

ANTONIO HUERTAS

Chairman and CEO of MAPFRE

2018 ANNUAL RESULTS

FEBRUARY 7, 2019



MAPFRE



2018 ANNUAL RESULTS

- ◆ **SUSTAINABILITY:**
€702 million generated in the fiscal year*.
- ◆ **REINFORCING THE BALANCE SHEET:**
Goodwill writedown in the amount of €173 million.
- ◆ **COMMITMENT TO SHAREHOLDERS:**
Dividend maintained (€447 million charged against 2018 results).

*Excluding goodwill impairment, net earnings stand at 529 million euros.

FREQUENCY OF CATASTROPHIC RISKS

IMPACT

2017:
€184 million

2018:
€108 million

IMPACT OF CONVERSION DIFFERENCES

Dollar -3.5%

Real -15.8%

Lira -25.0%

All currencies
decline against
the euro.

IMPACT 2018

€1,439M less in premiums

€34M less in earnings*

€103M less in Shareholders' Equity

INSTABILITY OF FINANCIAL MARKETS

Financial income
affected by
prolonged low interest
rate environment
and market
volatility.

KEY ASPECTS OF THE YEAR

FOCUS ON PROFITABLE GROWTH

SPAIN* -*
PRINCIPAL
EARNINGS
CONTRIBUTOR

€481M

Net earnings

+5.3%

w/o
extraordinary
items

SOLIDITY OF
MAPFRE RE

€149M

Net earnings

Impact of
96.6 million
euros from
catastrophic
events

RELEVANT
IMPROVEMENTS

Mexico
Italy
Global Risks
Asistencia

RESTRUCTURING
COUNTRIES

Brazil
USA

SOLVENCY II
RATIO

208%**

IMPROVED
RATINGS AND
OUTLOOK

FITCH
STANDARD &
POOR'S
MOODY'S

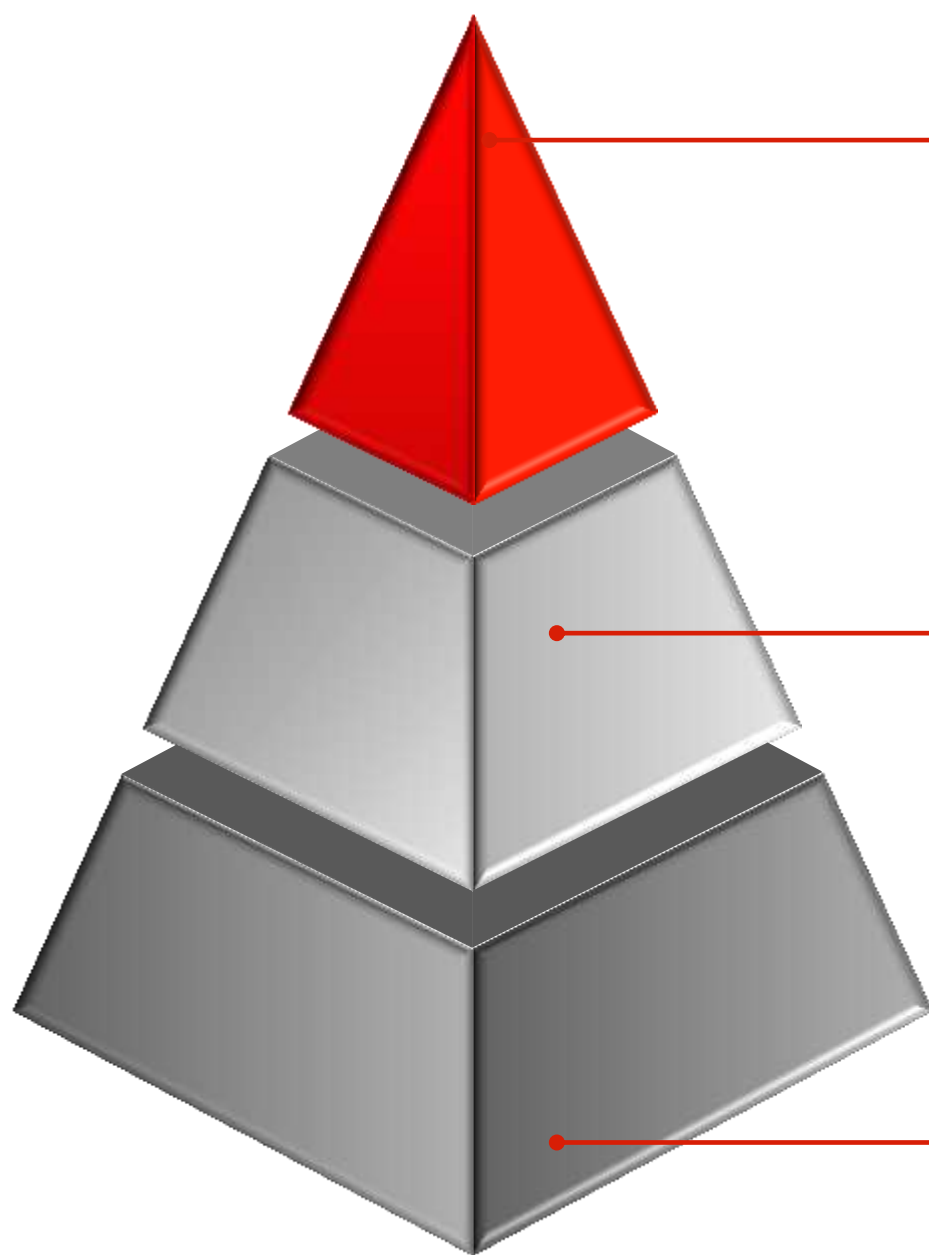
ROE

(Excl. goodwill
writedown)

8.4%***

* Consolidates MAPFRE Portugal data in its accounts
** 195.6% pro-forma adjustment for the Brazil transaction
*** 6.4% including the goodwill writedown

THE FIGURES AT A GLANCE



ATTRIBUTABLE EARNINGS

702 (+0.3%)
w/o goodwill
writedown

529
-24.5%

PREMIUMS

+2.1%
at constant
exchange rates

22,537
-4%

CONSOLIDATED REVENUE

+0.8%
at constant
exchange rates

26,590
-5%

NON-LIFE COMBINED RATIO

97.6%
- 0.5 p.p

ROE*

6.4%
-1.5 p.p

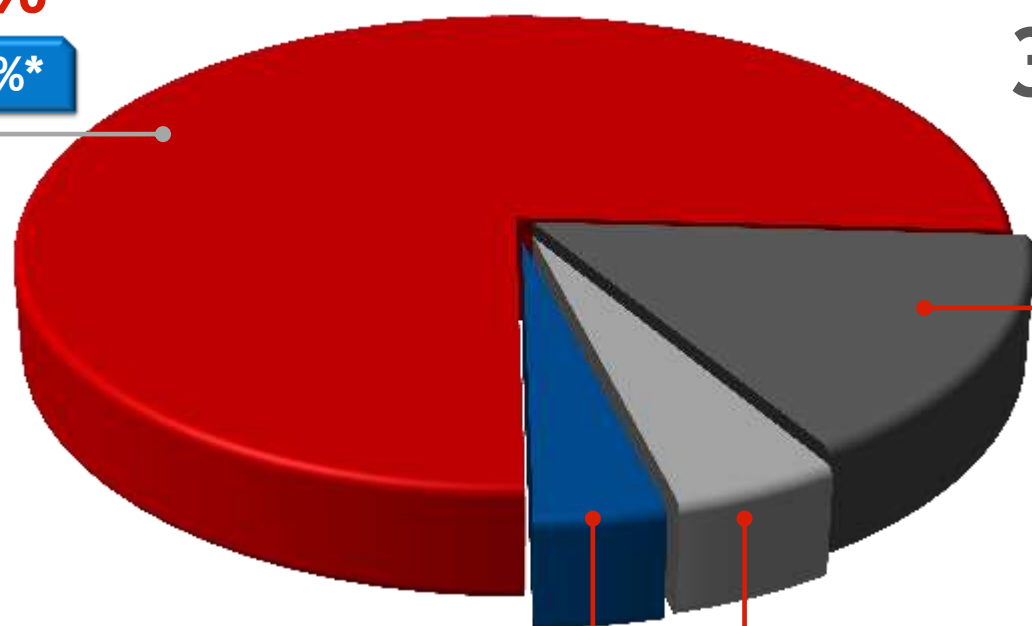
PREMIUMS/EARNINGS BY BUSINESS AREA

PREMIUMS

INSURANCE
18,736

-3%

+4%*

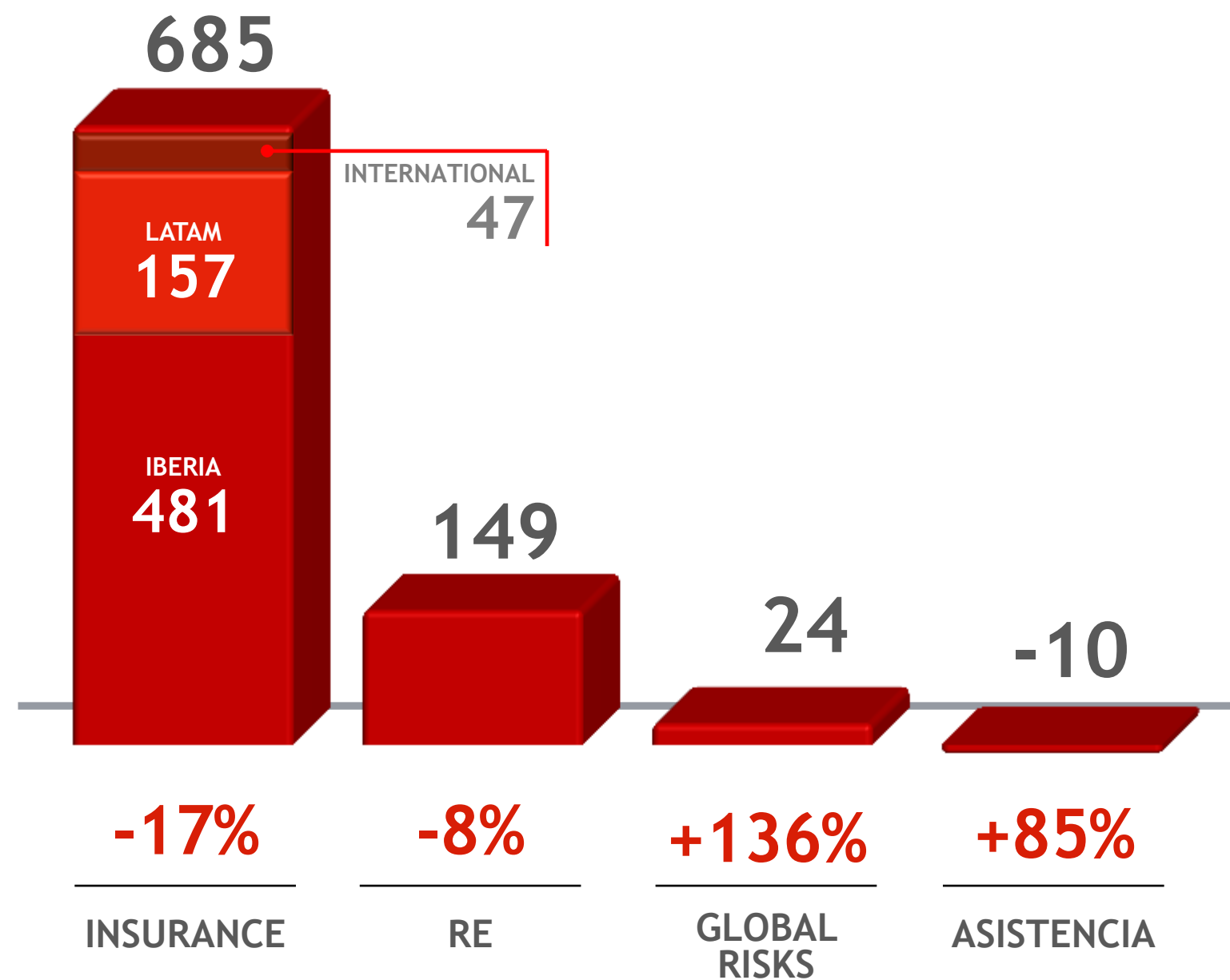


ASISTENCIA
911
-7%

GLOBAL RISKS
1,174
-7%

RE
3,787
-10%

NET EARNINGS



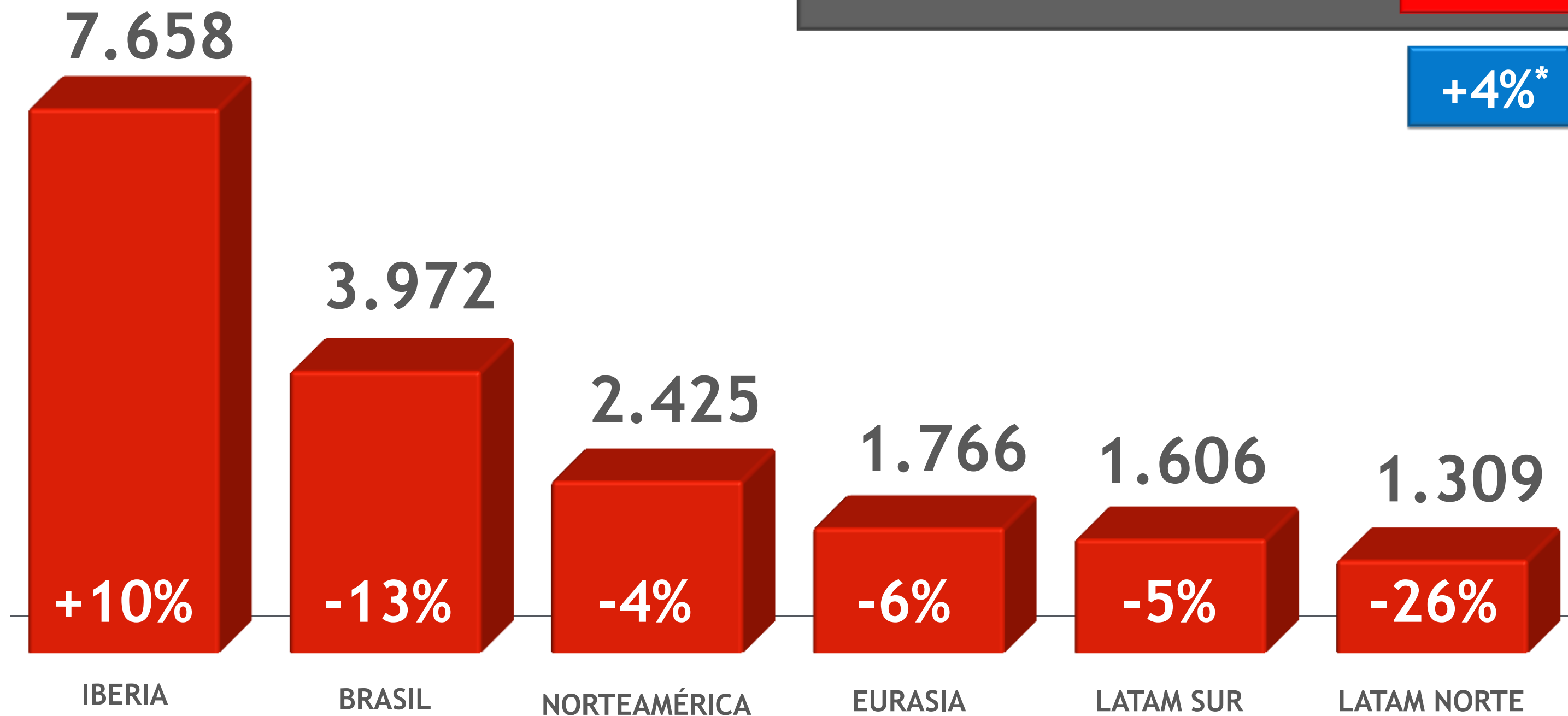
Millions of de euros
Data not adjusted for consolidation
*Data in blue at constant exchange rates

PRIMAS POR REGIONES UNIDAD DE SEGUROS

18.736 EN PRIMAS

-3%

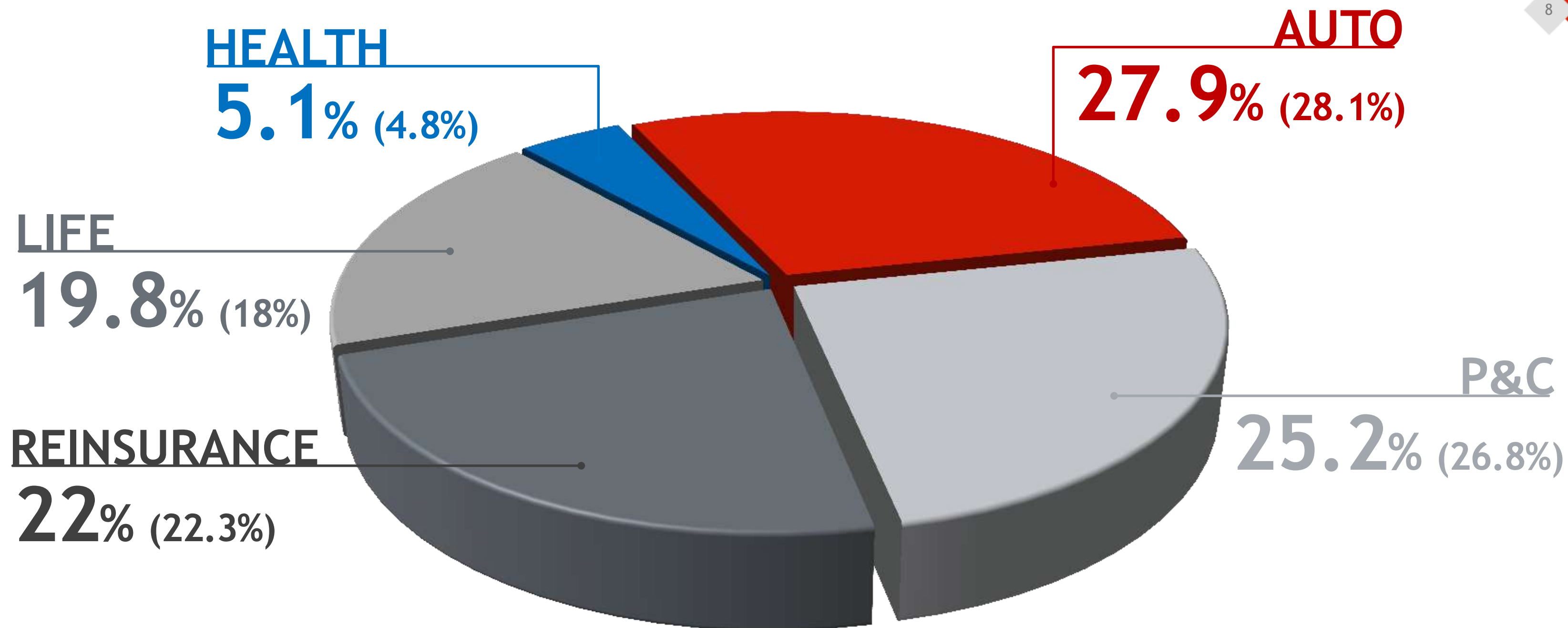
+4%*



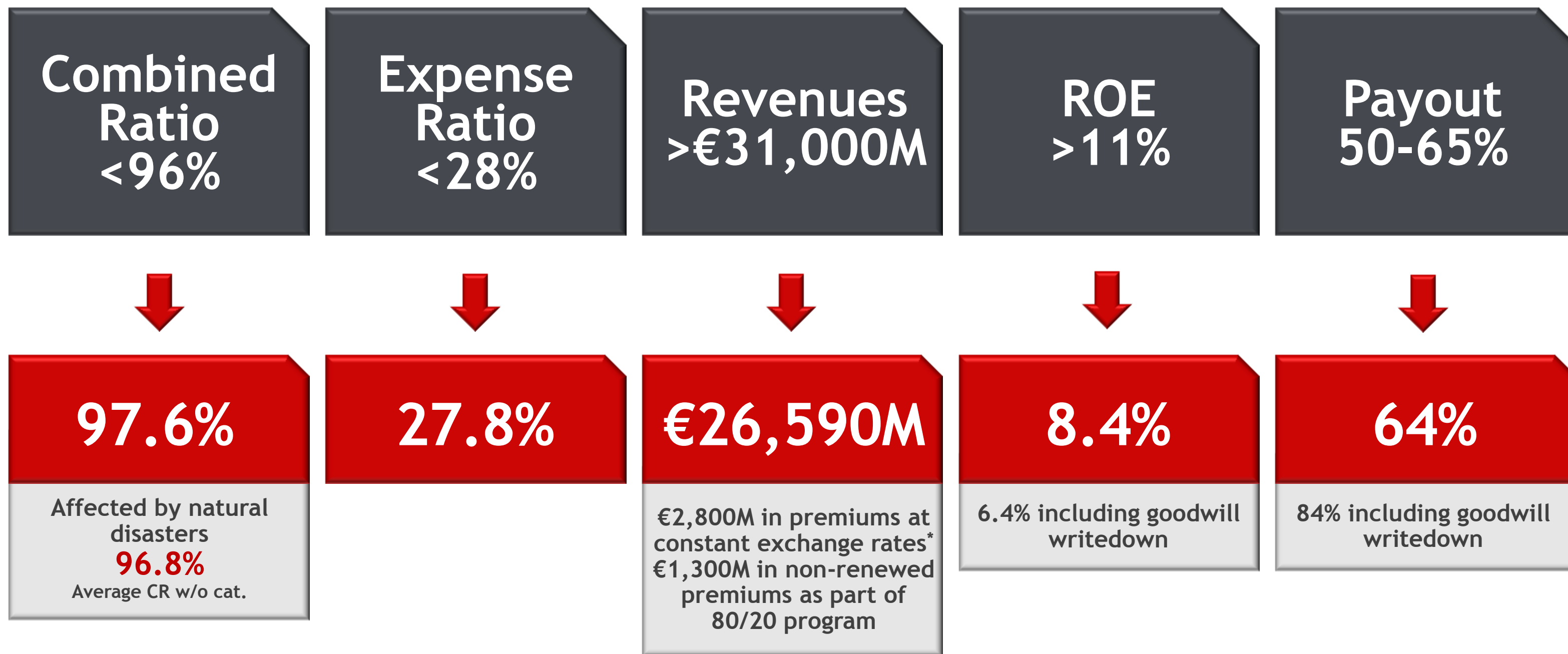
Millones de euros.

*Datos en azul a tipos de cambio constantes.

DISTRIBUTION OF PREMIUMS



FINANCIAL OBJECTIVES 2016-2018



*Excluding the impact from hyperinflationary economies

FERNANDO MATA

CFO and Member of the Board

2018 ANNUAL RESULTS

FEBRUARY 7, 2019

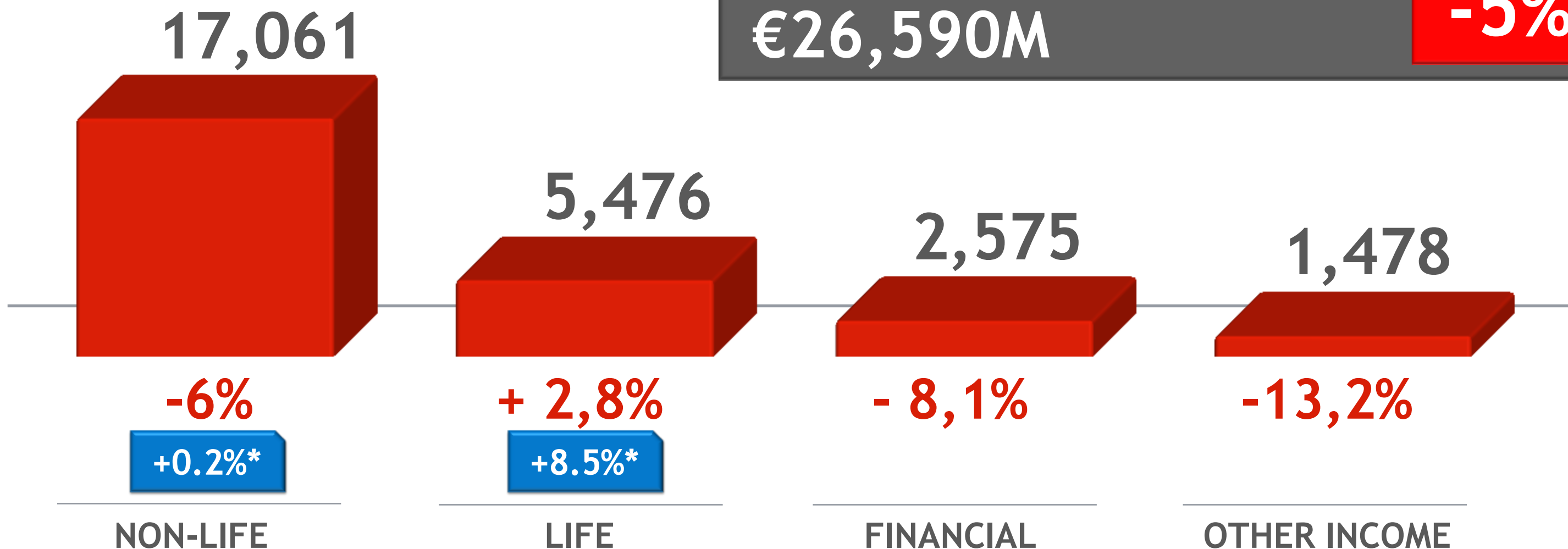


MAPFRE

REVENUES AND PREMIUMS

CONSOLIDATED REVENUES
€26,590M

-5%



TOTAL PREMIUMS (LIFE / NON-LIFE)

€22,537M in 2018

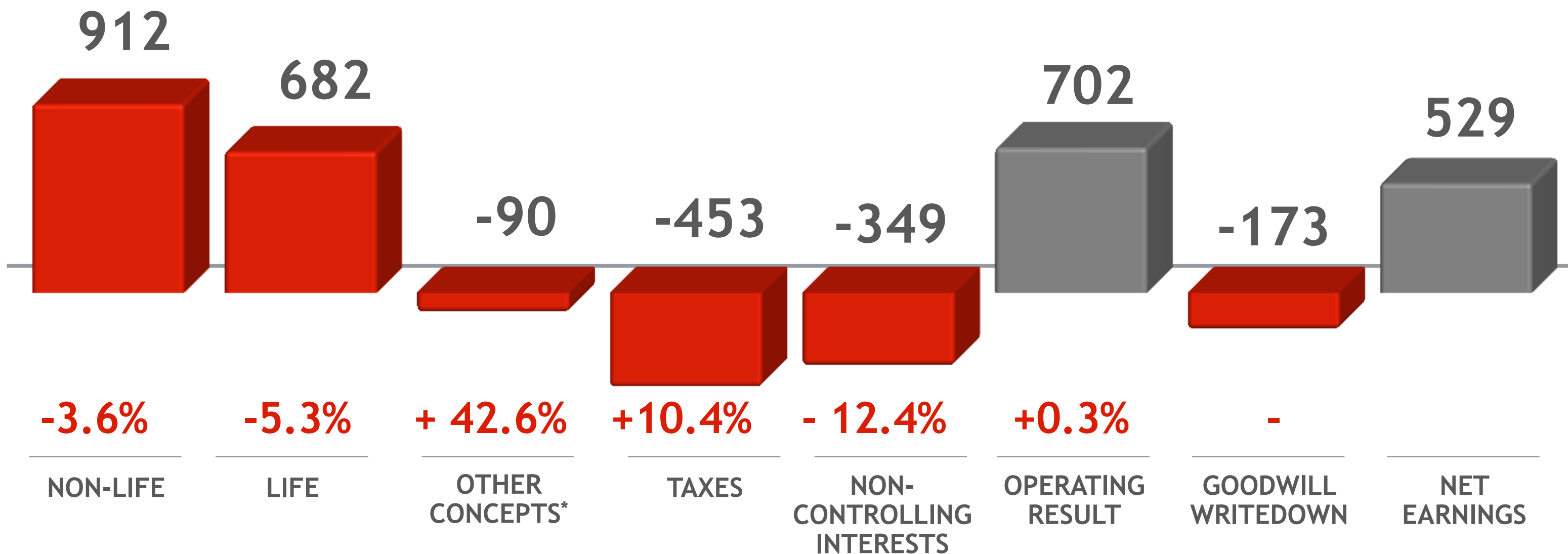
-4%

+2.1%*

EARNINGS BREAKDOWN

NET EARNINGS
€529M

-24.5%

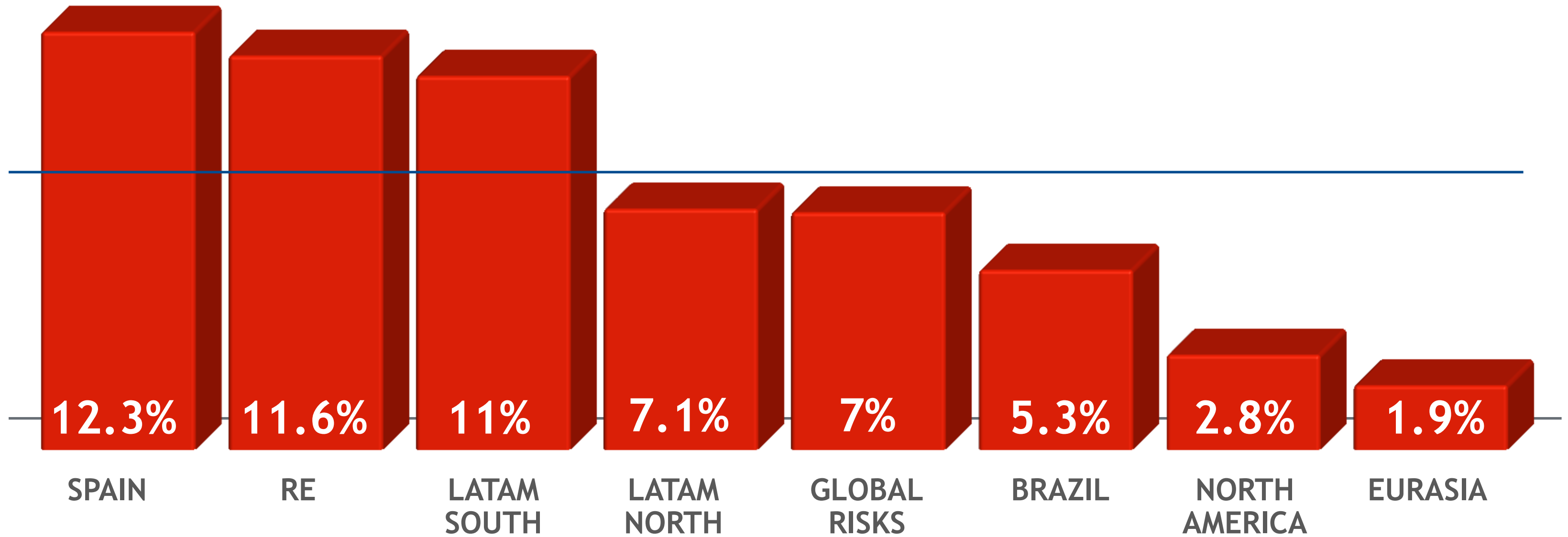


Millions of euros

*Includes other activities, Holding costs and hyperinflation adjustments

ROE

ROE GROUP **8.4%***

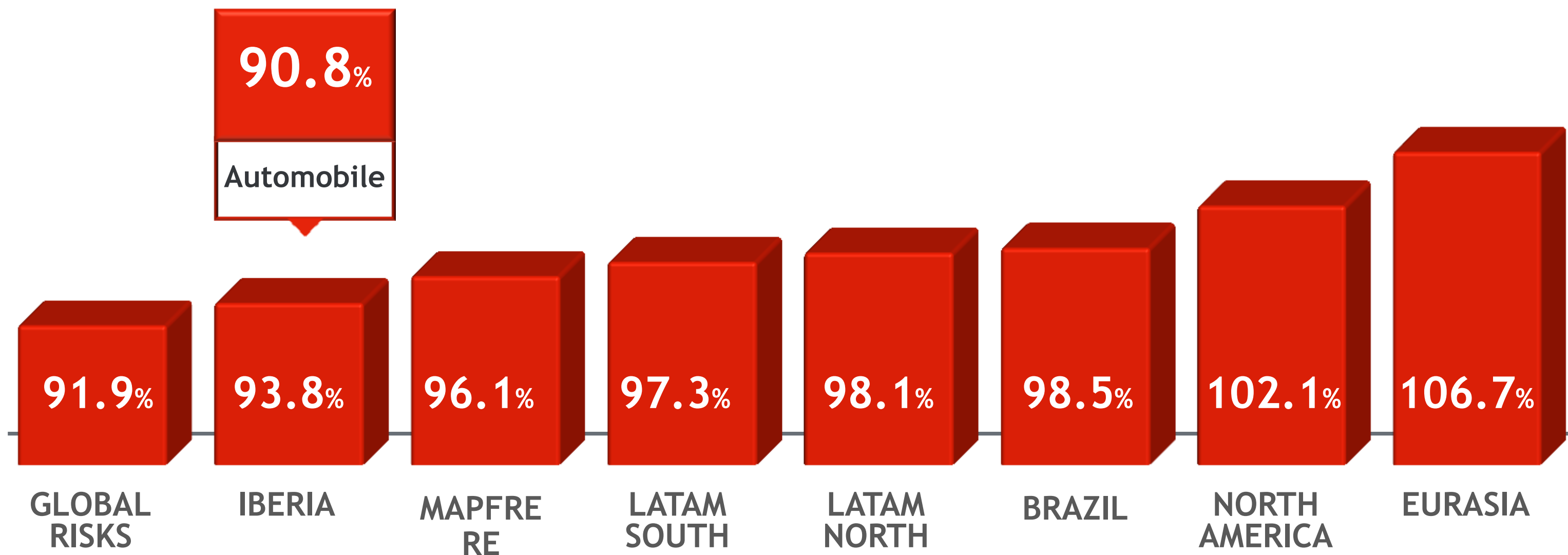


*6.4% including goodwill writedown

REGIONAL COMBINED RATIOS

GROUP
COMBINED RATIO

+97.6%



GROUP OVERVIEW

TOTAL ASSETS

-0.4%

67,570

67,291

DEC. 2017

DEC. 2018

SHAREHOLDERS' EQUITY

-7%

8,611

529

-447

-329

-103

-267

7,994

-€617M

BALANCE
01/01/2018

RESULT FOR
THE PERIOD

DIVIDEND

UNREALIZED
GAINS

CURRENCY
DIFFERENCES

OTHER

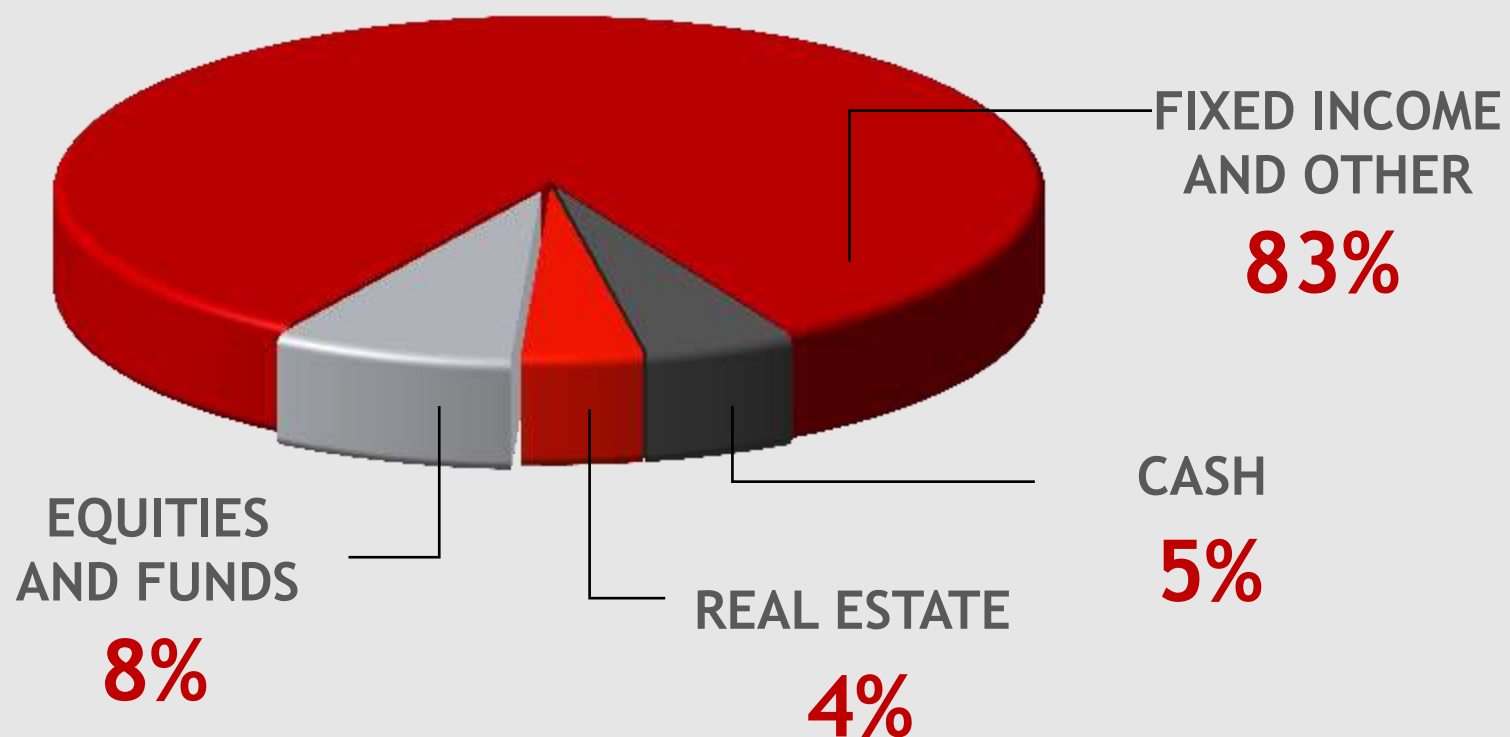
BALANCE
01/01/2019

INVESTMENTS AND CASH

INVESTMENT
PORTFOLIO

49,274

-1%



€27,596M in public debt

€8,922M in corporate debt

€476M in alternative investments

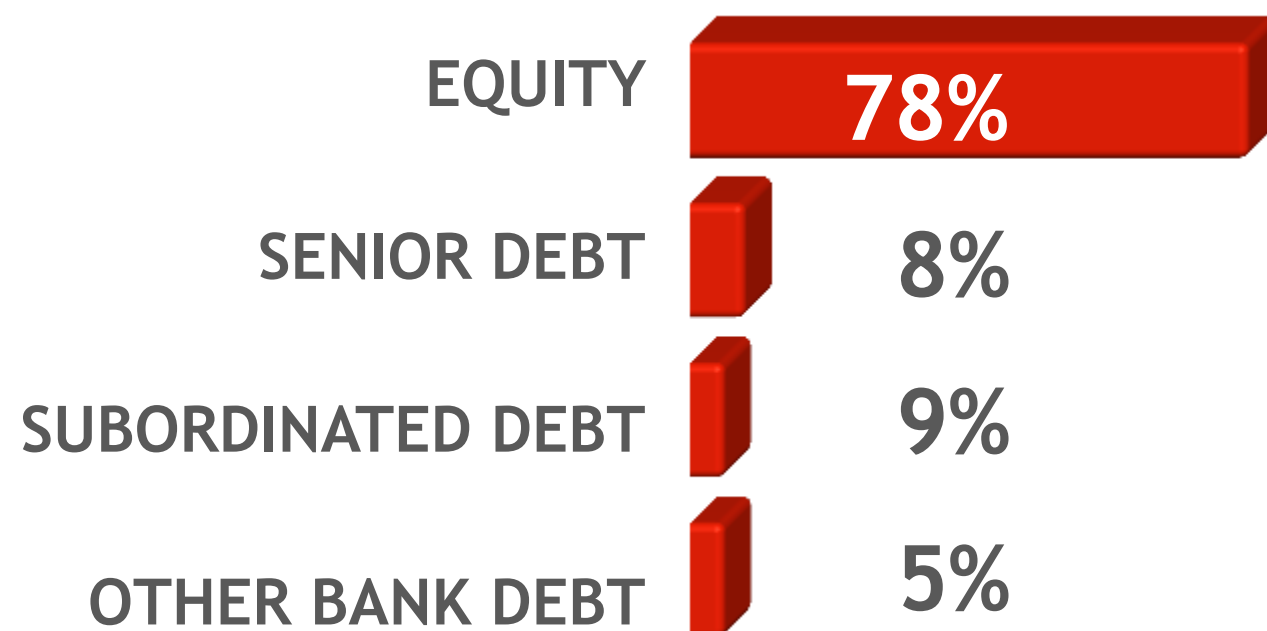
€27,596M
IN PUBLIC DEBT

CONCEPT	€
Spain	15,998
Rest of Europe	5,050
United States	1,347
Brazil	2,872
Latin America - Rest	1,805
Other countries	525
TOTAL	27,596

More than **73%** of private investments correspond to companies with **ESG RATINGS**

CAPITAL STRUCTURE

€11,868M



COVERAGE RATIO 22%

SOLVENCY

SOLVENCY II RATIO 207.9%*

Tier 1

€8,110m (88%)

Tier 2

€1,106m (12%)

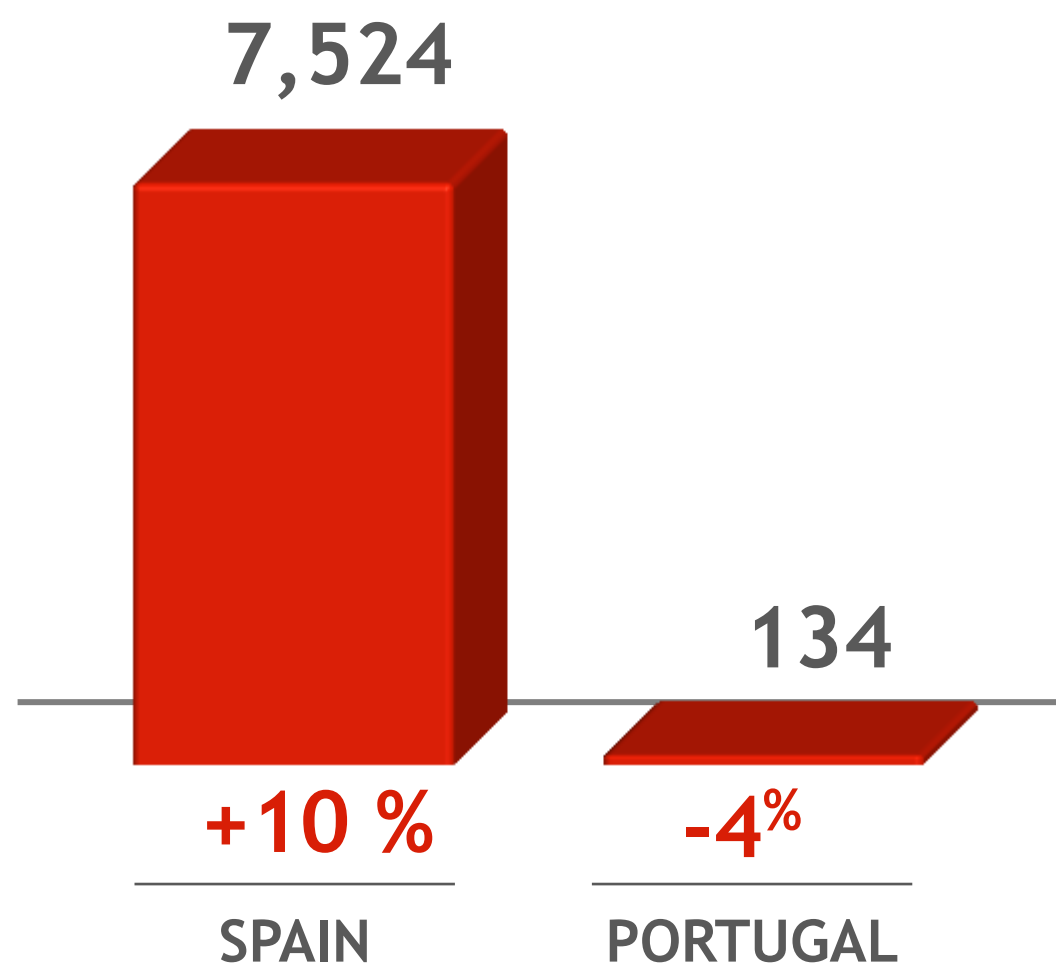
*3Q

INSURANCE BUSINESS PREMIUMS REGIONAL BREAKDOWN

IBERIA

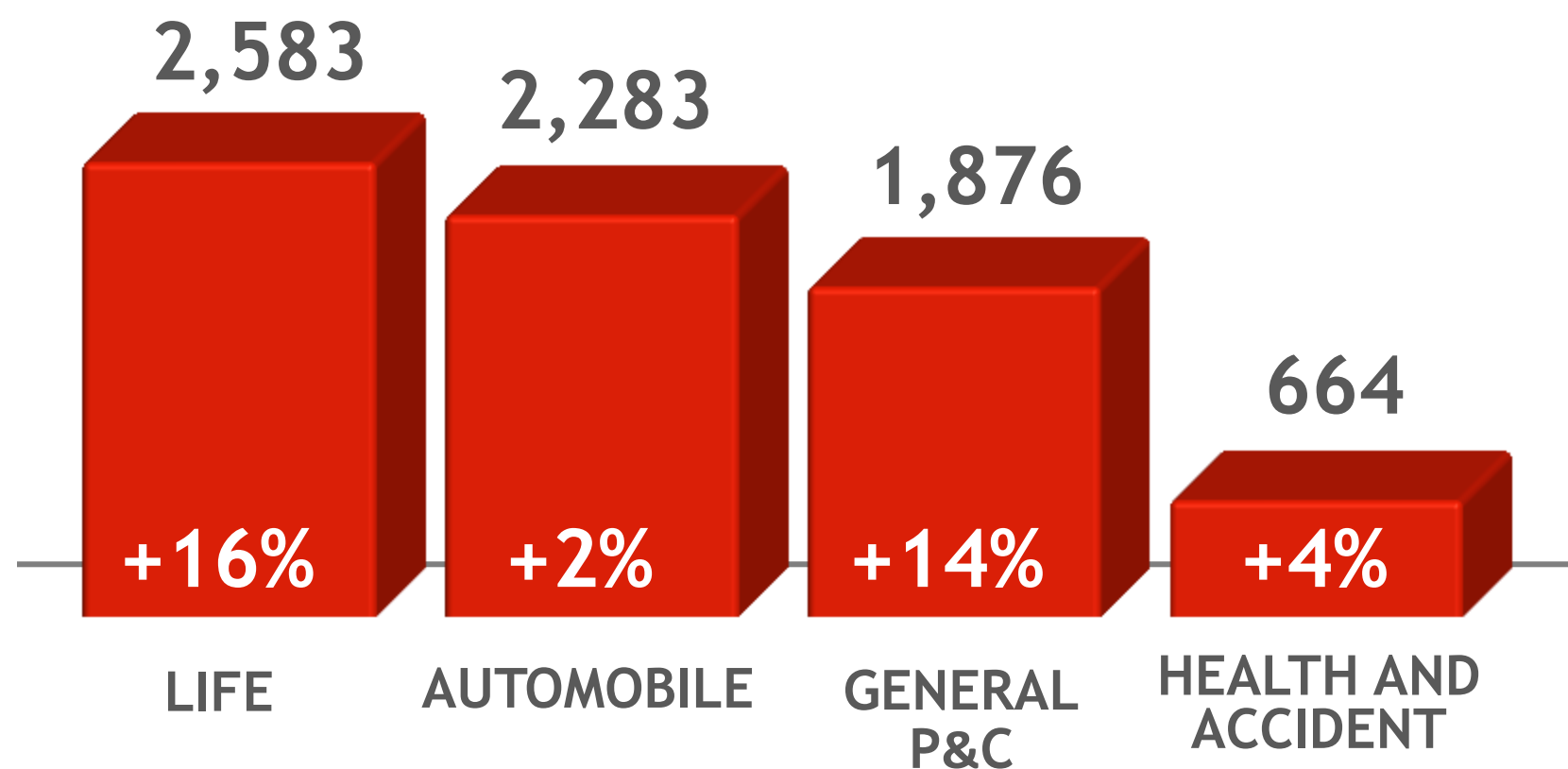
7,658 IN PREMIUMS

+10%



SPAIN

GROWTH DRIVER



INSURED VEHICLES

5,740,018 (units) +2.4%



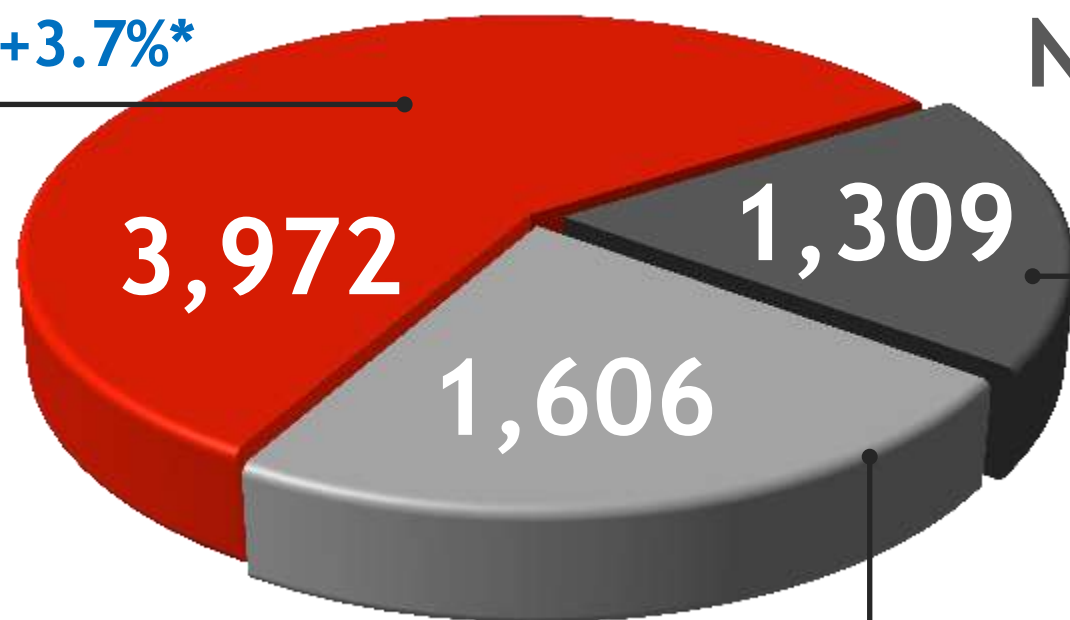
INSURANCE BUSINESS REGIONAL PREMIUMS BREAKDOWN

LATIN AMERICA
6,887 IN PREMIUMS

-14%

BRAZIL
-13%
+3.7%*

LATAM
NORTH
-26%



LATAM
SOUTH
-5%

LATAM NORTH

719
-39%



+9%*

MEXICO**

204
-6%



-3%*

PANAMA

131
+5%



+13%*

DOMINICAN
REP.

77
+6%



+12%*

HONDURAS

LATAM SOUTH

491
+5%



+10%*

PERU

391
-1%



+3%*

COLOMBIA

289
-6%



-3%*

CHILE

200
-31%



+58%*

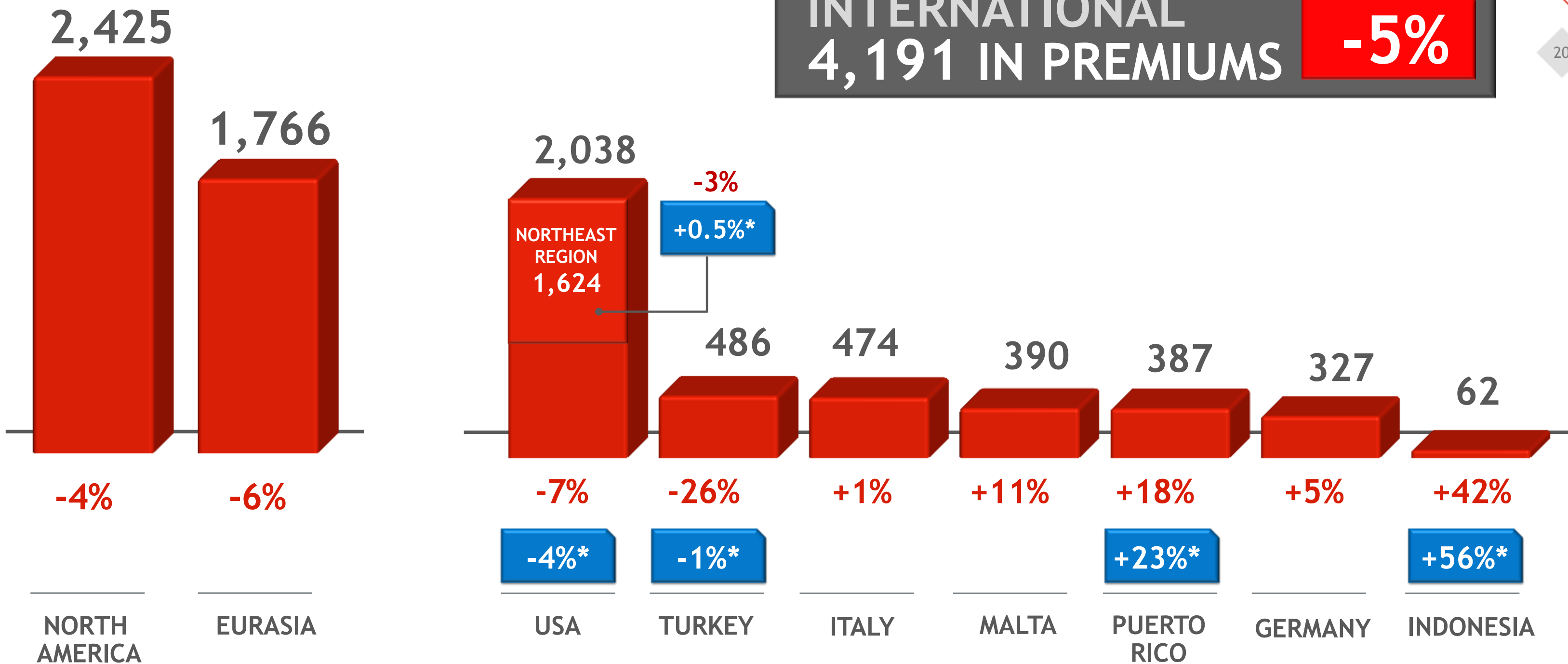
ARGENTINA

Millions of euros

*Data in blue in local currency

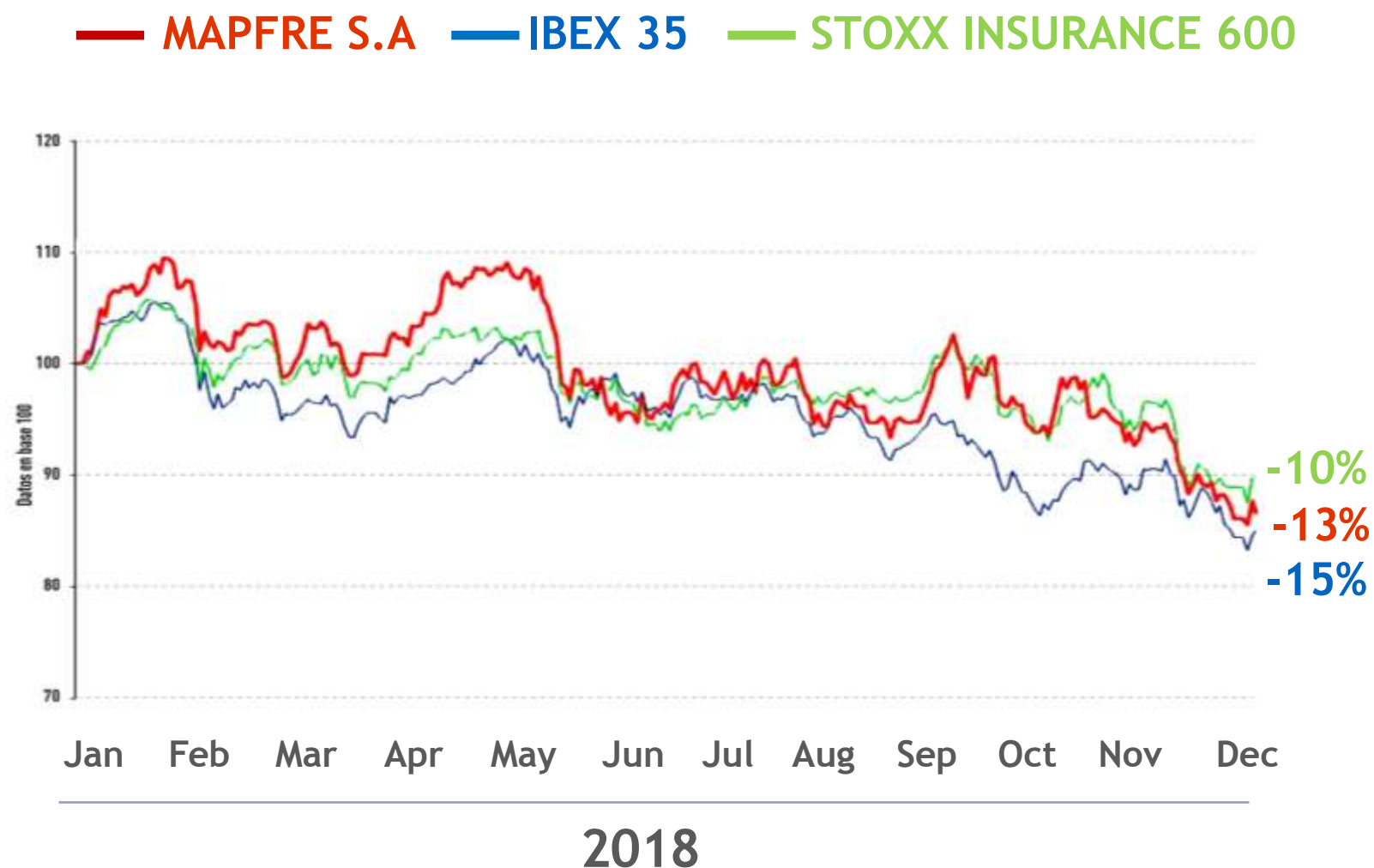
** +9% excluding Pemex policy effect

INSURANCE BUSINESS REGIONAL PREMIUMS BREAKDOWN



Millions of euros
*Data in blue in local currency

SHARE PRICE




**MARKET
CAPITALIZATION**
at 12-31-18

7,145

Millions of euros

	2018	2016-2018
MAPFRE	-13%	+0.4%
IBEX 35	-15%	-10.5%
Stoxx Insurance 600	-10%	-9.2%


KEY SOCIAL ASPECTS OF THE PERIOD



gender Equality

40.8% WOMEN
MANAGERS

OBJECTIVE
2018: 40%



functional and geographic Mobility

+12.1%

OBJECTIVE
2018: 10%

KEY SOCIAL ASPECTS OF THE PERIOD

social Inclusion

2.5% OF WORKFORCE COMPRISING PEOPLE WITH DISABILITIES **OBJECTIVE 2018: 2%**

Corporation tax:
€453M (34%)

Number of employees:
35,390 (97% permanent)

Opportunities for more than
252,000 people
(distributors, providers etc.)

ANTONIO HUERTAS

Chairman and CEO of MAPFRE

2018 ANNUAL RESULTS



FEBRUARY 7, 2019


MAPFRE

AS A RESULT OF ALL OF THIS...

WE MAINTAIN THE REMUNERATION TO OUR SHAREHOLDERS

DIVIDEND FOR THE FINANCIAL YEAR: **€0.145**
per share charged against 2018 results.

In total, **€447 million**

PAYOUT OF
84% IN 2018
(64% excluding
goodwill writedown)

5.5%
Return over
average share price

€1,341M

To shareholders,
entirely in cash, for
the 2012-2018 period



Sustainability and of growth results

2018: **€702M***
2017: **€ 700M**

PREMIUMS
+3%**



*Net earnings are 529 million euros including goodwill writedown

** Eliminating the effect of the PEMEX policy and Life groups at constant exchange rates



STRENGTHS

of MAPFRE in Spain

- ◆ MAPFRE (+8%) beats the market (1.3%), and **enjoys best growth rate in Spain** among the Top 5 entre las 5 primeras.
- ◆ The company's market share in Spain **is up, standing at 11.3%** (against 10.6% for the previous year).
- ◆ Spectacular growth in **Life (+20.03%)**, while the markets falls off -1.68%.
- ◆ **We lead the Auto ranking**, with a share of 20% and also Multirisk, with a share of 17.1%.
- ◆ We continue to improve customer service, and they rank us well above the average for the sector.

GROWTH LEVERS

NEW BANCASSURANCE AGREEMENTS



Bankia

Santander

Actinver

DIGITAL BUSINESS

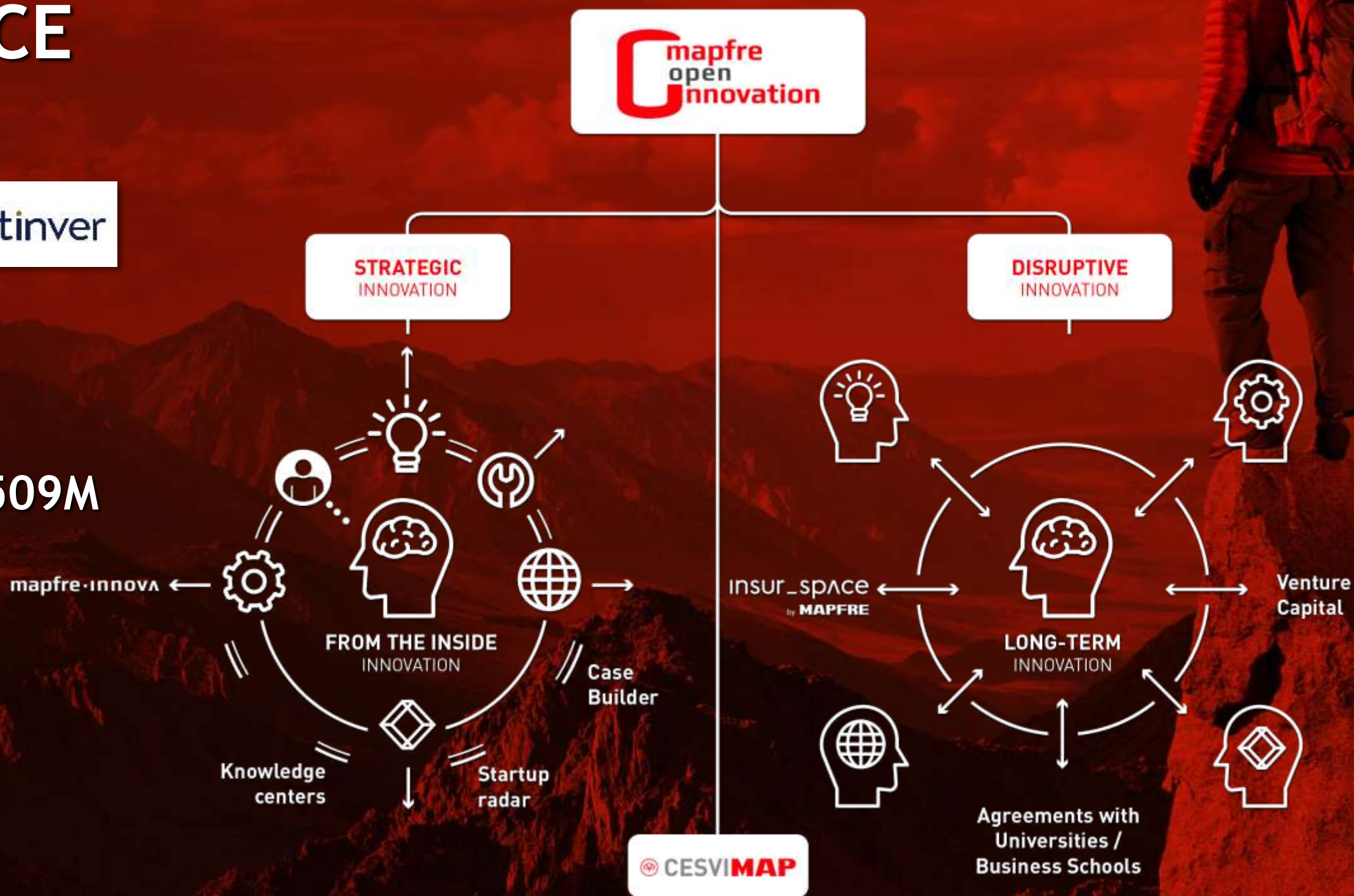
Digital business premiums: €1,509M

+10% vs. 2017

+51% 2016-2018

INNOVATION

MAPFRE Open Innovation



FINANCIAL STRENGTHS OF THE YEAR



RATINGS



**SOLVENCY
POSITION**



**QUALITY
OF CAPITAL**



**COVERAGE
RATIO**



**EXPENSE
RATIO**



**TECHNICAL RESULT
COMBINED RATIO**

conclusions

- ◆ **MAPFRE DELIVERS**
Financial strength and prudent management facilitate maintaining **commitment to shareholders.**
- ◆ **MAPFRE IS TRANSFORMING**
Restructuring undertaken puts the company **in an excellent competitive position** to **grow profitably** over the next three years.



MAPFRE

