



Madrid, July 26th 2017

SPANISH SECURITIES AND EXCHANGE COMMISSION

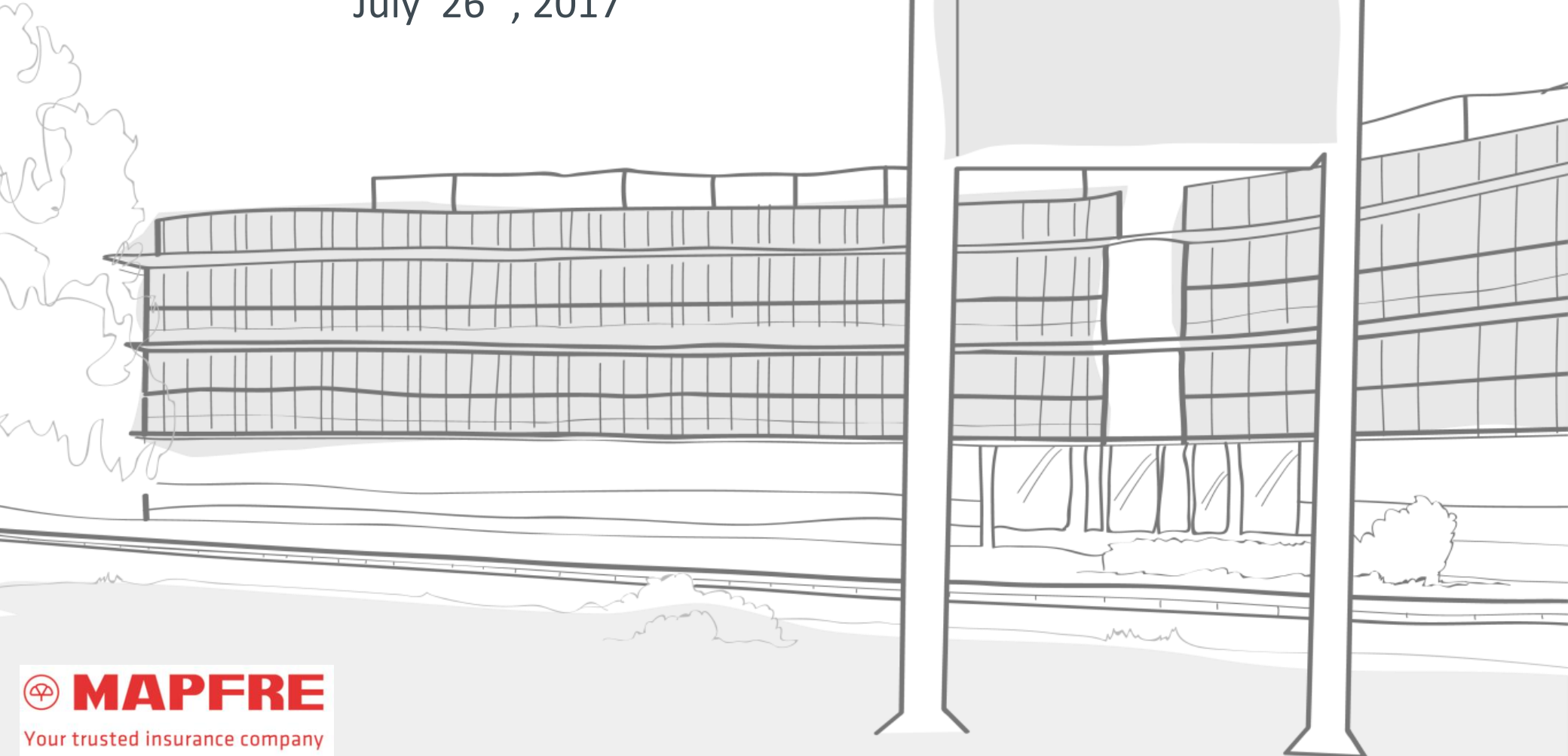
The documentation for the coming meetings to be held with investors is attached herein.

Ángel L. Dávila Bermejo
General Counsel

Financial results First half 2017

Analyst and Investor presentation

July 26th, 2017





01 KEY HIGHLIGHTS

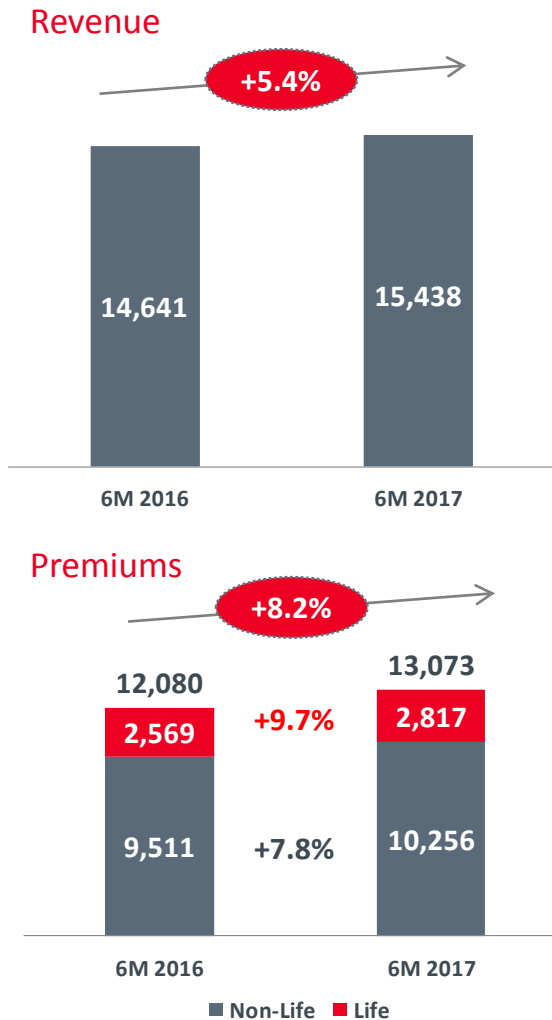
02 FINANCIAL OVERVIEW

Key Figures > 6M 2017

	6M 2017	Δ %
Revenue	15,438.3	5.4%
Total written and accepted premiums	13,073.1	8.2%
- Non-Life	10,256.1	7.8%
- Life	2,817.1	9.7%
Non-Life Combined Ratio	97.2%	-0.4 p.p
Non-Life Loss Ratio	69.7%	-0.2 p.p
Non-Life Expense Ratio	27.4%	-0.2 p.p
Net result	415.1	9.1%
Balance sheet		
Assets under management	59,295.9	0.8%
Shareholders' equity	8,859.6	-2.9%
ROE	9.1%	0.3 p.p
	3M 2017	Δ
Solvency ratio	211.5%	1.6 p.p

Note: Balance sheet, ROE and Solvency ratio variations calculated compared to data at December 31st, 2016

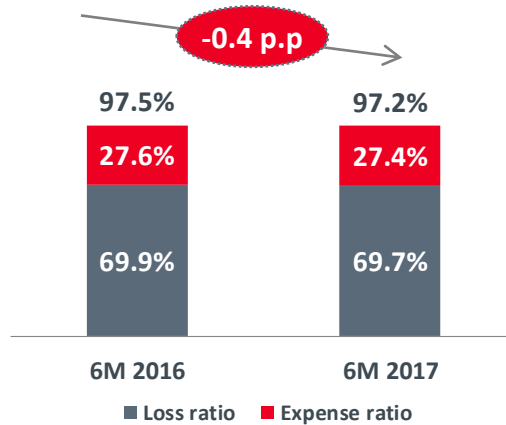
Solid revenue growth, proof of a successful profitable growth strategy . . .



- ✓ **Resilient growth in revenue** despite the fall in financial income as a consequence of falling yields in Brazil and lower realized gains on Unit Linked investments
- ✓ **Appreciation of the Brazilian real and the US dollar**
- ✓ **Significant improvement in Non-Life** despite the ongoing cancellation of non-profitable business segments, with positive developments in main markets, especially Spain and USA, as well as the impact of a multi-year PEMEX policy issued in June in Mexico (€499 mn)
- ✓ **Strong Life premium growth** in Spain, supported by successful sales campaigns and product launches, and the distribution capacity of MAPFRE's agent network and bancassurance agreements

... which is leading to improvements in technical margins

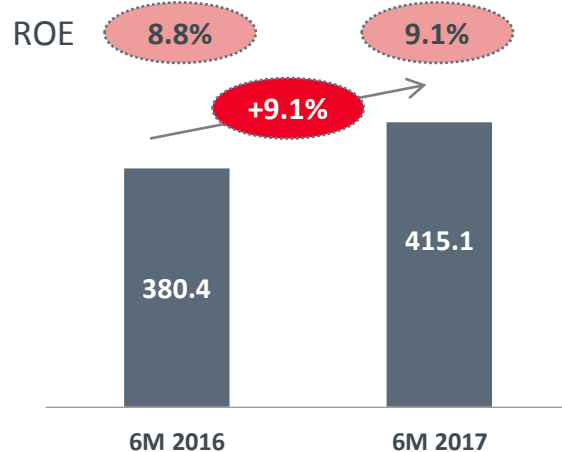
Combined ratio



✓ **Excellent expense ratio** with noteworthy improvements in Spain, Mexico and Italy, as a result of strict cost containment policies as well as the adaptation of the cost structure to business volumes

✓ **Improved claims experience** thanks to rigorous underwriting guidelines and continuous improvements in technical management, with positive performance in several lines of business: Motor in Spain and Turkey and Non-Motor in Brazil and Mexico

Net result

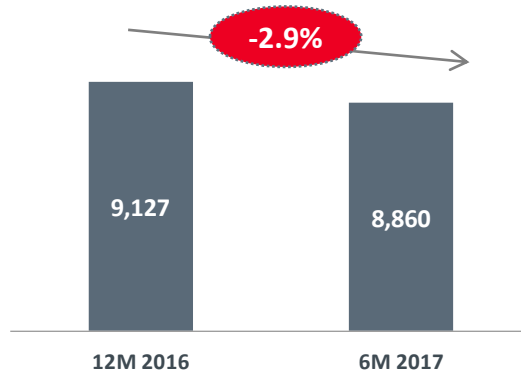


✓ **Higher net result and improvement in ROE** despite an extraordinary catastrophic event during the year

- Excellent performance of core business units
- Relevant improvement in restructured businesses (Colombia, Turkey and Italy)

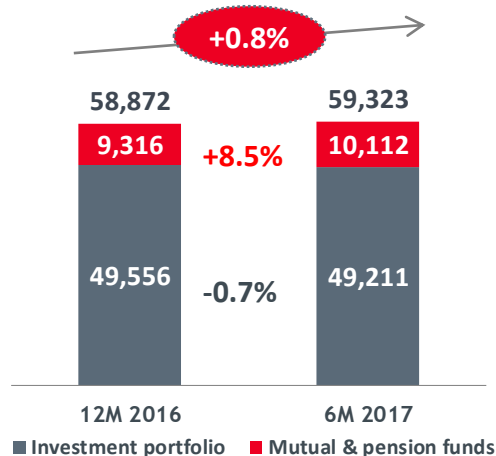
MAPFRE's high level of diversification has helped to mitigate the impact of currency movements and market volatility on the balance sheet

Shareholders' equity



- ✓ **Fall in shareholders' equity** due to the depreciation of several main currencies, mainly the Brazilian real, the US dollar and the Turkish lira during the period

Assets under management



- ✓ **Steady growth in assets under management**
 - Strategy focused on retail Life savings products, especially unit-linked. Boosting the sale of mutual and pension funds
 - Strong performance of equity markets during the year
 - Reduction in the value of the investment as a result of the increase in interest rates during the quarter in Europe

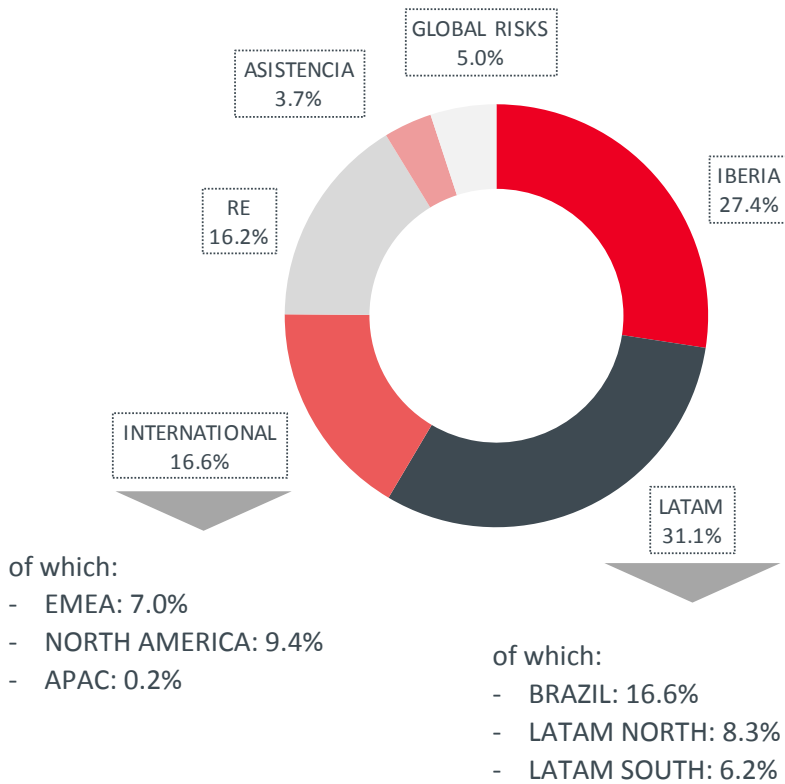
Key Highlights > 2Q 2017

	2Q 2016	1Q 2017	2Q 2017
Revenue	7,377.6	7,854.9	7,583.4
Total written and accepted premiums	5,966.6	6,674.6	6,398.6
- Non-Life	4,486.3	5,217.9	5,038.2
- Life	1,480.4	1,456.7	1,360.4
Non-Life Combined Ratio	98.3%	97.5%	96.8%
Non-Life Loss Ratio	70.5%	70.8%	68.6%
Non-Life Expense Ratio	27.8%	26.7%	28.2%
Net result	188.7	206.2	208.9

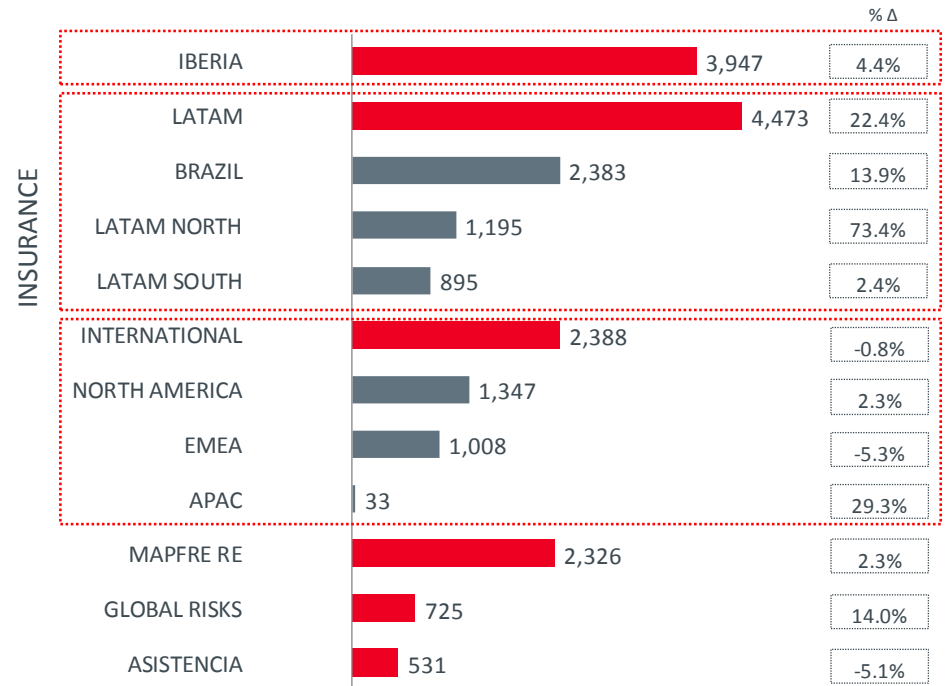
- ✓ Issuance of two-year PEMEX policy in Mexico (€499 mn)
- ✓ Decline in premiums in 2Q in IBERIA, stemming from seasonality effects in Health and the concentration of Life-saving campaigns in the first quarter of the year
- ✓ In IBERIA in 2Q 2016, premiums included a €133 mn group Life savings policy
- ✓ Lower level of large catastrophic and industrial claims in 2Q in BRAZIL, LATAM NORTH and MAPFRE RE
- ✓ Additional losses from Coastal Niño in 2Q (+€30.6 mn pre-tax), mainly at MAPFRE RE and GLOBAL RISKS
- ✓ In Spain, higher frequency in Motor, adverse weather conditions, as well as a large fire-related claim
- ✓ Real Estate:
 - €29 mn net gain from the sale of Luchana building
 - €8.8 mn net loss from provisions of undeveloped land portfolio
- ✓ Full consolidation of ABDA business as of June 1st 2017, which resulted in a €13.5 mn net gain
- ✓ Sale agreement of UNIÓN DUERO VIDA and DUERO PENSIONES and the sale of the annuity business in Peru, which generated net gains of €5.7 mn and €4 mn respectively

Solid trends in main markets with tailwinds from currency movements

Premiums – Distribution by business unit

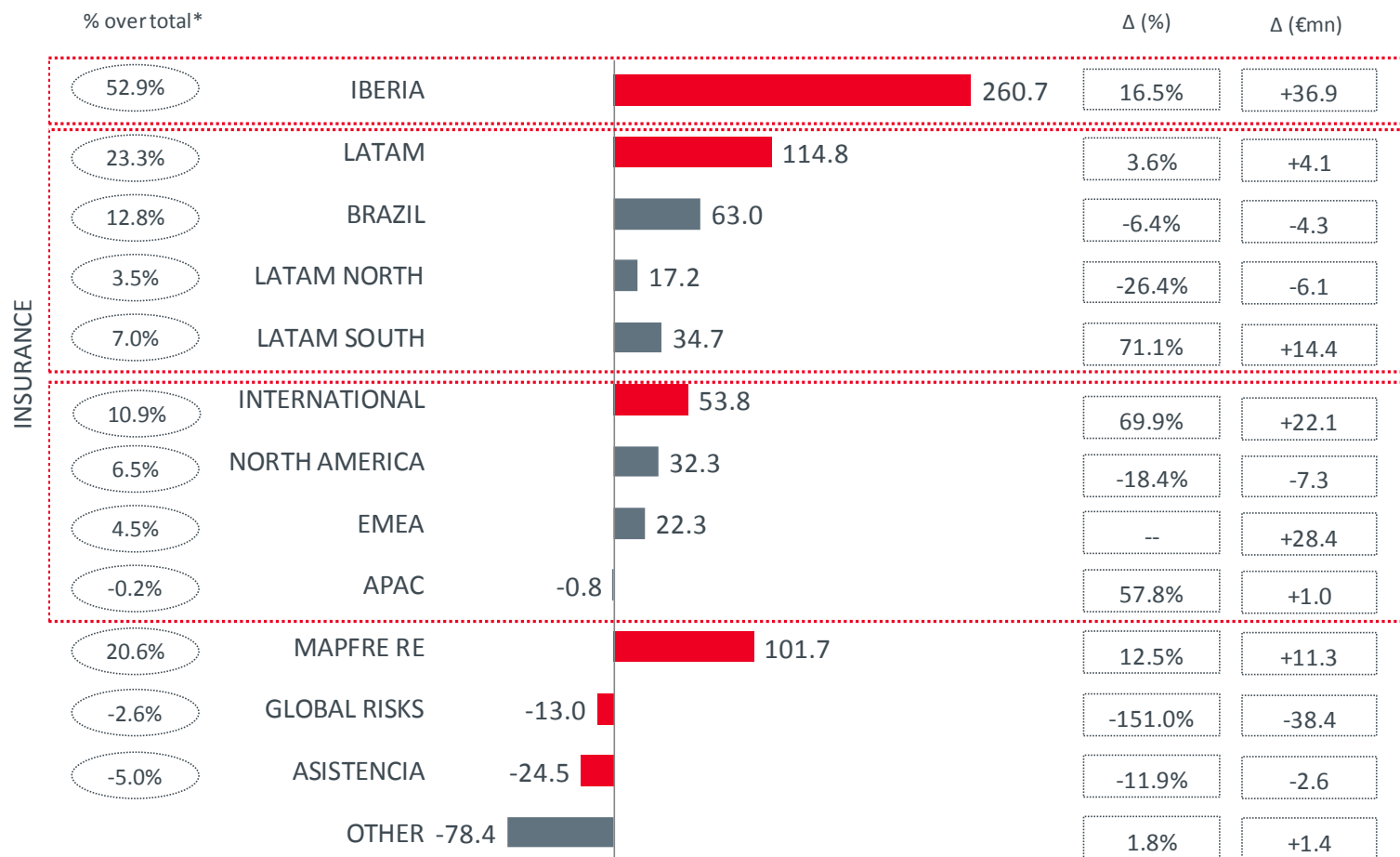


Premiums – Evolution



Results underpinned by solid technical results in core markets and turnaround of several businesses undergoing restructuring processes

Attributable result – Evolution by business unit



* Excluding OTHER (Corporate Areas and consolidation adjustments)

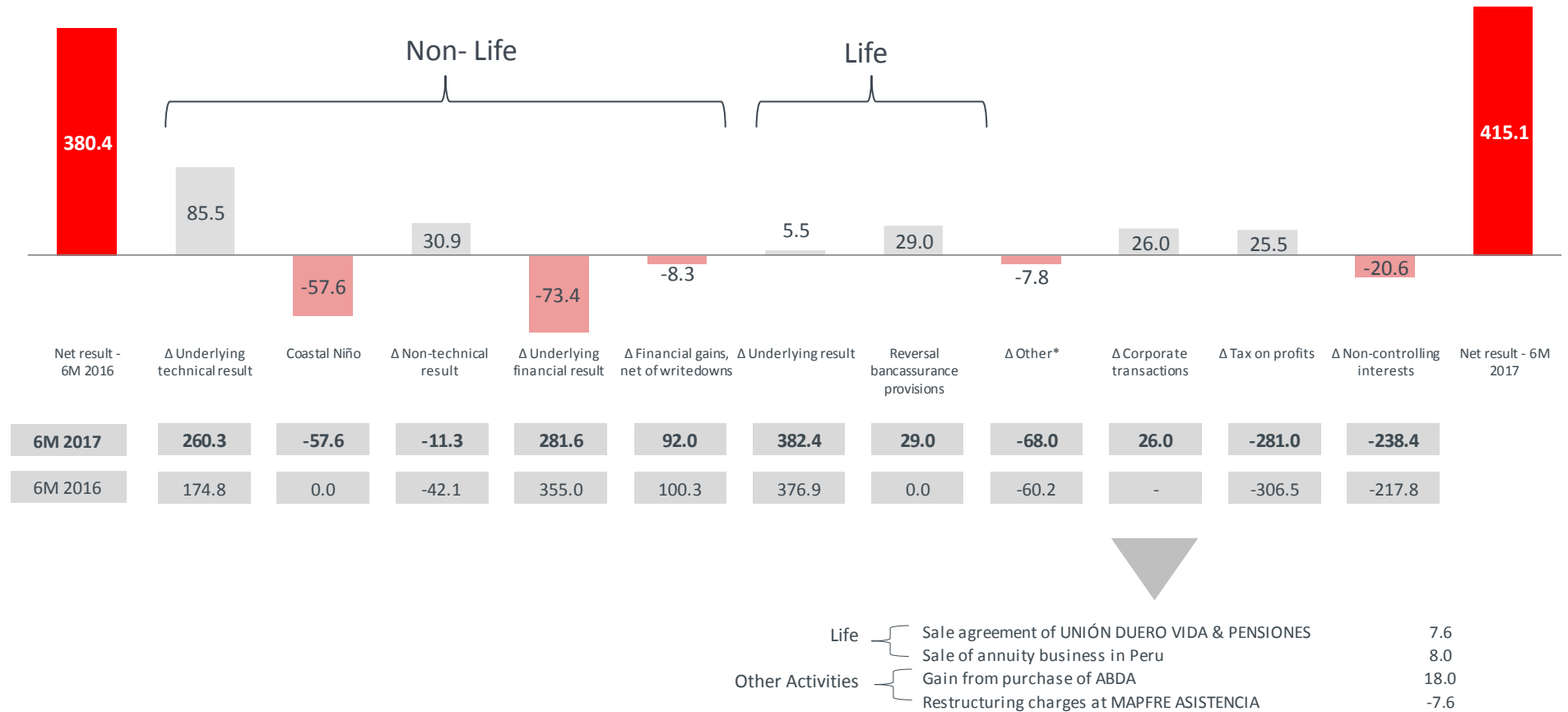
Million euros

01 KEY HIGHLIGHTS

 **02 FINANCIAL OVERVIEW**

Strong underlying result

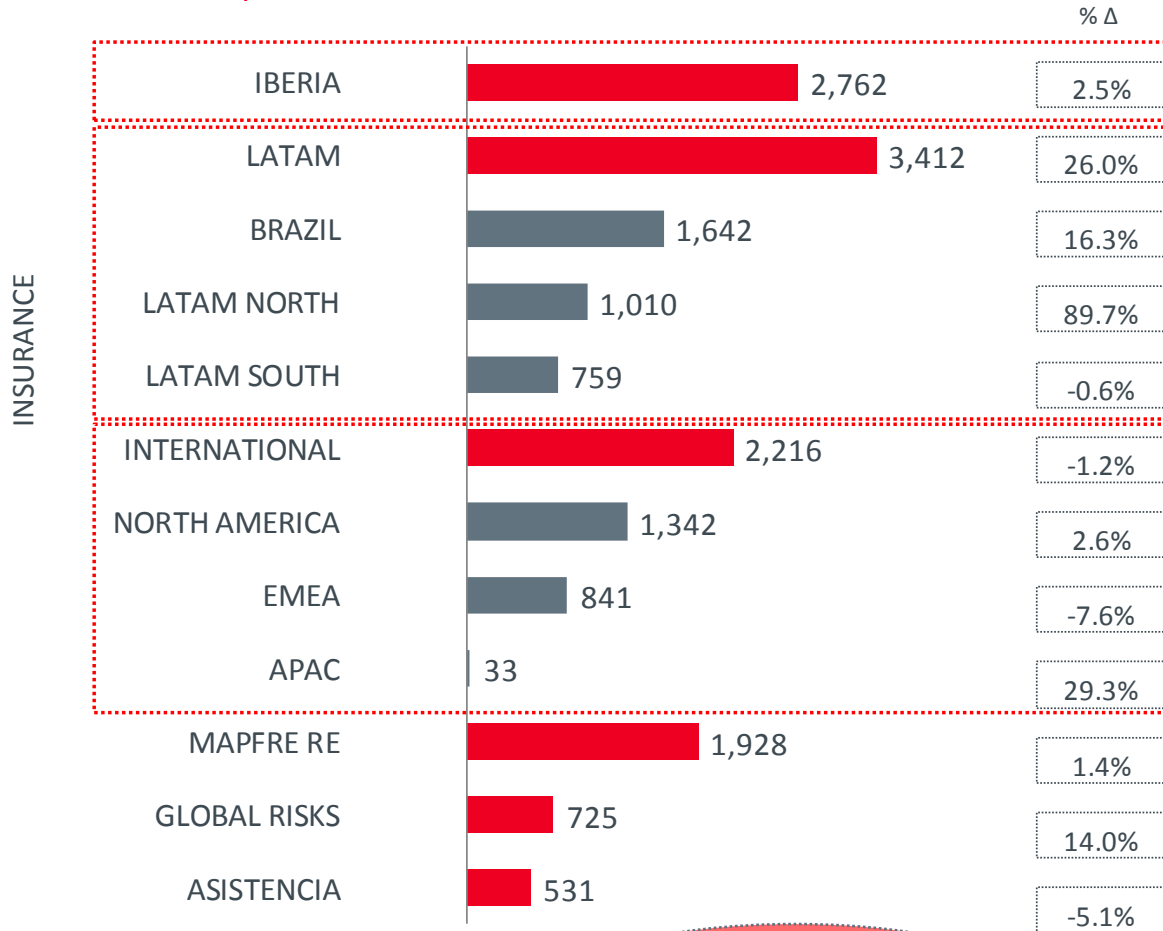
Main drivers of variation of net result – 6M 2017 vs. 6M 2016



*Other includes result from other business activities and hyperinflation adjustments, adjusted for gain from the purchase of ABDA and restructuring charges at MAPFRE ASISTENCIA
Million euros

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

Non-Life premiums

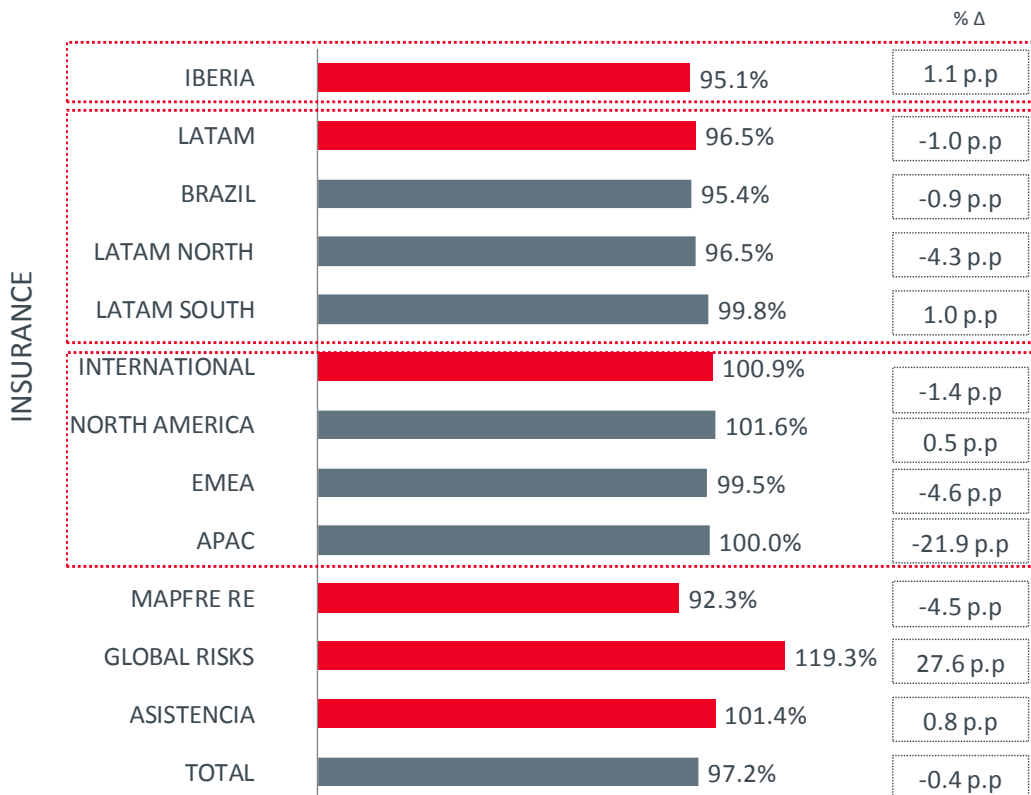


6M 2017 premiums:
€10,256 mn (+7.8%)

- ✓ IBERIA: Notable growth in Retail Motor (+3.3%) and Health (+4.7%)
- ✓ BRAZIL: Solid local currency growth in Industrial Risks (+16.9%) and Agricultural (+18.0%) as well as currency effects, which helped offset the complicated situation in Motor
- ✓ USA: Positive trends in Massachusetts, mainly in Motor, supported by tariff increases, have mitigated the fall in other states (-7.3% in USD)
- ✓ LATAM NORTH: Issuance of PEMEX policy in Mexico (€499 mn). Premiums in the region excluding this effect would have fallen by 4.0%
- ✓ EMEA: Steady growth in Germany and Italy. Decline in Turkey as a result of the strong depreciation of the Turkish lira as well as stricter underwriting guidelines

Cost containment and improvements in technical management continue driving underwriting results

Combined Ratio



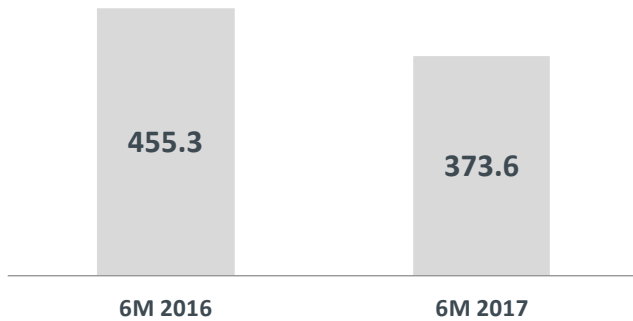
- ✓ Positive claims trends in several main markets helped offset other negative developments:
 - Spain (Motor): Lower frequency and positive evolution of VERTI business
 - Brazil (Agricultural and Multiperil): Benign weather
 - USA (Homeowner): Benefitting from previous year tariff increases
 - Turkey (Motor): Solid performance as a result of previous year tariff increases and stricter underwriting guidelines
 - LATAM NORTH: Improvements in General Insurance, due to lower frequency, as well as in Health

- ✓ Negative claims developments:
 - Higher frequency in Motor in Brazil and Mexico
 - Large industrial claims at GLOBAL RISKS and in IBERIA
 - IBERIA: Adverse weather conditions in Southern Spain in the first quarter and in Eastern Spain in the second quarter
 - LATAM SOUTH: Coastal Niño in Peru, as well as flooding and forest fires in Chile

- ✓ Continuous improvement in the expense ratio, especially in IBERIA, LATAM NORTH and Italy
 - Strict cost containment initiatives
 - Adaptation of the cost structure to business volumes across several regions

Decline in net financial income on the back of lower interest rates in Brazil and negative evolution of the US dollar

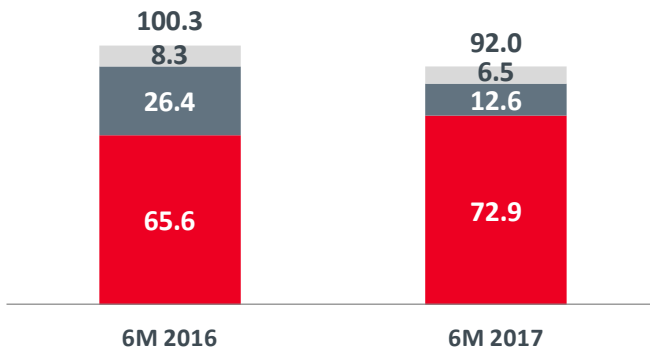
Net financial income – Non-Life



- ✓ Negative foreign exchange differences in 6M 2017 (-€23.7 mn), compared to +€22.6 at 6M 2016, driven by the evolution of the dollar

- ✓ Fall in financial income in BRAZIL due to lower interest rates and inflation

Realized capital gains & losses, net of writedowns*



- ✓ Realized gain from the sale of the Luchana building (€48 mn), which was partially offset by provisions on undeveloped land (-€11.7 mn)

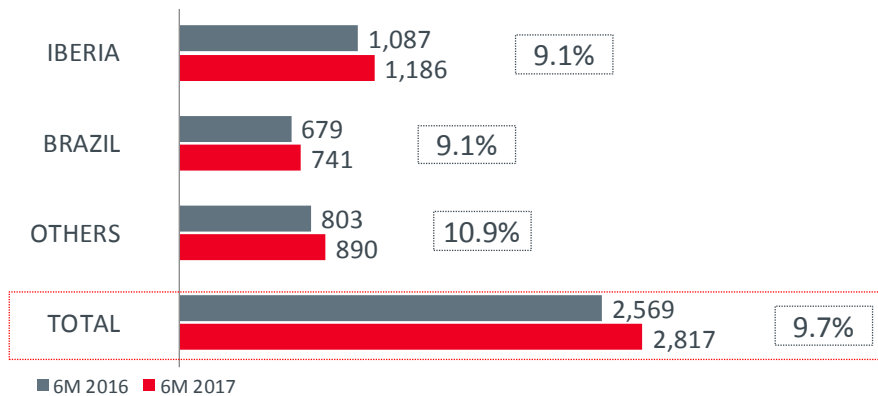
- ✓ Lower level of realized gains on financial investments during the second quarter due to less favorable market conditions

- ✓ Actively managed equity and mutual fund portfolios currently have €178 mn of unrealized gains

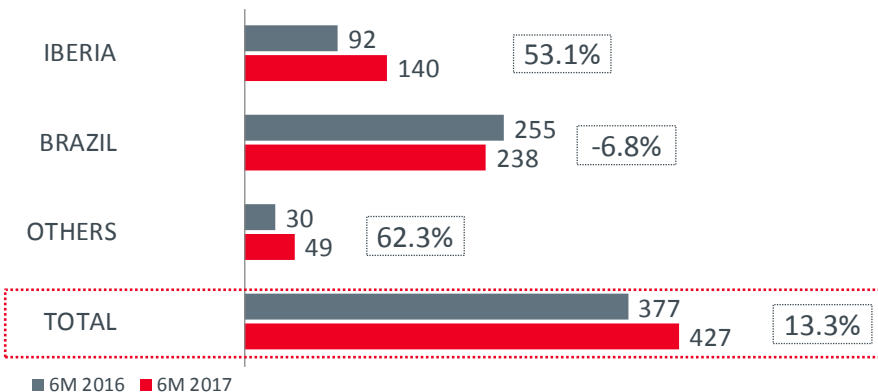
■ MAPFRE ESPAÑA ■ MAPFRE RE ■ MAPFRE GLOBAL RISKS

Strong contribution of Life business thanks to distribution capacity and improving results

Premiums – Life



Technical-Financial result - Life



Million euros

✓ IBERIA:

- Successful launch of new savings products and sales campaigns, especially unit-linked, with solid performance in bancassurance
- Premiums included a €133 mn in group savings policy in 2Q 2016. Excluding this effect premiums would have grown by 24.3%.
- Improvement in margins
- Higher realized gains, including a net gain of €5.7 mn, resulting from the sale agreement of UNIÓN DUERO VIDA and DUERO PENSIONES

✓ BRAZIL:

- Decrease of issuance in local currency (-5%) negatively affected by lower credit activity
- Decline in financial income due to lower rates and lower inflation
- High margins in Life-Protection business in bancassurance channel

✓ LATAM SOUTH:

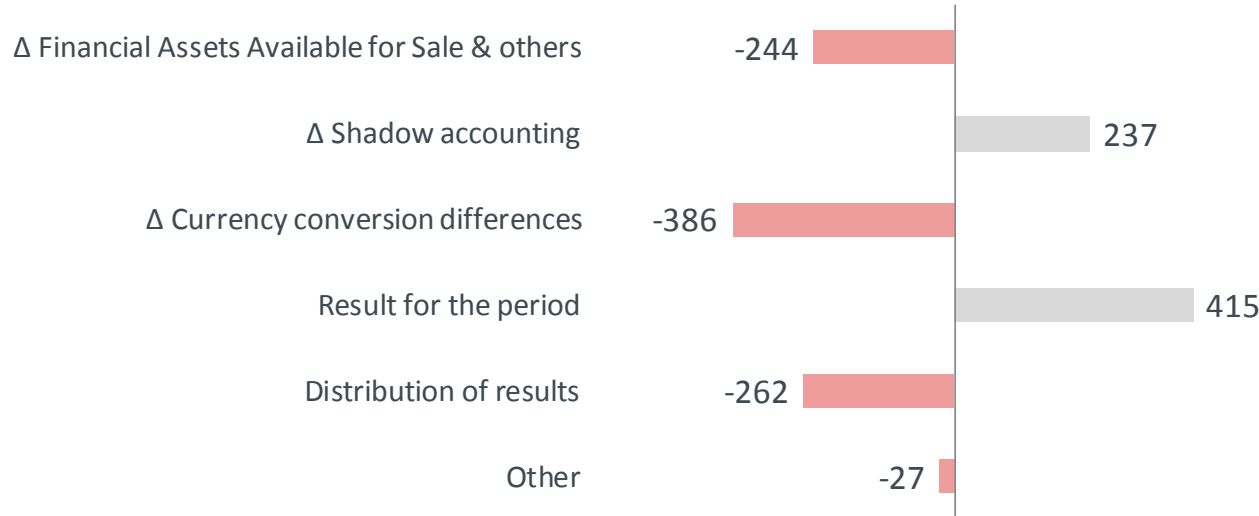
- Gains from the sale of the annuity business in Peru
- Improvements in Colombia, thanks to the restructuring process carried out last year

Depreciation of main currencies during the quarter

Change in shareholders' equity

Shareholders' equity – 2016 year end

9,127



Shareholders' equity – 6M 2017

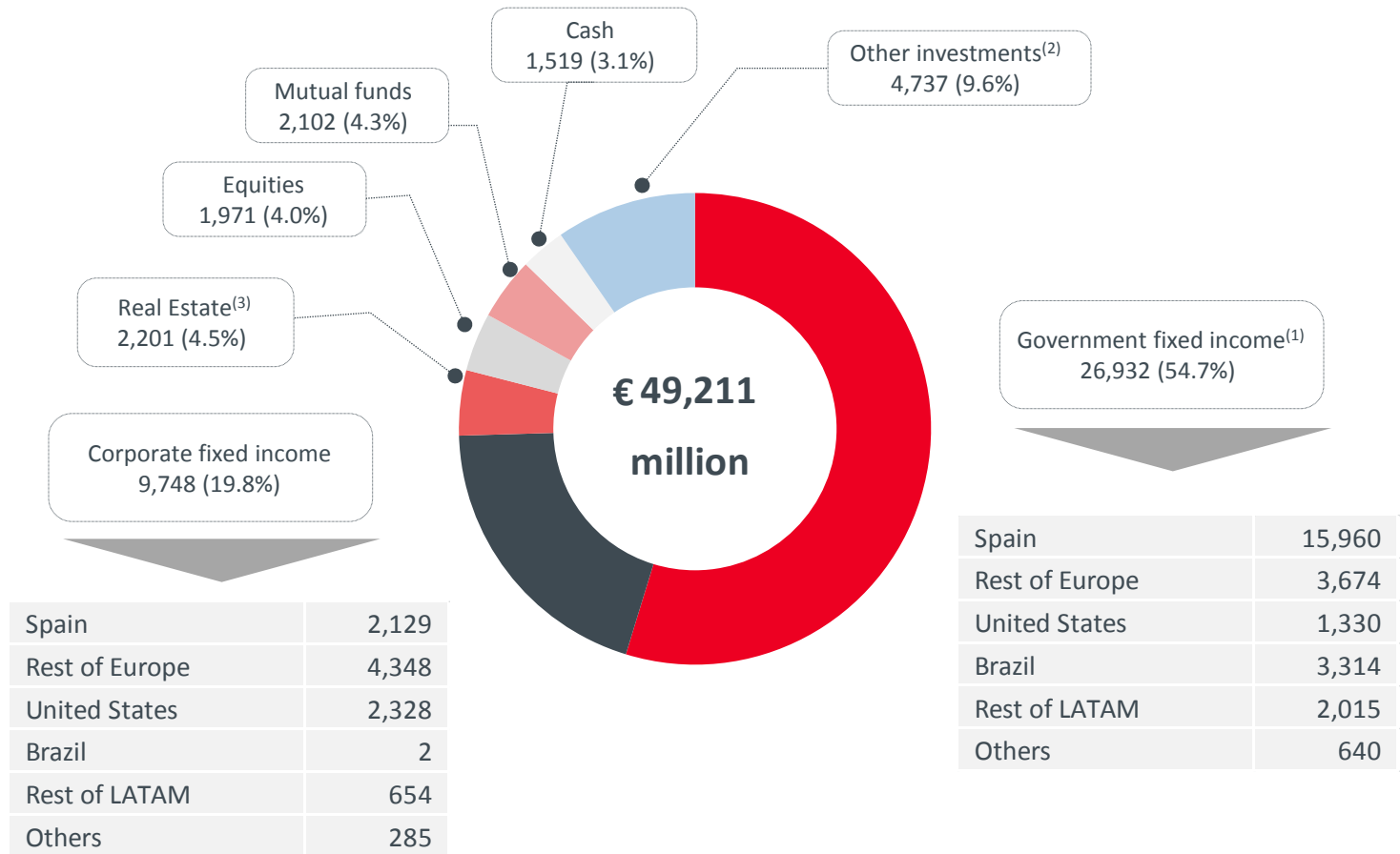
8,860

Key highlights

- ✓ Negative impact from the depreciation of several main currencies, mainly the Brazilian real (-9.5%), the US dollar (-7.9%) and the Turkish lira (-7.7%)
- ✓ Decrease in the value of financial investments available for sale due to an increase in yields in Europe, which was largely offset by shadow accounting
- ✓ Result for the period
- ✓ Final dividend against 2016 results, which was approved by the Annual General Meeting and paid on June 20th

Asset allocation reflects market movements, as well as a reduction of fixed income and increase in equity

Investment portfolio – Breakdown by asset class



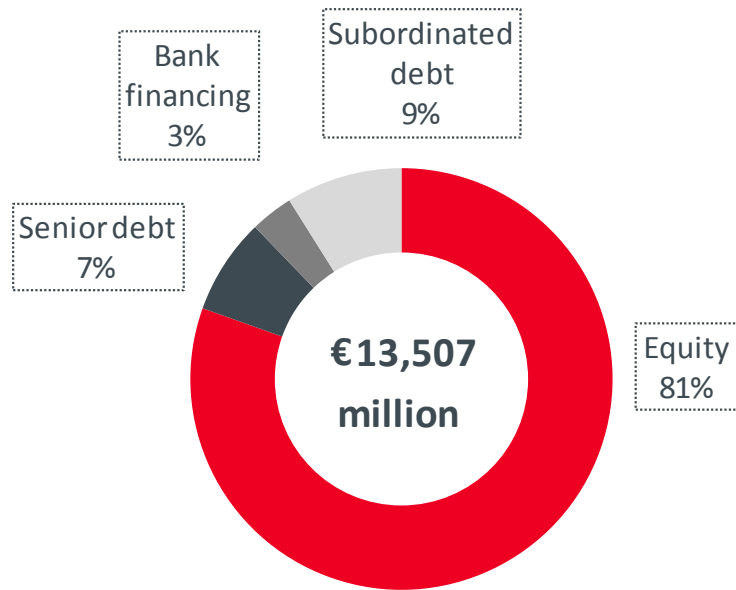
1) Includes multilateral bodies

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

Diversified and high quality capital structure

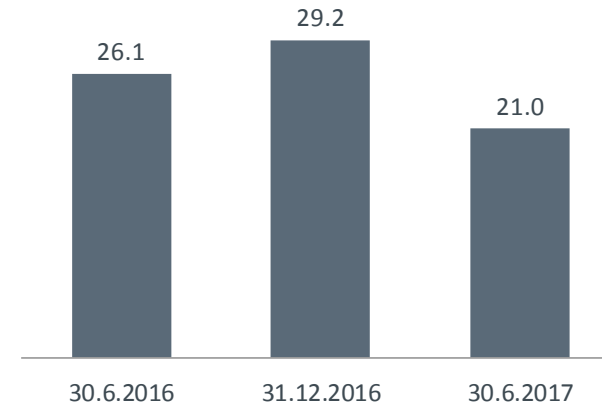
Capital structure



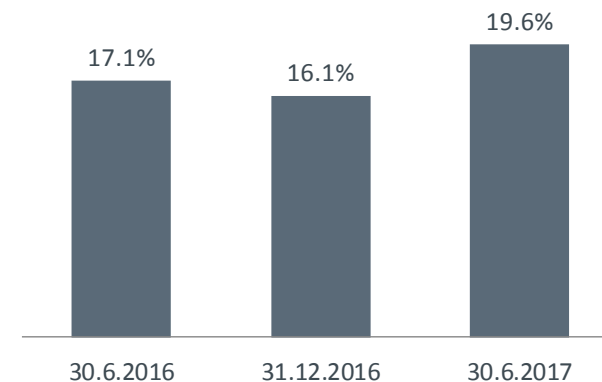
- ✓ On June 19th 2017, MAPFRE announced the early redemption of the July 2007 outstanding subordinated bond on its first call date (July 24th 2017)
- ✓ Partially paid back syndicate credit facility. Balance at June 2017: €320 mn (€380 mn at March 2017)

Million euros

Interest coverage (x) ⁽¹⁾



Leverage ⁽²⁾

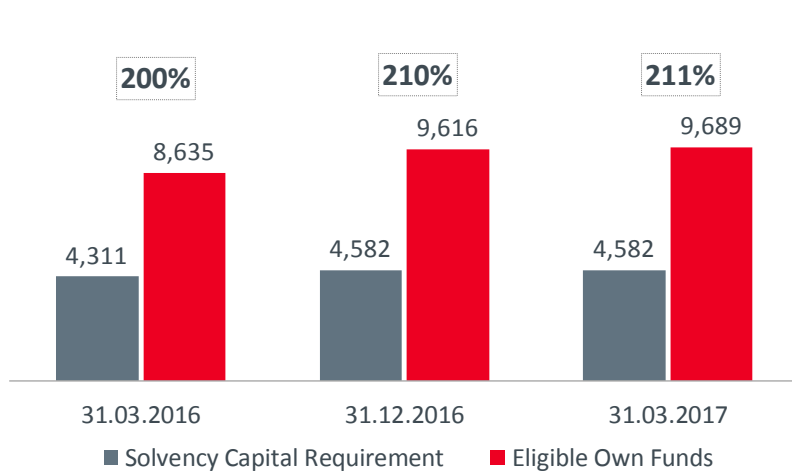


(1) Earnings before tax & financial expenses (EBIT)/ financial expenses

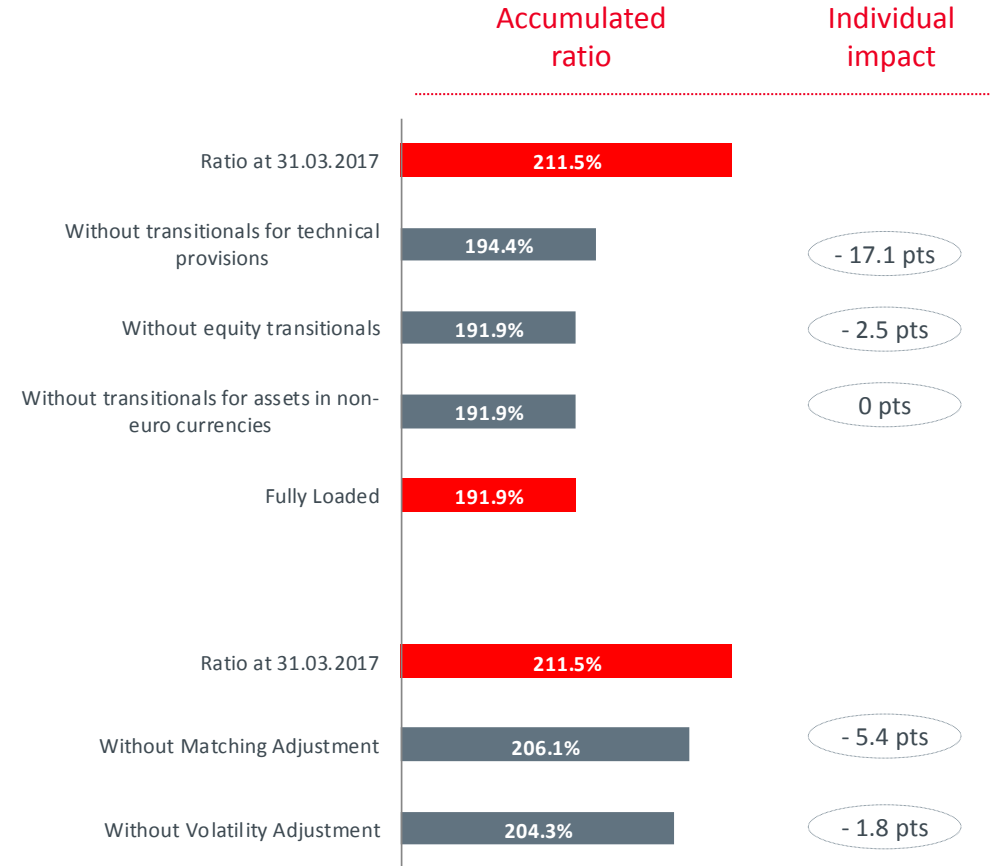
(2) Total Debt/ (Total Equity + Total Debt)

Stable solvency position

Solvency II ratio



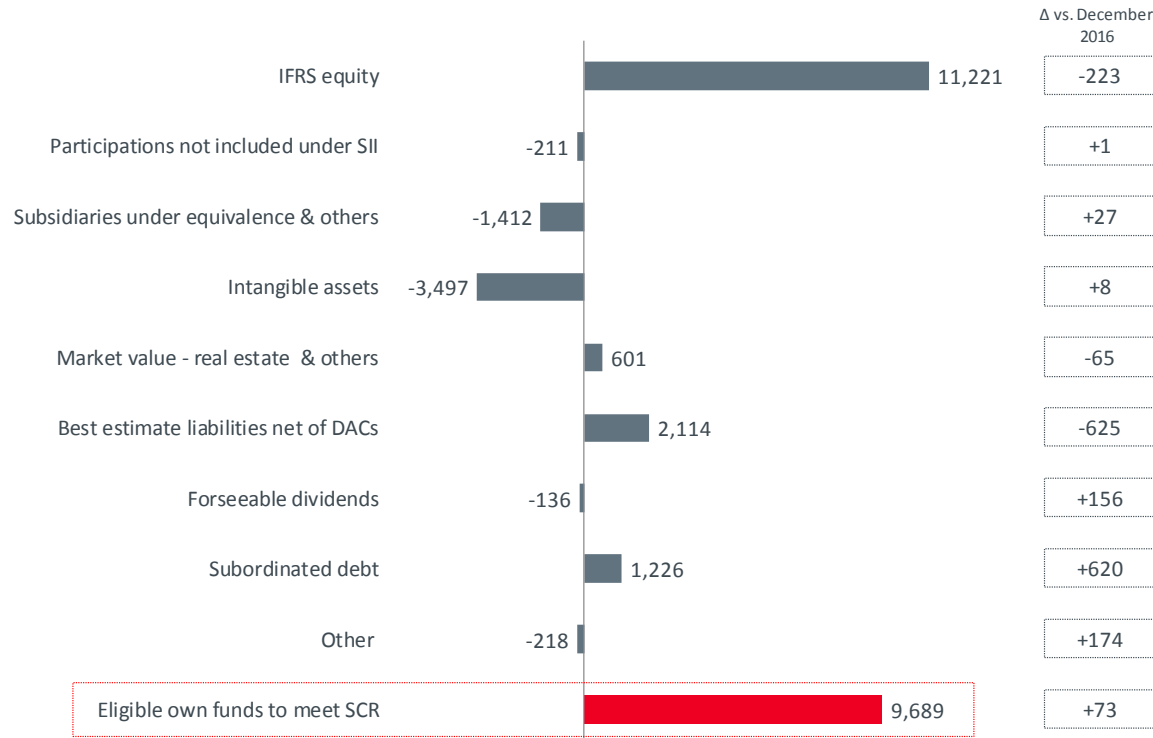
Tier 1	€8,463 mn (87%)
Tier 2	€1,226 mn (13%)



- ✓ **Fully loaded Solvency II ratio:** ≈192% (excluding impacts of transitional measures for technical provisions and equity)
- ✓ **Pro-forma Solvency ratio:** ≈198% (excluding subordinated bond called on July 24th 2017)

Increase in Eligible Own Funds

IFRS Equity and Eligible Own Funds reconciliation – March 2017

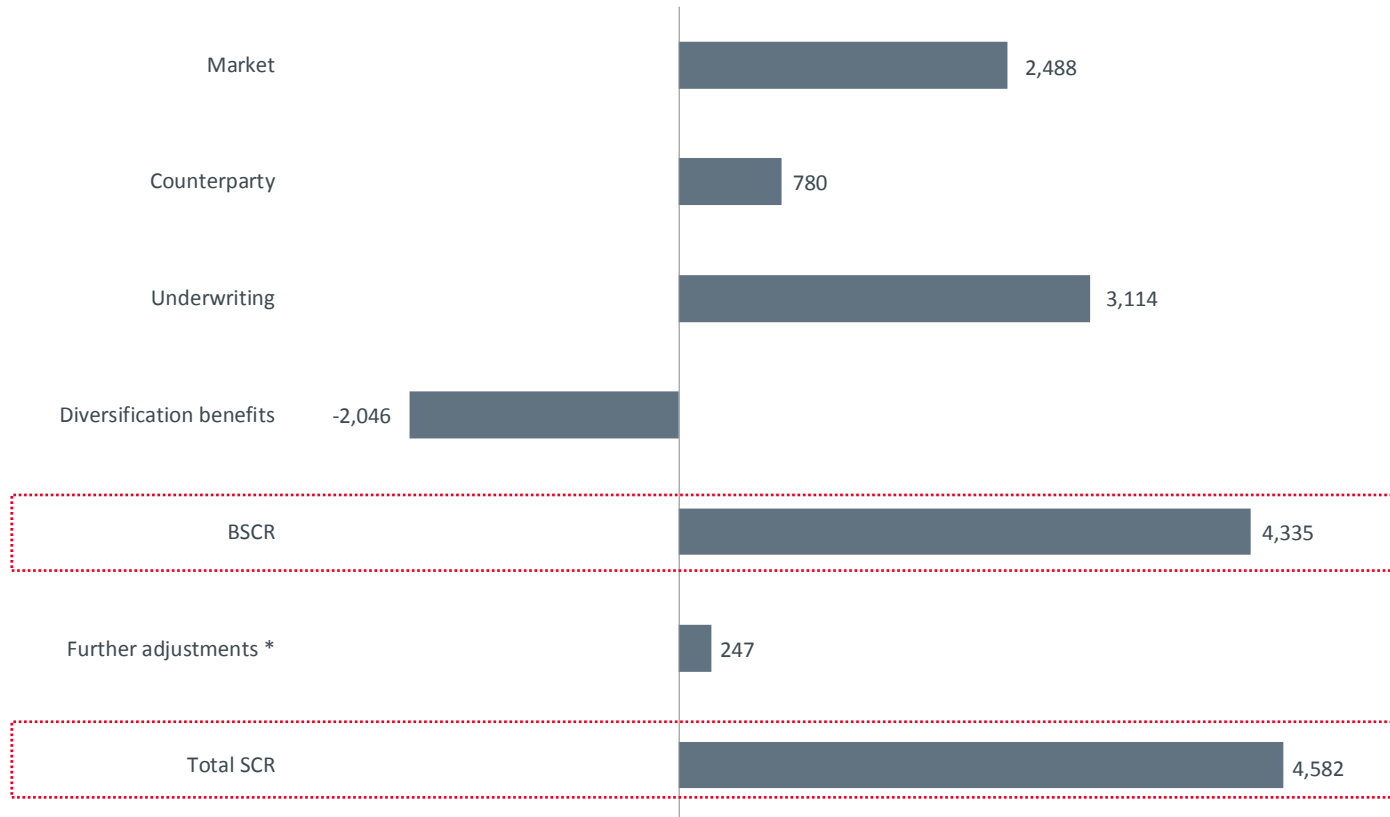


Key highlights

- ✓ Increase in Eligible Own Funds during the period due to subordinated debt issued in March, which was partially offset by:
 - The elimination of profit from future premiums in the provisions of the quarter
 - The impact of the phase out of the transitional measures for technical provisions (≈ -€50 mn net impact)

Well balanced risks that optimize diversification benefits

Solvency Capital Requirement per risk category



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

Data as at December 31st, 2016. The SCR is calculated annually

Solvency II: Next steps

Streamline processes

- ✓ Continue working to speed up and streamline Solvency II calculation process

Scope

- ✓ Analyze feasibility of treatment of Puerto Rico under third party equivalence
- ✓ Consideration of ABDA

Internal models

- ✓ Adapt existing internal models for longevity, mortality and Motor underwriting risks to calculate regulatory capital for Spanish entities

After the initial phase of Solvency II implementation, MAPFRE is continuously working to enhance capital models

Market Consistent Embedded Value: Key Figures 2016

	2016	△ %
Value of In-force Business (VIF) ⁽¹⁾	2,552.1	65.0%
Market Consistent Embedded Value (MCEV) ⁽¹⁾	4,548.5	44.0%
Attributable to the Parent Company	3,664.5	53.7%
Attributable to Minority Interests	884.0	14.1%
Return on Embedded Value (RoEV)	10.4%	2.6 p.p.
Present Value of New Business Income (PVNBI) ⁽¹⁾	4,927.2	30.7%
Value added by new business ⁽¹⁾	155.5	9.3%
New business margin	3.2%	-0.6 p.p.

Key highlights

- MCEV methodology aligned with Solvency II
- Elimination of UNION DUERO VIDA and PENSIONES business
- Inclusion of Burial business of MAPFRE ESPAÑA, as well as the Life businesses of BANKINTER VIDA in Portugal and MIDDLESEA VALLETA in Malta

1) No adjustments made for the share of minority interests

Terminology



Combined ratio – Non-Life	Expense ratio + Loss ratio
Expense ratio – Non-Life	(Operating expenses, net of reinsurance – other technical revenue + 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 returned premiums) / 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
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 result
Solvency II ratio	Eligible Own Funds / Solvency Capital Requirement 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/corporate/institutional-investors/investors/financial-information/alternative-performance-measures.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.