

**MAPFRE'S PROFITS GROW BY 20.5 PERCENT TO 380 MILLION EUROS  
IN THE FIRST HALF**

**KEY HIGHLIGHTS OF THE FIRST HALF**

- Results reflect the commitment to profitable growth with rigorous technical and financial management in a challenging market environment.
- Revenues total 14,641 million euros, up 0.8 percent on the same period of the previous year, while premiums reach 12,080 million euros (down 0.8 percent).
- Spain records the highest business growth (up 9.4 percent) since the onset of the crisis, with an excellent underwriting result, as well as an improved combined ratio, which stands at 94.4 percent, and profitability across the main lines.
- Managed savings rise 6.2 percent during the first half, to 40,267 million euros.
- The Solvency II ratio stands at 200 percent at the end of the first quarter of 2016, reflecting the Group's financial strength.
- The Board of Directors appoints Ana Isabel Fernández as independent director of MAPFRE.

MAPFRE's net profits amounted to 380 million euros in the first half of the year, which represents a 20.5 percent increase, thanks to rigorous technical and financial management. Revenues stood at 14,641 million euros, up 0.8 percent on the same period of the previous year, while premiums reached 12,080 million euros (down 0.8 percent). Growth can be seen in local currency terms in virtually all the countries where we operate.

"These results are the consequence of the strategy set down for the period 2016-2018, which is focused on profitable growth, with excellent technical business management, which feeds into improved profitability. This is especially noticeable in Spain, where solid growth can be seen in the main lines, internal costs continue to be reduced and the profitability of the main businesses is improving significantly, especially in Auto", stated Antonio Huertas, MAPFRE's Chairman and CEO.

The Group's combined ratio improved 1.6 percentage points with respect to the first half of 2015 and now stands at 97.5 percent.

Total assets reached 69,089 million euros, up 8.8 percent since the last year-end, while shareholders' equity amounted to 8,946 million euros, a 4.3 percent rise. Managed savings increased by 6.2 percent to 40,267 million euros during the first half.

The Group's strength should be noted, producing a Solvency II ratio of 200 percent at March 31, 2016, with increased high-quality capital (93 percent in TIER 1), providing MAPFRE with strong solvency and financial soundness.

The lower financial expenses should also be noted, following the maturity in November of last year of 1,000 million euros in senior debt –with a 5.125 percent coupon– which was replaced with a 10-year senior bond with a 1.625 percent coupon.

### **1.- Business development:**

The Insurance Unit generated premiums of 9,865 million euros (down 1.3 percent), while premium volume in the Global Risks Unit amounted to 636 million euros (up 6.5 percent). Revenues from the Assistance, Services and Specialty Risks Unit stood at 610 million euros (down 4 percent).

→ Premiums from the Iberia Regional Area, which represent 30.7 percent of the total, reached 4,207 million euros, an 8.7 percent increase with respect to the first half of 2015, with the gross result up by 25.9 percent, to 365 million euros. Auto premiums rose by 2.1 percent, exceeding 1,072 million euros, while Health insurance grew almost 8 percent, more than double that of the market. The combined ratio progressed satisfactorily, improving by 2.7 percentage points, to 94.4 percent.

The Life business recorded a 28.2 percent premium increase, to 1,114 million euros, thanks in particular to the single-premium business (up 94.1 percent). Managed savings were up 5.8 percent with respect to the same period of the previous year, to 32,103 million euros. Additionally, the increase in mutual funds and managed portfolios deserves mention, rising 21.3 percent on the first half of 2015 to over 4,603 million euros, while pension funds stood at 4,407 million euros.

→ Premium volume from the Brazil Regional Area reached 2,187 million euros (down 13 percent in euros, up 3.2 percent in local currency terms), due in the main to the depreciation of the Brazilian real and lower lending activity in the bancassurance channel. Growth in the non-life business in local currency terms deserves mention (up 10 percent), driven by Agricultural and Industrial Risks insurance. Pre-tax profits amounted to 399 million euros (down 10.4 percent in euros; up 7.6 percent in local currency terms), affected in particular by a higher corporate tax rate. This regional area contributes 16.7 percent of the Group's total premiums.

→ The LATAM South Regional Area produced premiums of 970 million euros (down 25.3 percent), especially as a result of the application of an “implicit” exchange rate in Venezuela, which affected all business lines, and the cancellation of unprofitable contracts in Colombia. It must be underscored that the main countries in the region are showing growth in local currency terms. Premiums from LATAM South represent 7.4 percent of the Group’s total.

→ The LATAM North Regional Area generated premiums of 726 million euros (down 38.6 percent), representing 5.5 percent of the total. Mexico recorded premium volume of 435 million euros (down 50.9 percent), with significant growth in Auto insurance (up 7 percent in local currency terms). Inter-period comparison of Mexico’s premiums must take into account the multiyear Pemex policy, which contributed 387 million euros and was recognized in the first half of 2015. Pre-tax profits in this area grew 9.6 percent, exceeding 50 million euros.

→ Premiums from the North America Regional Area, which represent 11.2 percent of the total, were up 7.3 percent to 1,462 million euros, while the region’s pre-tax profits stood at 60.7 million euros. The increase in premiums in the United States merits special attention, reaching 1,272 million euros, up 9.3 percent, thanks principally to geographical diversification of the business. The gross result in the United States amounted to 51 million euros, compared to losses in excess of 100 million euros in the same period of the previous year, which were caused by an exceptionally severe claims level.

→ The EMEA Regional Area recorded a 70.3 percent premium increase, to over 1,390 million euros. Business development in Turkey, where premiums rose 37.5 percent, to 470 million euros, and in Malta, up 44.8 percent to 184 million euros, merits attention. Direct business in Italy and Germany contributed 378 million euros, and it should be noted that both businesses have been consolidated during the entire half of the year, whereas in the same period of the previous year, only the June figures were consolidated. This area represents 10.6 percent of the Group’s total premiums.

→ Premiums in the APAC Regional Area during the first half of the year exceeded 69 million euros, up 13.3 percent. This regional area contributes 0.5 percent of the Group’s total premiums.

→ Premiums from MAPFRE RE accounted for 17.4 percent of the Group’s total and stood at 2,274 million euros, up 11.7 percent. The gross result reached 119 million euros, up 18.9 percent with respect to the same period of the previous year.

## **2.- Appointments**

**PRESS RELEASE**  
**2016 FIRST-HALF RESULTS**



MAPFRE's Board of Directors has named Ana Isabel Fernández as an independent director. She holds a B.Sc. and Ph.D. in Economic and Business Science from Oviedo University, where she is a professor of Financial Economics, as well professor of Finance at CUNEF. She is a member of the Consultative Committee on Corporate Reporting with the European Securities and Markets Authority, a member of the Board of Trustees of the Princess of Asturias Foundation and the Banco de Sabadell Foundation. She also sat on the boards of the Spanish Securities Exchange Commission, the European Securities and Markets Authority, and the Subcommittee on Consumer Protection and Financial Innovation of the Joint Committee of the European Banking, Securities and Insurance Supervisory Authorities.

With this appointment, MAPFRE makes further progress with the inclusion of women in its governing bodies, with four women holding seats on its board of directors, which represents 24 percent of the total.

Madrid, July 27, 2016. For further information, please contact MAPFRE's Corporate Communication Division (telephone +34 91 581 83 66; +34 91 581 91 68; +34 91 581 87 14), email: [javier.fernandez@mapfre.com](mailto:javier.fernandez@mapfre.com); [juanfrances@mapfre.com](mailto:juanfrances@mapfre.com); [joaquinhernandez@mapfre.com](mailto:joaquinhernandez@mapfre.com).

**MAIN CONSOLIDATED FIGURES**

Results	Million €		% Var.
	6M 2015	6M 2016	6M 2016 / 6M 2015
<b>GROSS WRITTEN AND ACCEPTED PREMIUMS</b>	12.175,2	12.079,5	-0,8%
Non-life	9.639,3	9.510,7	-1,3%
Life	2.535,9	2.568,8	1,3%
<b>TOTAL CONSOLIDATED REVENUES</b>	14.518,7	14.640,8	0,8%
<b>RESULTS BEFORE TAX AND NON-CONTROLLING INTERESTS</b>	814,4	904,7	11,1%
<b>RESULTS AFTER TAX AND NON-CONTROLLING INTERESTS</b>	315,6	380,4	20,5%
<b>EARNINGS PER SHARE (euro cents)</b>	0,10	0,12	20,5%
Balance Sheet	Million €		% Var.
	6M 2015	6M 2016	6M 2016 / 6M 2015
<b>TOTAL ASSETS</b>	67.757,4	69.088,7	4,3%
<b>MANAGED SAVINGS(1)</b>	37.717,8	40.267,4	6,8%
<b>SHAREHOLDERS' EQUITY</b>	8.720,8	8.946,1	2,6%

**MAIN FIGURES BY REGIONAL AREAS**

Gross written and accepted premiums	Million €		% Var.
	6M 2015	6M 2016	6M 2016 / 6M 2015
IBERIA	3.706,0	4.027,0	8,7%
BRAZIL	2.512,3	2.186,6	-13,0%
EMEA	816,4	1.390,1	70,3%
NORTH AMERICA	1.363,2	1.462,2	7,3%
LATAM SOUTH	1.298,1	970,3	-25,3%
LATAM NORTH	1.182,4	726,1	-38,6%
APAC	61,1	69,2	13,3%
MAPFRE RE	2.035,8	2.273,9	11,7%
Results before tax and minority interests	Millones €		% Var.
	6M 2015	6M 2016	16/15
IBERIA	202,2	243,5	20,4%
BRASIL	85,5	68,0	-20,5%
EMEA	10,8	-24,3	---
NORTEAMÉRICA	-57,3	42,5	---
LATAM SUR	40,1	17,7	-55,9%
LATAM NORTE	30,7	32,8	6,8%
APAC	2,2	-6,9	---
MAPFRE RE	71,8	90,4	25,9%

(1) Includes: Life technical reserves, mutual and pension funds.