim, E-loss adjusters)
- New solutions for pricing and policy writing

Life premiums



✓ **Important growth in savings products (mainly unit-linked)** in RED MAPFRE (+52%) and in Portugal, that reached €86 million in premiums

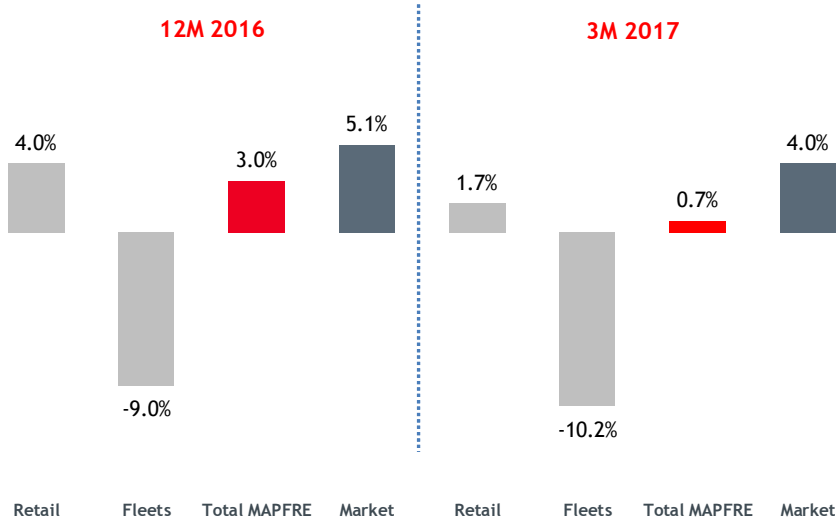
Combined ratio - General insurance



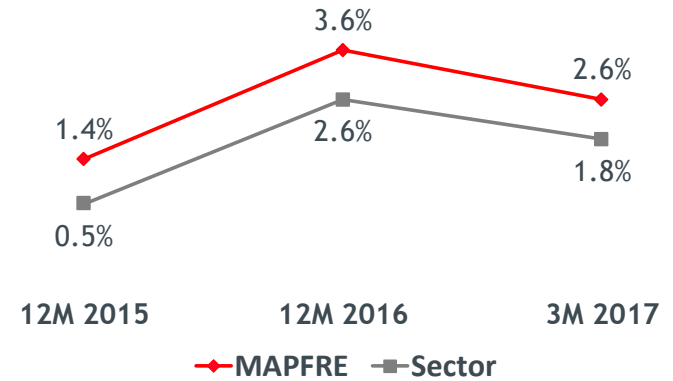
✓ **Weather-related events:** 57,000 claims for €16 million affecting Household, Condominiums and SME property insurance (4 percentage points of General Insurance combined ratio in IBERIA)

IBERIA: Focus on profitable growth in Spanish Motor

Premium growth at 3M 2017 - Spain

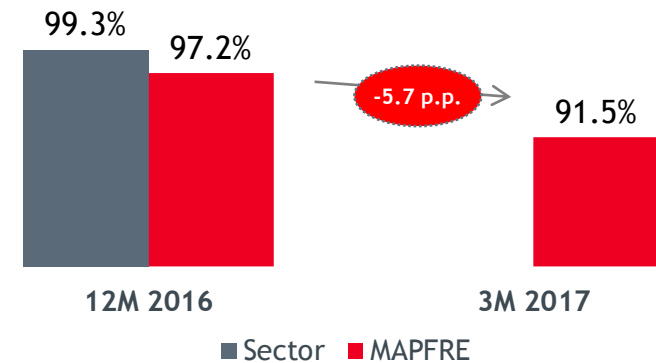


Average premium growth - Spain



- ✓ **Reduction** of property damage claims costs
- ✓ **Plan 80/20**
- ✓ **Automatization** processes

Combined ratio - Spain



Source: MAPFRE, ICEA, FIVA
Million euros

IBERIA: Strict management of the new Baremo implementation

Actions taken - prior to January 1st 2016

- ✓ Gradual transfer of increase in expected costs to tariffs throughout 2015 and 2016
- ✓ Provision set to cover possible deviations due to Baremo implementation (€35 million)

Actions taken - 2016

- ✓ Increase of average claims costs reported in 2016 vs. 2015: +12.1%
- ✓ Monthly monitoring of average claims costs and frequency, by injury and death
- ✓ Improved processes in order to capture more timely precise data from medical information
- ✓ Continuous updating of claims files, on a case by case basis
- ✓ IBNR reserves increased by €21.7 million (+14%)
- ✓ No changes in the provision set to cover possible deviations due to Baremo

Actions taken - 2017

- ✓ Increase in average cost of reported claims during the first quarter of 2017: +1.6%
- ✓ In-depth monthly monitoring of the application of the Baremo.
- ✓ No additional impact from Baremo in tariff increases
- ✓ No changes in the provision set to cover possible deviations due to Baremo, to be reviewed on a quarterly basis, in line with the evolution of court decisions

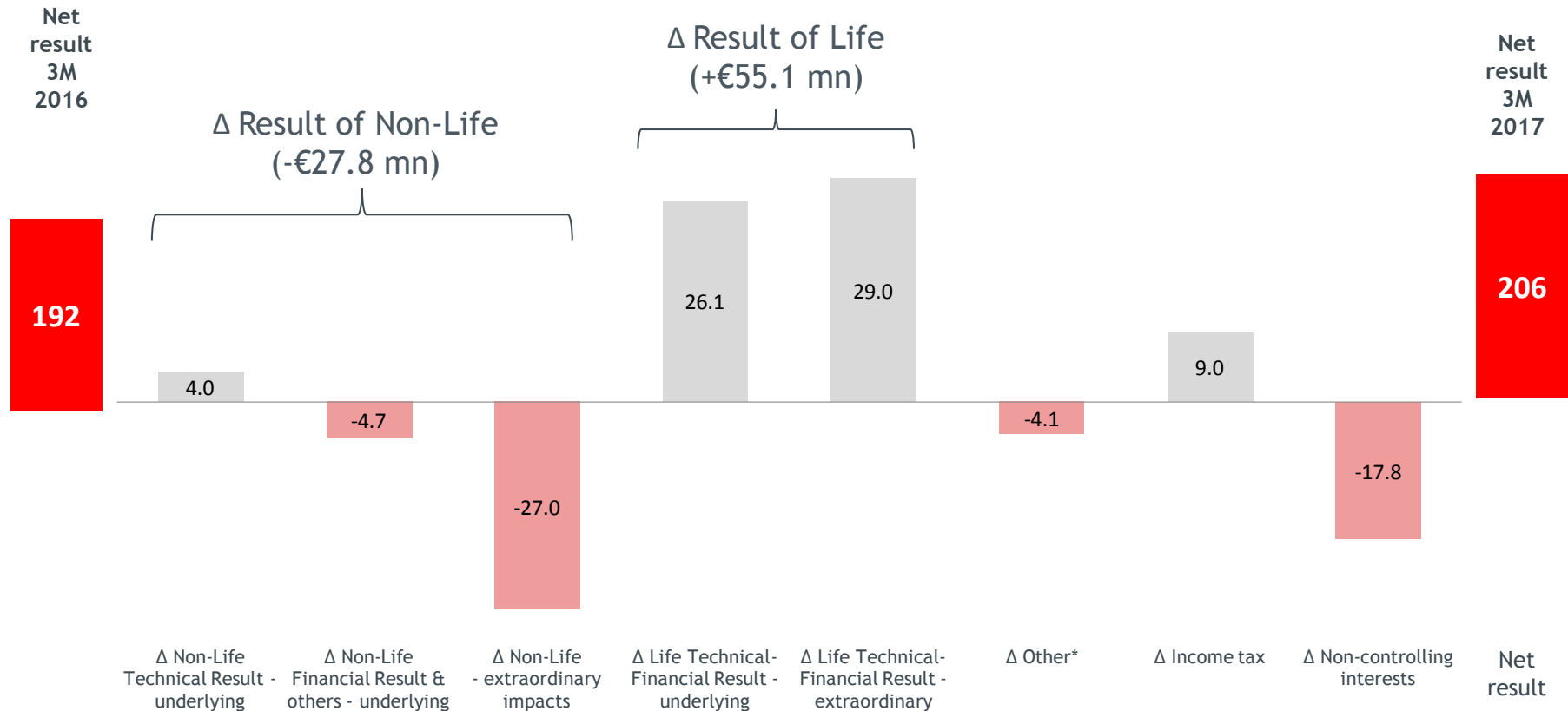
There is not enough claims development to assess the final potential impact of the new Baremo. MAPFRE has applied the best and most prudent estimates to claims valuations and to IBNR reserves.

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Main drivers of variation of net result - 3M 2017 vs. 3M 2016



	Δ Non-Life Technical Result - underlying	Δ Non-Life Financial Result & others - underlying	Δ Non-Life extraordinary impacts	Δ Life Technical-Financial Result - underlying	Δ Life Technical-Financial Result - extraordinary	Δ Other*	Δ Income tax	Δ Non-controlling interests	Net result
3M 2017	116.8	131.2	4.4	196.4	29.0	-29.4	-129.1	-113.2	206.2
3M 2016	112.8	136.0	31.4	170.2	0.0	-25.3	-138.1	-95.4	191.7

*Other includes result from other business activities and hyperinflation adjustments

Non-Life extraordinary impacts 2016: Realized gains (€21.2 mn) and foreign exchange differences (€10.2 mn)

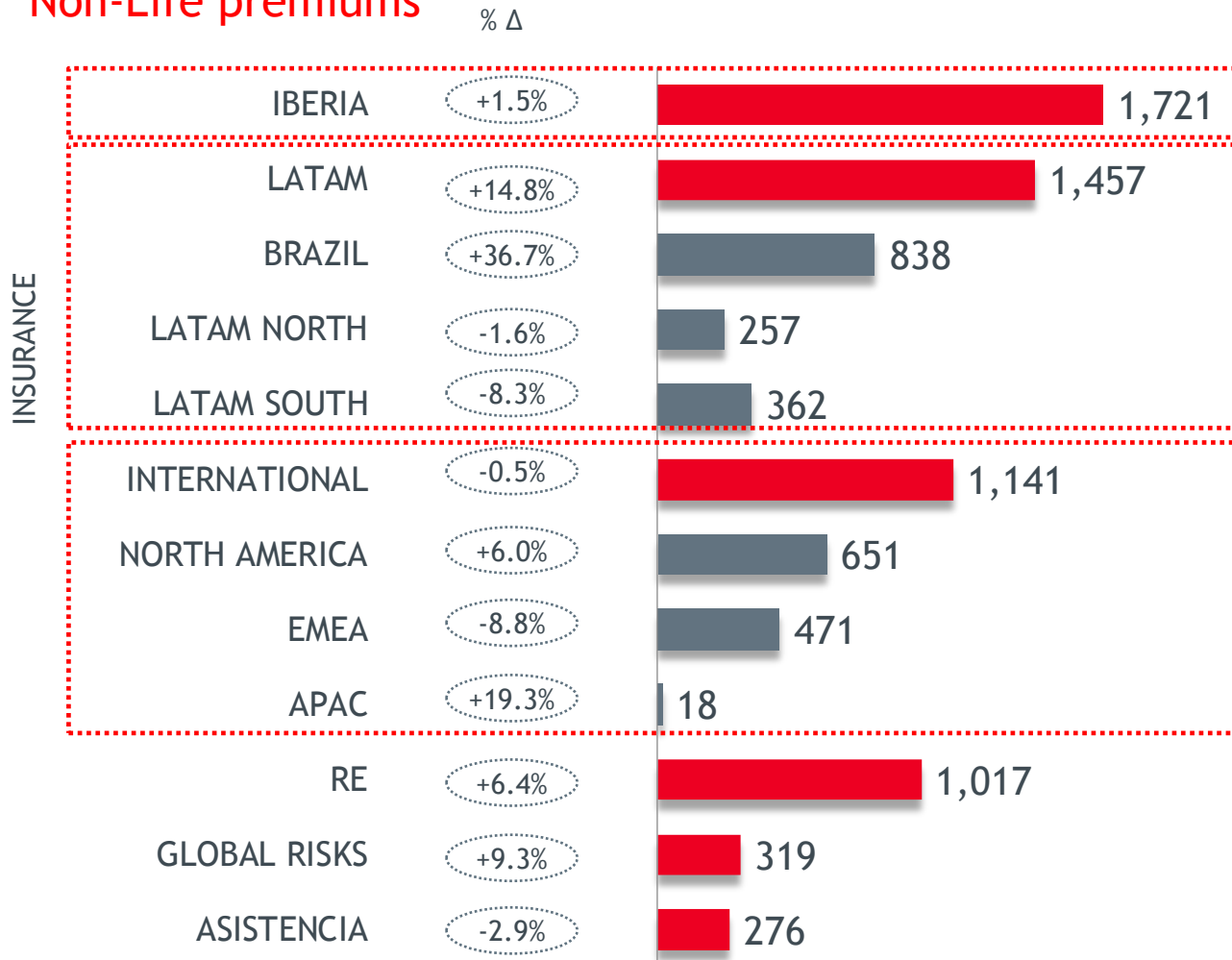
Non-Life extraordinary impacts 2017: Impact of Coastal Niño (-€27 mn), realized gains (€31.6 mn) and foreign exchange differences (-€0.2mn)

Life extraordinary impacts 2016: Reversal of provisions in bancassurance channel (€29.0 mn)

Million euros

Steady premium growth in main markets, in line with profitable growth strategy

Non-Life premiums

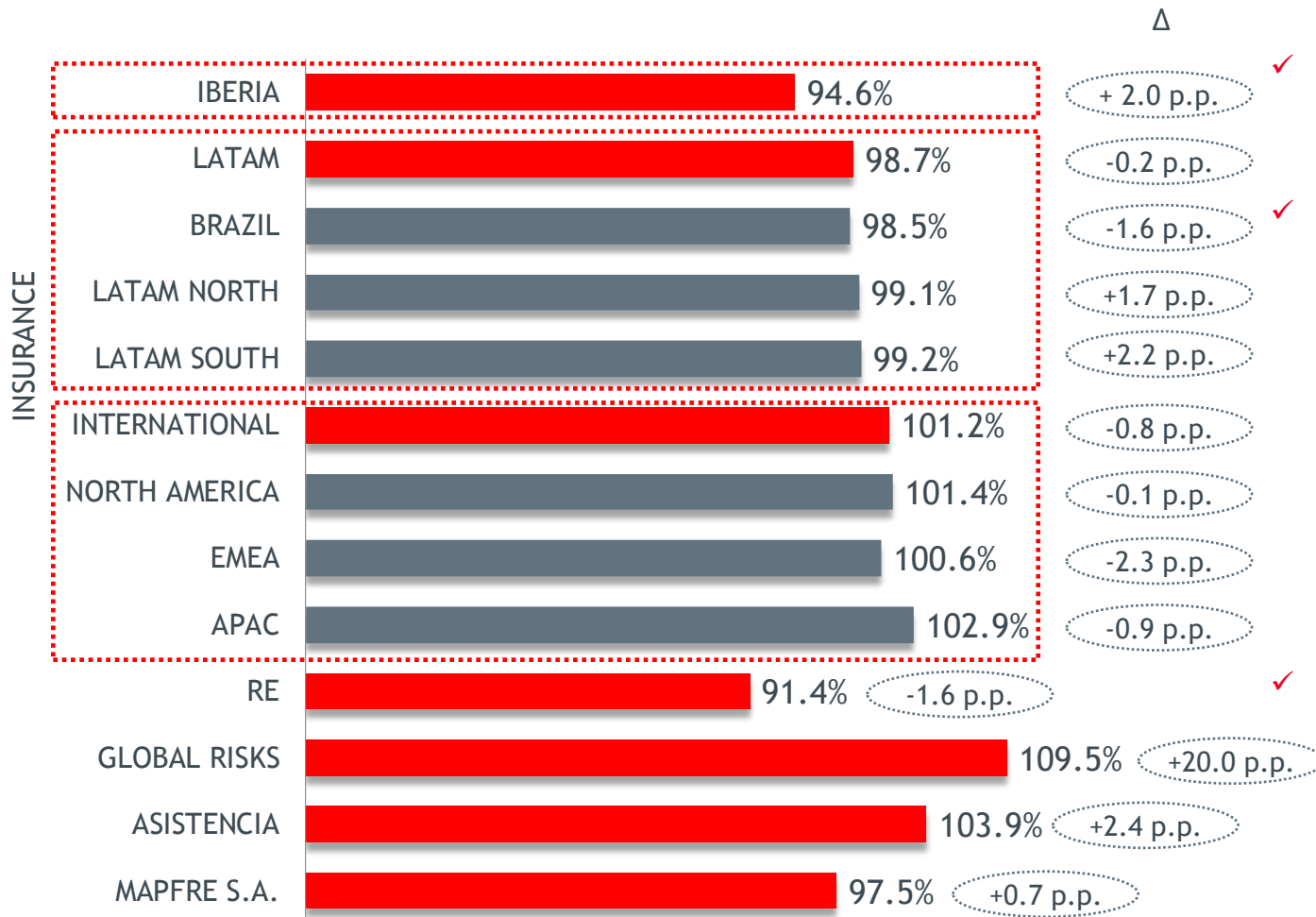


- ✓ Spain: Growth in Retail Motor and Health
- ✓ Brazil (Industrial Risks and Agricultural lines): Solid local currency growth as well as currency effects
- ✓ USA: Positive trends in Motor in Massachusetts, supported by tariff increases
- ✓ MAPFRE RE: Positive evolution of Non-Group business

**3M 2017 premiums:
 €5,218 mn (+3.8%)**

Strong focus on efficiency measures and technical management

Combined Ratio



✓ Strict cost containment strategies continue showing results, especially in IBERIA, LATAM NORTH and EMEA

✓ Positive claims experience in main markets:

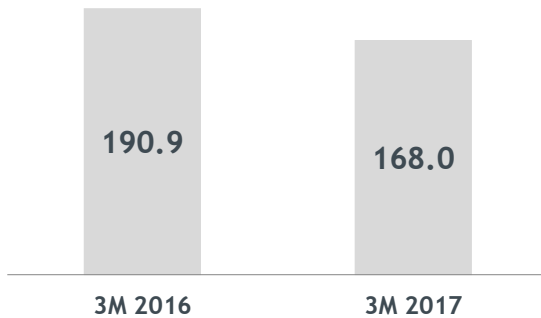
- Spain (Motor): lower frequency and positive evolution of VERTI business
- Brazil (Agricultural and Multiperil lines): Impact of benign weather
- USA (Homeowner): Improvements mainly in Massachusetts
- Turkey (Motor): Tariff increases and underwriting improvements introduced in 2016

✓ Increase in claims ratio, due to:

- Adverse weather conditions in Southern Spain and the effects of the coastal Niño in Peru
- Several large industrial claims at MAPFRE GLOBAL RISKS
- Higher claims in Motor in Brazil and Mexico

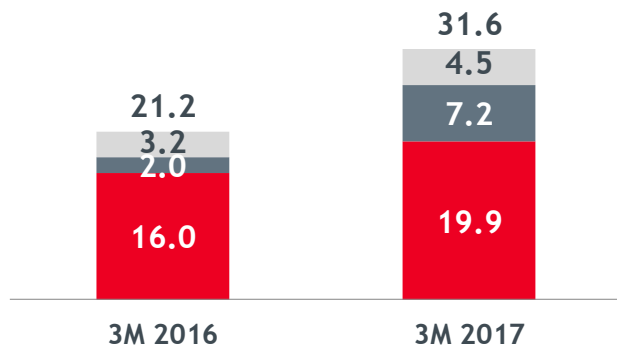
Lower financial income on the back of interest rate environment in Europe and lower foreign exchange differences

Net financial income - Non-Life



- ✓ Higher realized gains, mainly in MAPFRE RE and IBERIA
- ✓ Lower foreign exchange differences (-10.4 million compared to previous year)
- ✓ Fall in financial income in Brazil due to lower interest rates and inflation, which was partially mitigated by the appreciation of the real

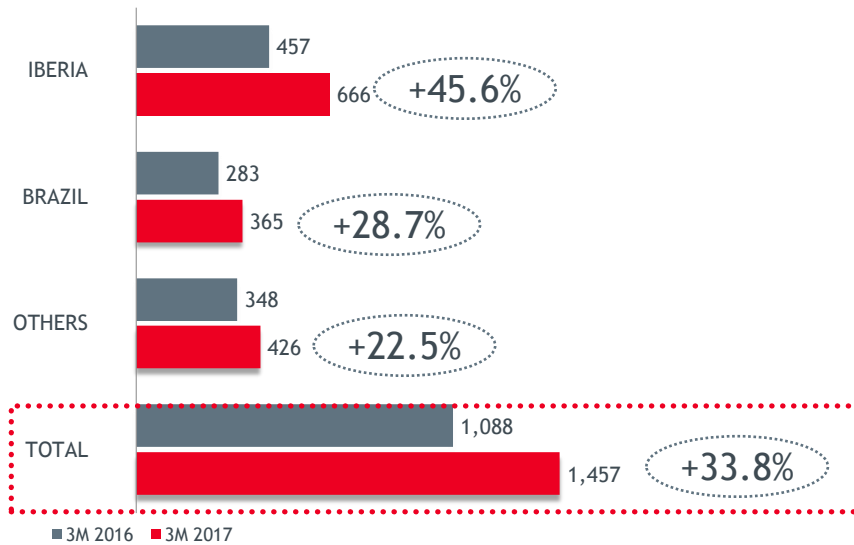
Realized capital gains & losses*



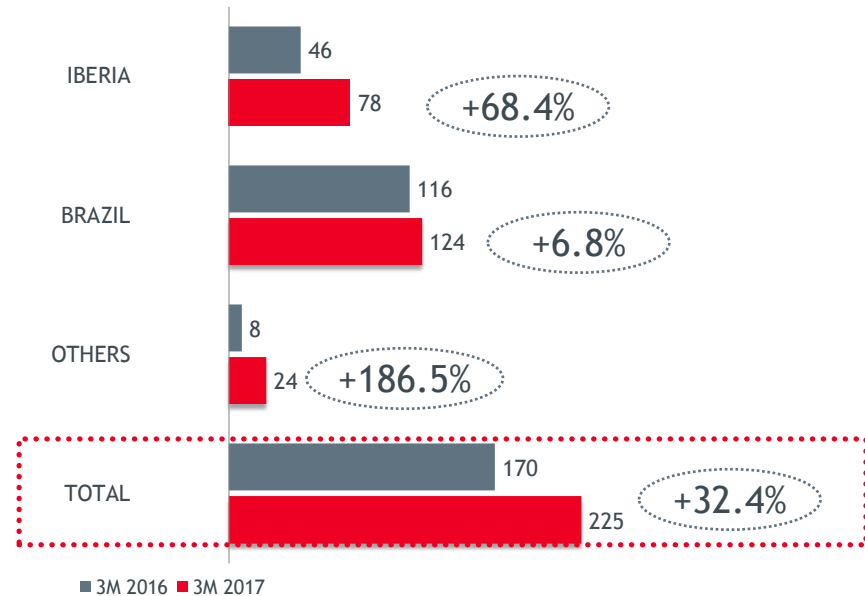
■ MAPFRE ESPAÑA ■ MAPFRE RE ■ MAPFRE GLOBAL RISKS

Improvements in Life business thanks to successful commercial strategy

Premiums - Life



Technical-Financial result - Life



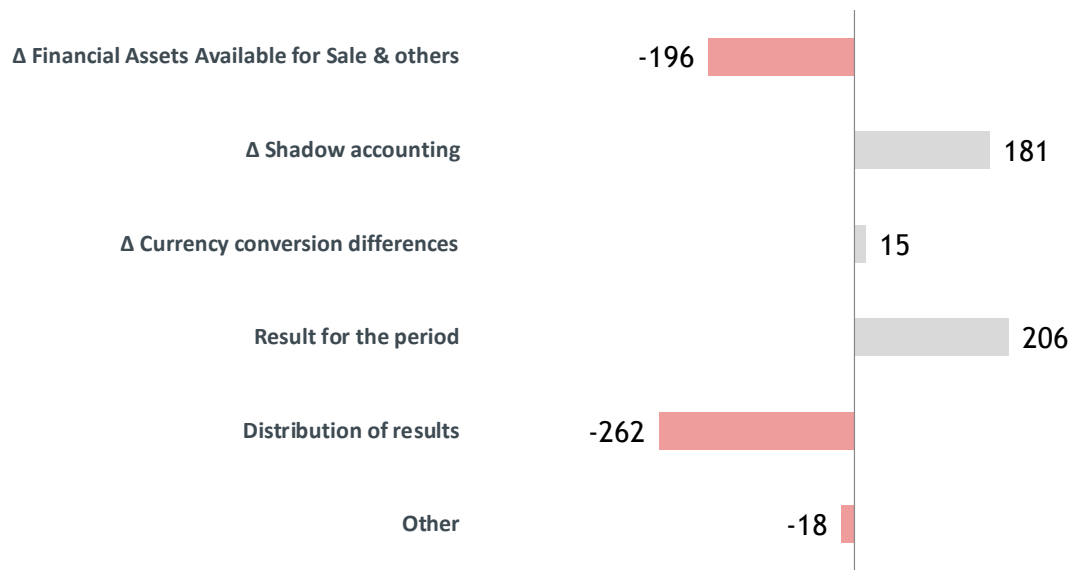
- ✓ Successful launch of new savings products and sales campaigns in IBERIA, especially *unit-linked*
- ✓ Higher realized gains in IBERIA as well as €29 million impact from bancassurance contingent payments
- ✓ Resilient local currency growth in Brazil, together with the appreciation of the Brazilian real
- ✓ Solid performance of bancassurance channel in Malta
- ✓ Positive contribution from MAPFRE RE, due to a higher financial result

Stability in equity base due to reduced market volatility as well as MAPFRE's strong diversification profile

Change in shareholders' equity

Shareholders' equity – 2016 year end

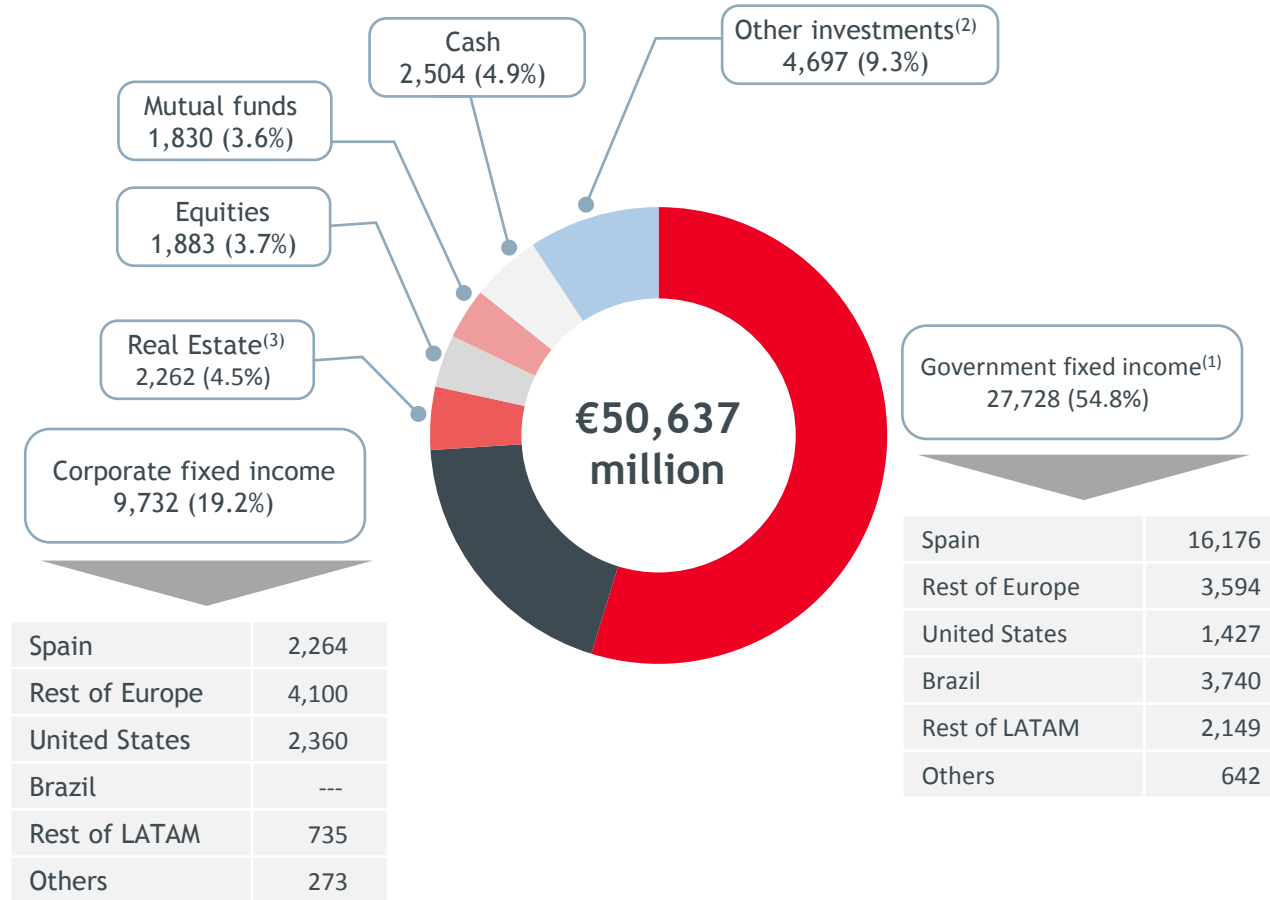
9,127



- ✓ Fall in value of the available for sale investment portfolio, which was partially mitigated by shadow accounting
- ✓ Positive evolution of Brazilian real during 2017 (+2.5%) was largely offset by the depreciation of the US dollar (-1.4%)
- ✓ Result for the period
- ✓ Final dividend approved at the Annual General meeting to be paid in June

Asset allocation reflects financial market conditions

Investment portfolio - Breakdown by asset class



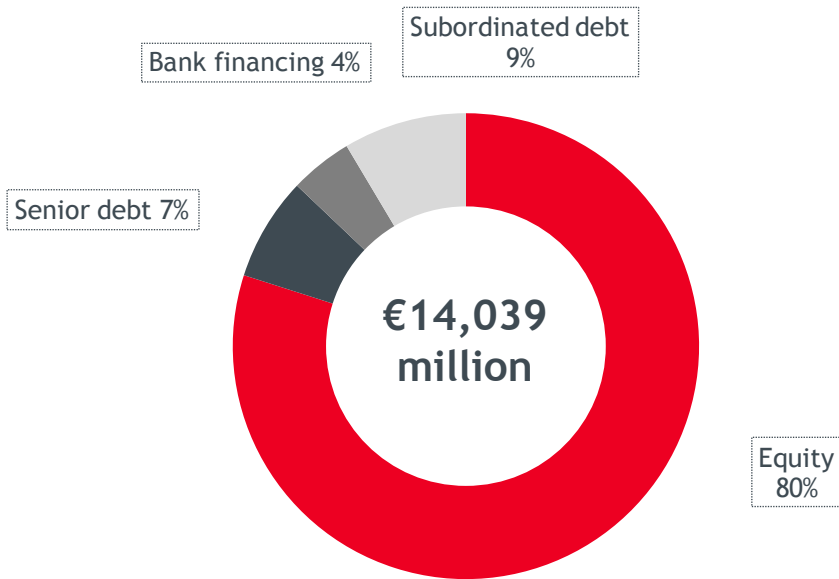
1) Includes multilateral bodies

2) Includes investments on behalf of policyholders, interest rate swaps, investments in associates, accepted reinsurance deposits and others

3) Includes real estate investments and real estate for own use

Recent debt issuance has further diversified funding sources

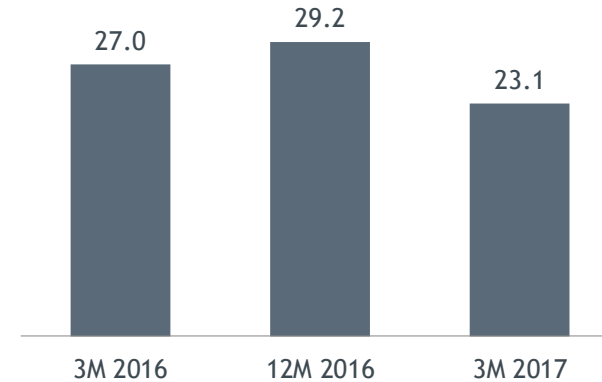
Capital structure



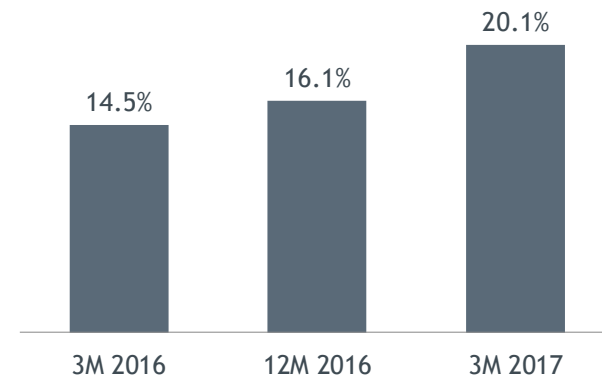
✓ Increase in leverage as a result of the issuance of €600 million of subordinated debt in March, with a fixed interest rate set at 4.375% for the first 10 years and a call option at 10 years

Million euros

Interest coverage (x) ⁽¹⁾



Leverage ⁽²⁾

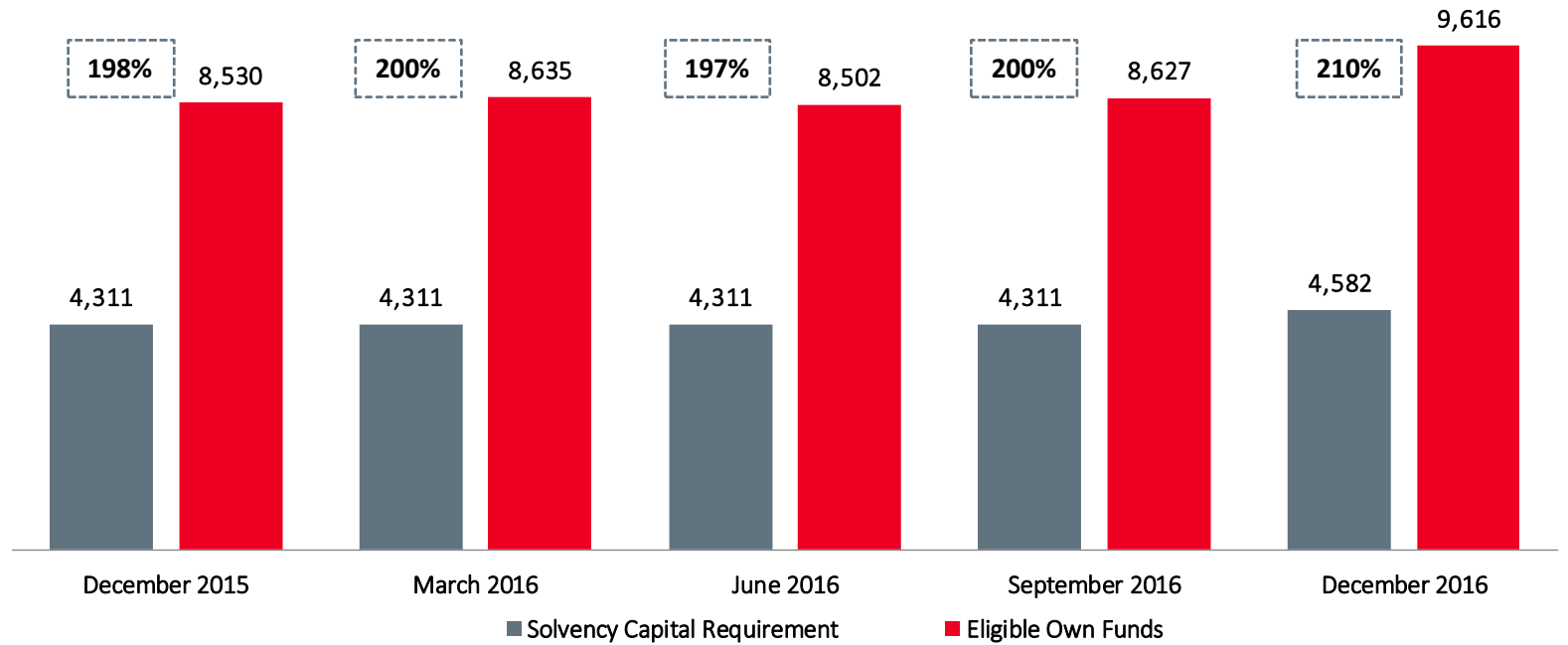


(1) Earnings before tax & financial expenses (EBIT)/ financial expenses

(2) Total Debt/ (Total Equity + Total Debt)

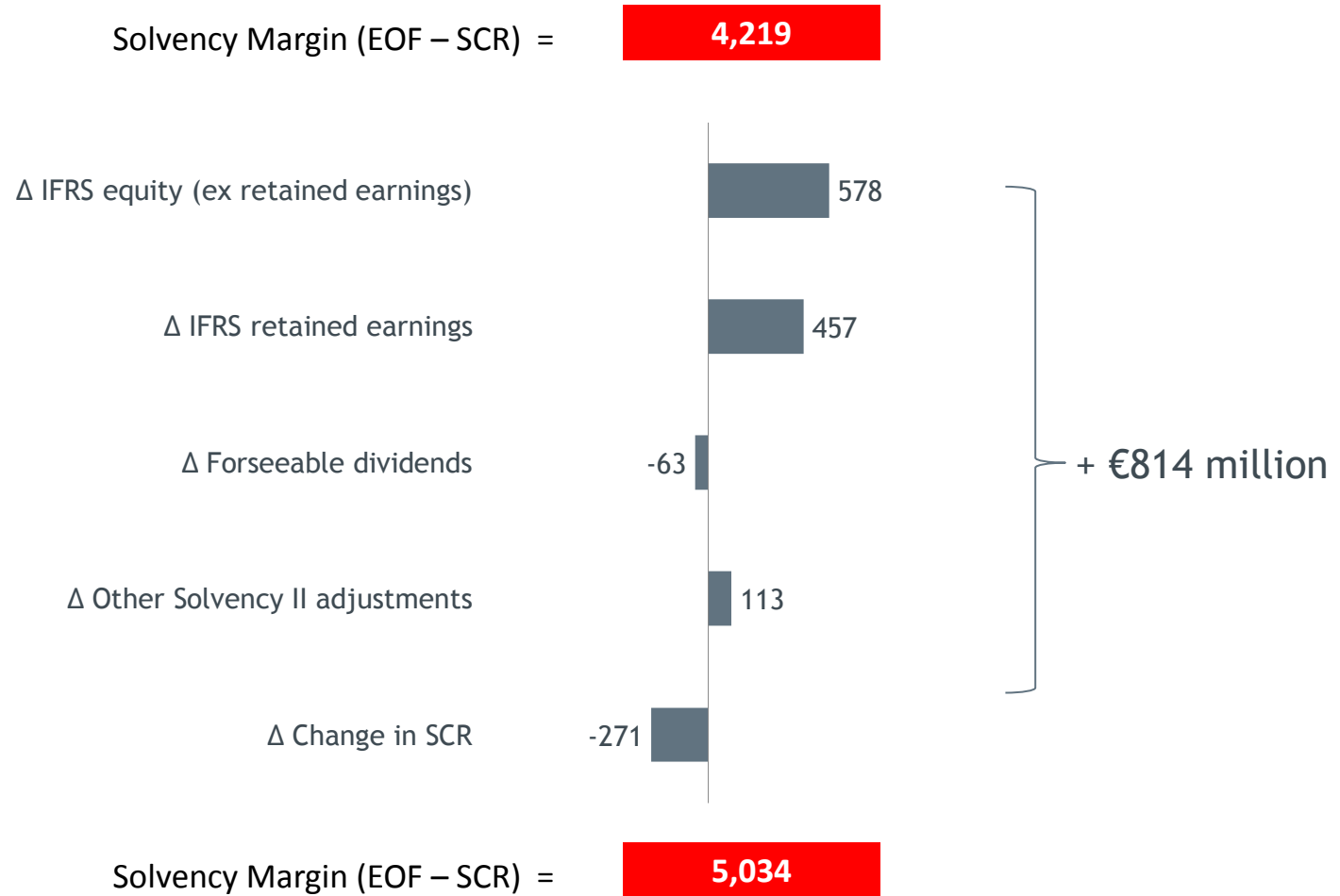
Solid and stable capital position

Solvency II ratio

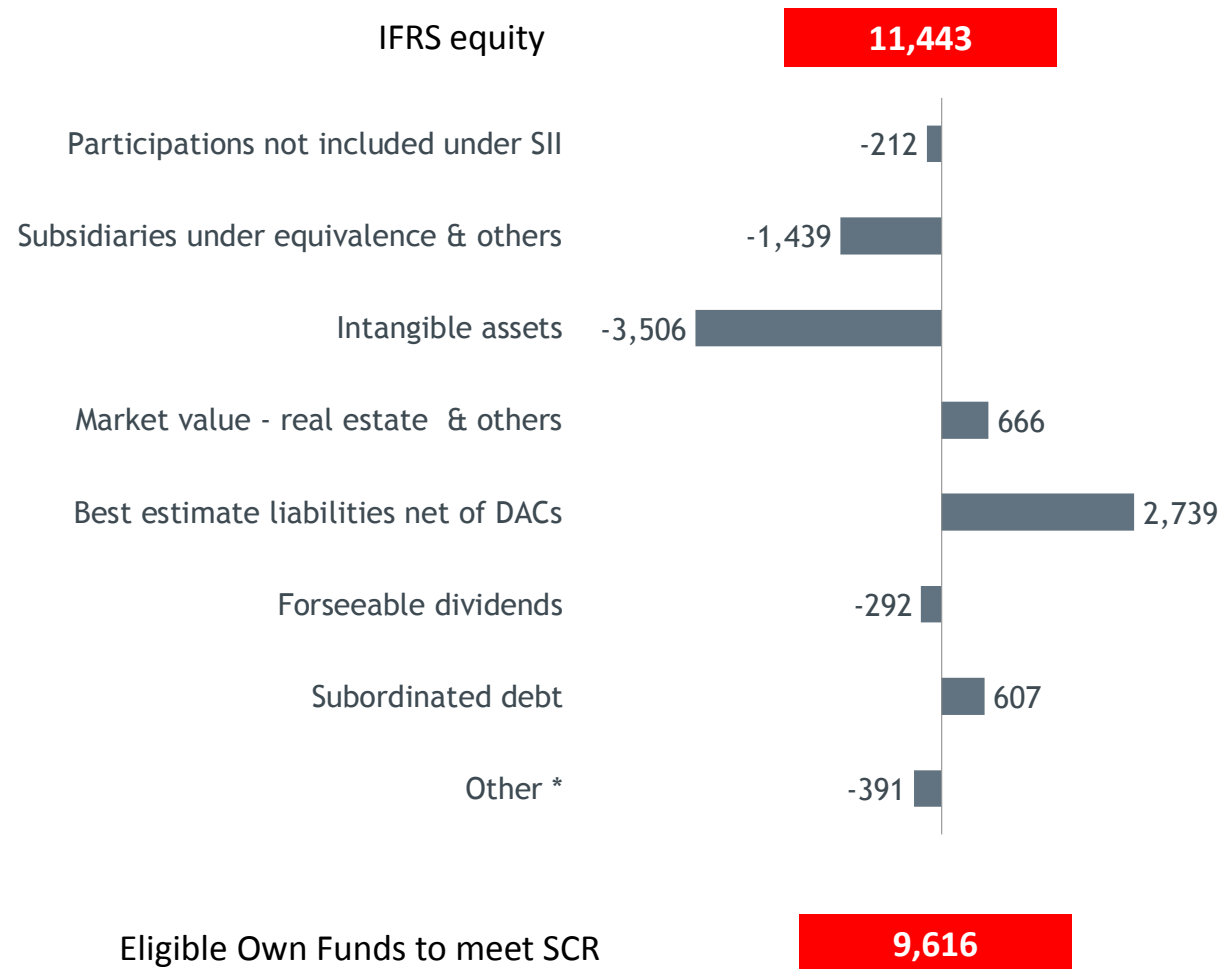


Tier 1: €9,009 mn (94%)
 Tier 2: €607 mn (6%)

Retained earnings and market movements provide MAPFRE with a high level of capital generation

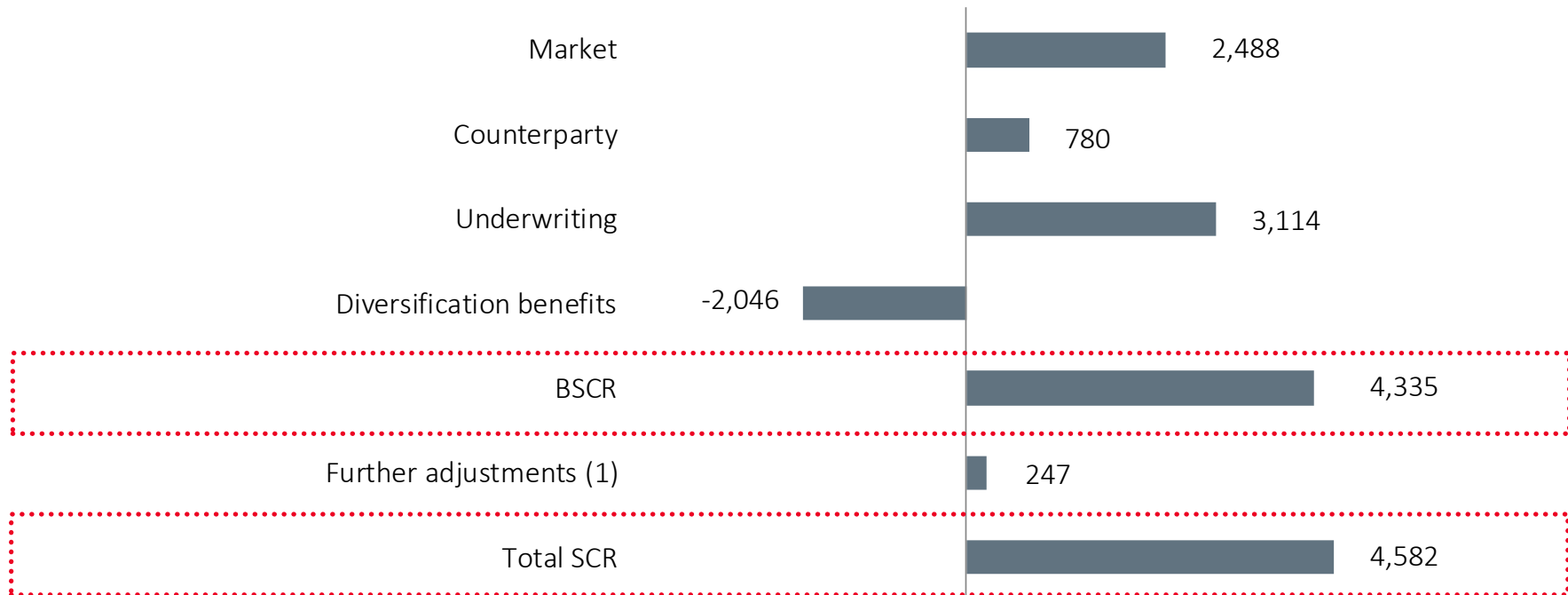


Eligible Own Funds - December 2016



*Mainly includes non-available funds from minorities and revaluation of deferred taxes and other liabilities

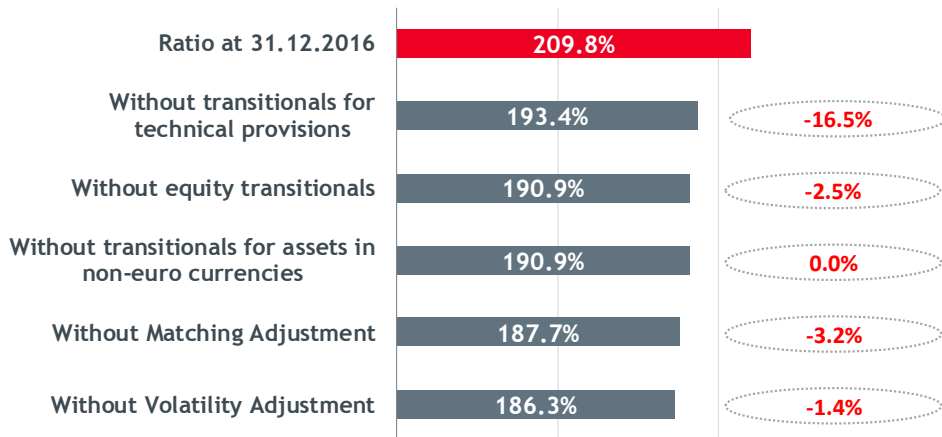
Solvency Capital Requirement - December 2016



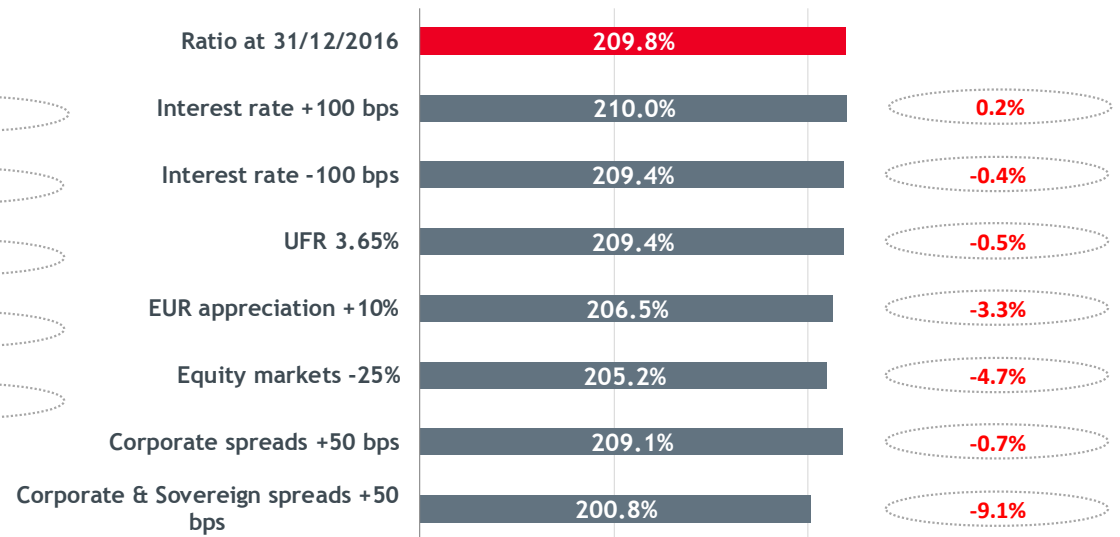
1) Further adjustments include: Operational risks; loss absorbing capacity of technical provisions and deferred taxes; capital requirement from other financial sectors and third party equivalent countries (USA, Brazil and Mexico)

Diversified balance sheet and business mix, as well as a prudent ALM and investment strategy

Transitional measures and matching & volatility adjustments



Market sensitivities



Phasing out of transitional measures will take effect in Solvency II figures as of January 1st, 2017. This is estimated to have a 2 p.p impact on the Solvency II ratio during 2017.

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Terminology

Combined ratio – Non-Life	Expense ratio + Loss ratio
Expense ratio – Non-Life	(Operating expenses, net of reinsurance – other technical income + other technical expenses) / Net premiums earned. Figures for the Non-life segment
Loss ratio – Non-Life	(Net claims incurred + variation in other technical reserves + profit sharing and returns) / Net premiums earned. Figures for the Non-Life segment.
Corporate Areas and Consolidation Adjustments	Includes the result attributable to MAPFRE RE and MAPFRE INTERNACIONAL’s non-controlling interests and other concepts
Gross result	Before taxes and non-controlling interests
Other business activities	<p>Includes the Group’s non-insurance activities undertaken by the insurance subsidiaries, as well as by other subsidiaries:</p> <ul style="list-style-type: none"> • Activities of the holding companies of MAPFRE S.A. and MAPFRE INTERNACIONAL • Non-insurance activities of the Group developed by its subsidiaries, mainly including: <ul style="list-style-type: none"> • MAPFRE INVERSIÓN (MAPFRE ASSET MANAGEMENT) • MAPFRE ASISTENCIA: Assistance and Specialty Risks • MAPFRE ESPAÑA: FUNESPAÑA (funeral services), MULTIMAP, CENTROS MÉDICOS MAPFRE SALUD (medical services), CESVIMAP (research and training services) • MAPFRE INTERNACIONAL: GENEL SERVIS (vehicle repair shops in Turkey), BEE INSURANCE (advisory services in Malta), GROWTH INVESTMENTS (investment services in Malta)
Result of Life business	Includes technical result, financial result and other non-technical income
Solvency II ratio	Eligible Own Funds / Solvency Capital Requirement x 100
Technical and financial margin - Life	Technical and financial result + Other non-technical income and expenses / arithmetic mean of average technical reserves at the beginning and closing of the period (twelve months)x 100

Alternative Performance Measures (APM) used in this report correspond to those financial measures that are not defined or detailed within the framework of the applicable financial information. Their definition and calculation can be consulted at the following link:

<https://www.mapfre.com/corporativo-es/accionistas-inversores/inversores/informacion-financiera/medidas-alternativas-rendimiento.jsp>

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MAPFRE S.A. does not undertake to update or revise periodically the content of this document.

Certain numerical figures included in the Investor Presentation have been rounded. Therefore, discrepancies in tables between totals and the sums of the amounts listed may occur due to such rounding.