

**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**

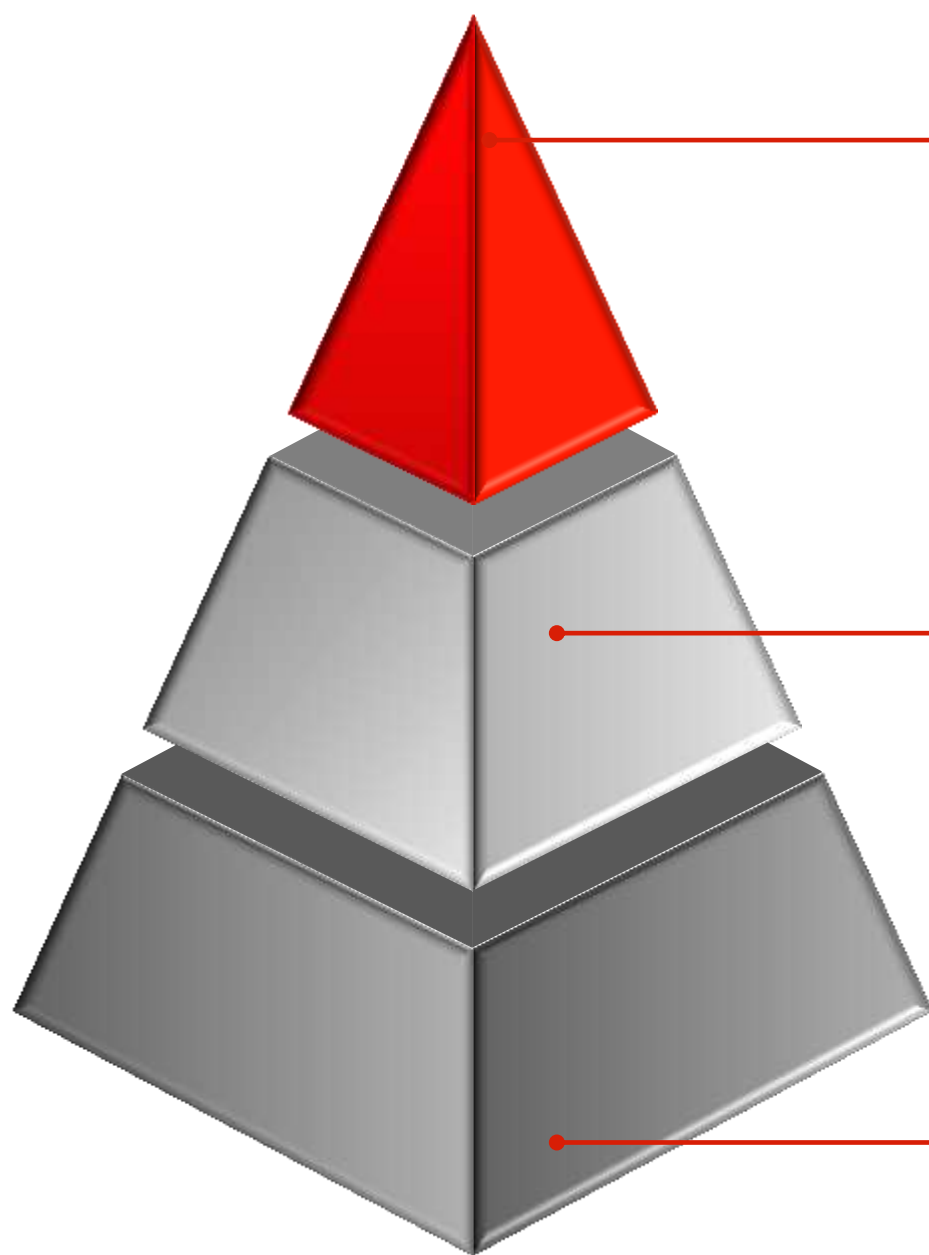
(Excl. goodwill  
writedown)

**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

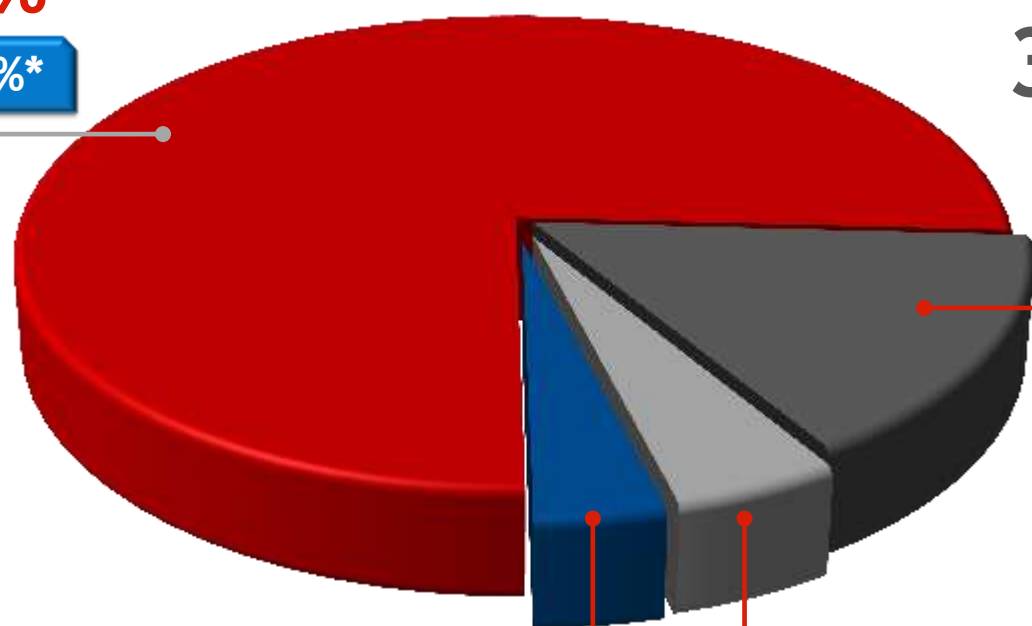
# PREMIUMS/EARNINGS BY BUSINESS AREA

## PREMIUMS

INSURANCE  
18,736

-3%

+4%\*

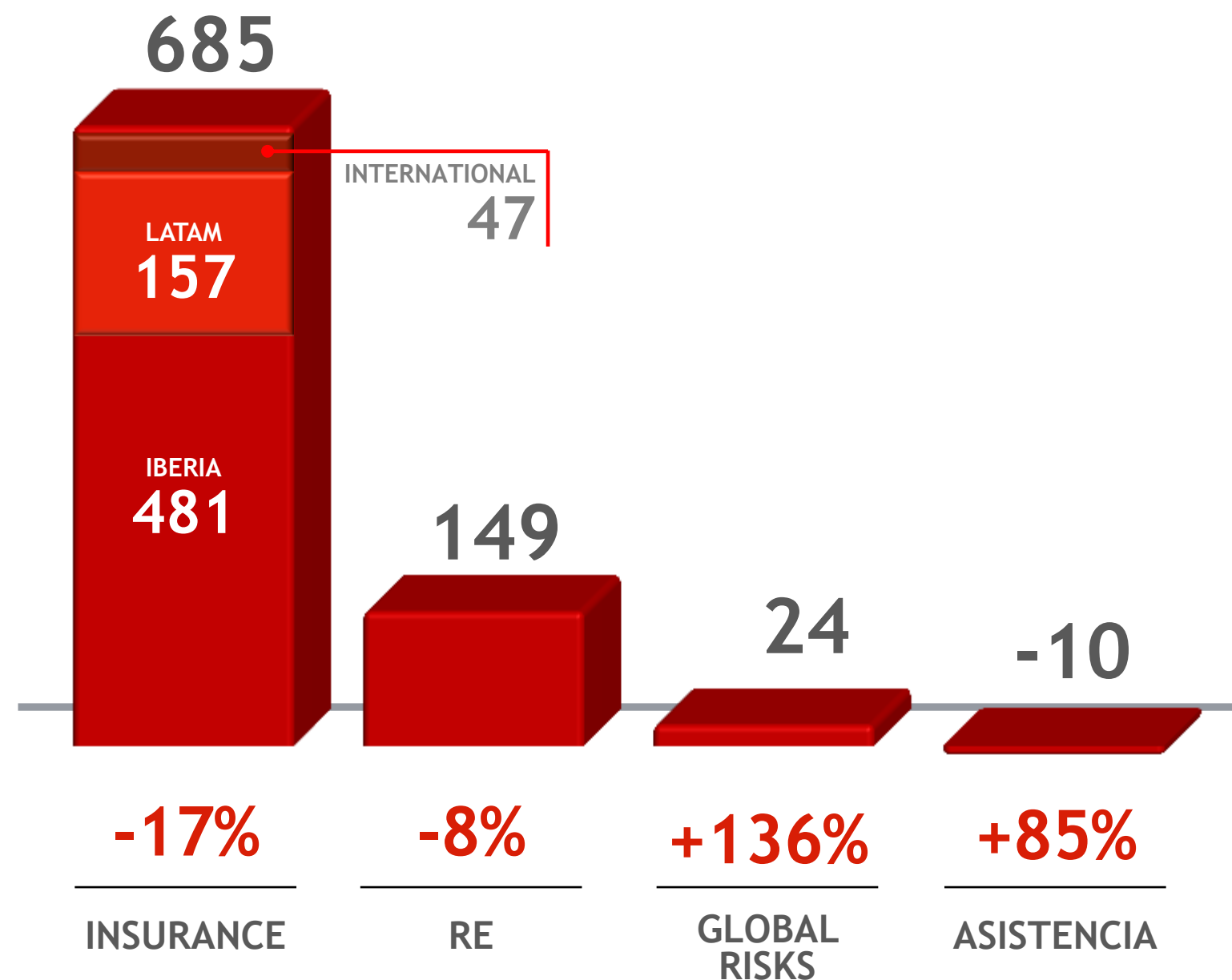


ASISTENCIA  
911  
-7%

GLOBAL RISKS  
1,174  
-7%

RE  
3,787  
-10%

## NET EARNINGS



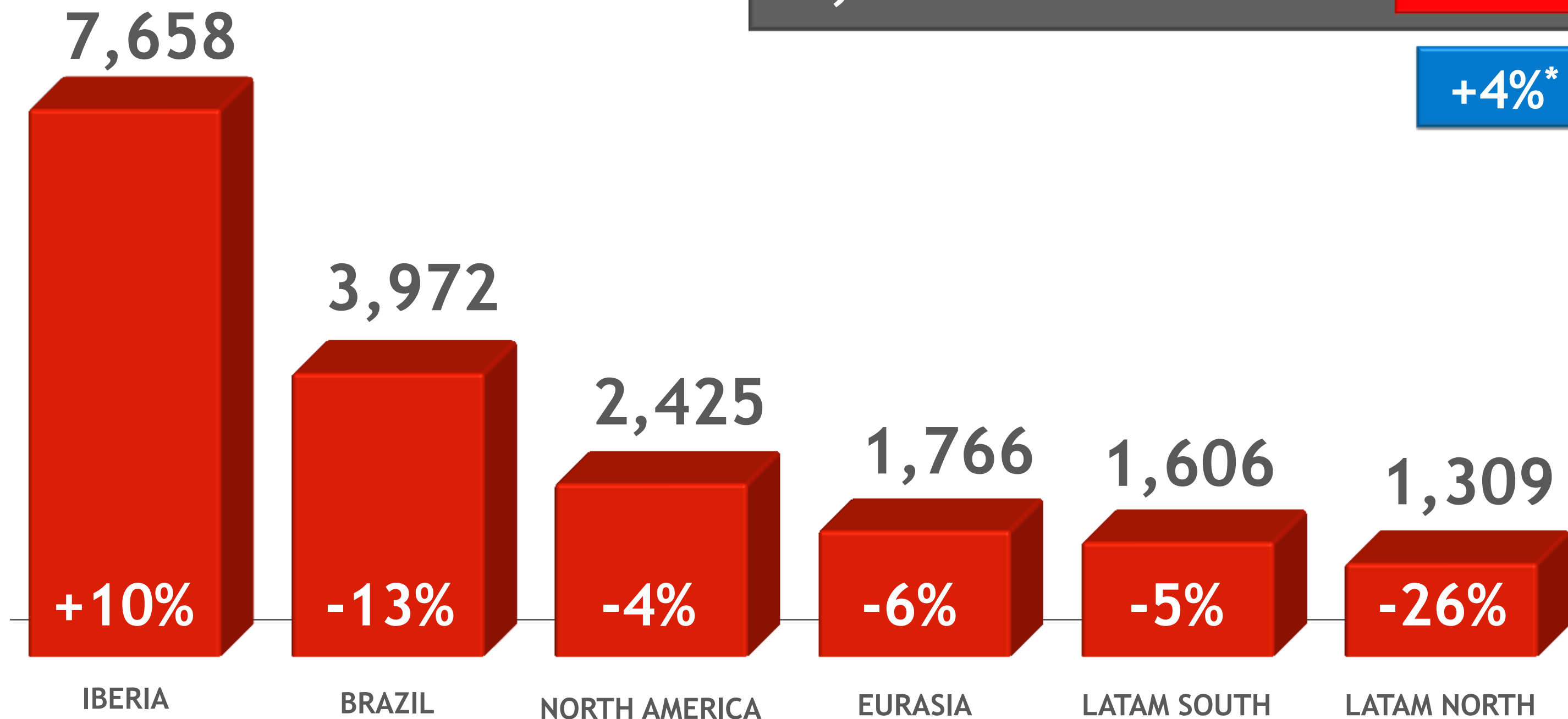
Millions of de euros  
Data not adjusted for consolidation  
\*Data in blue at constant exchange rates

# INSURANCE UNIT PREMIUMS BY REGION

18,736 IN PREMIUMS

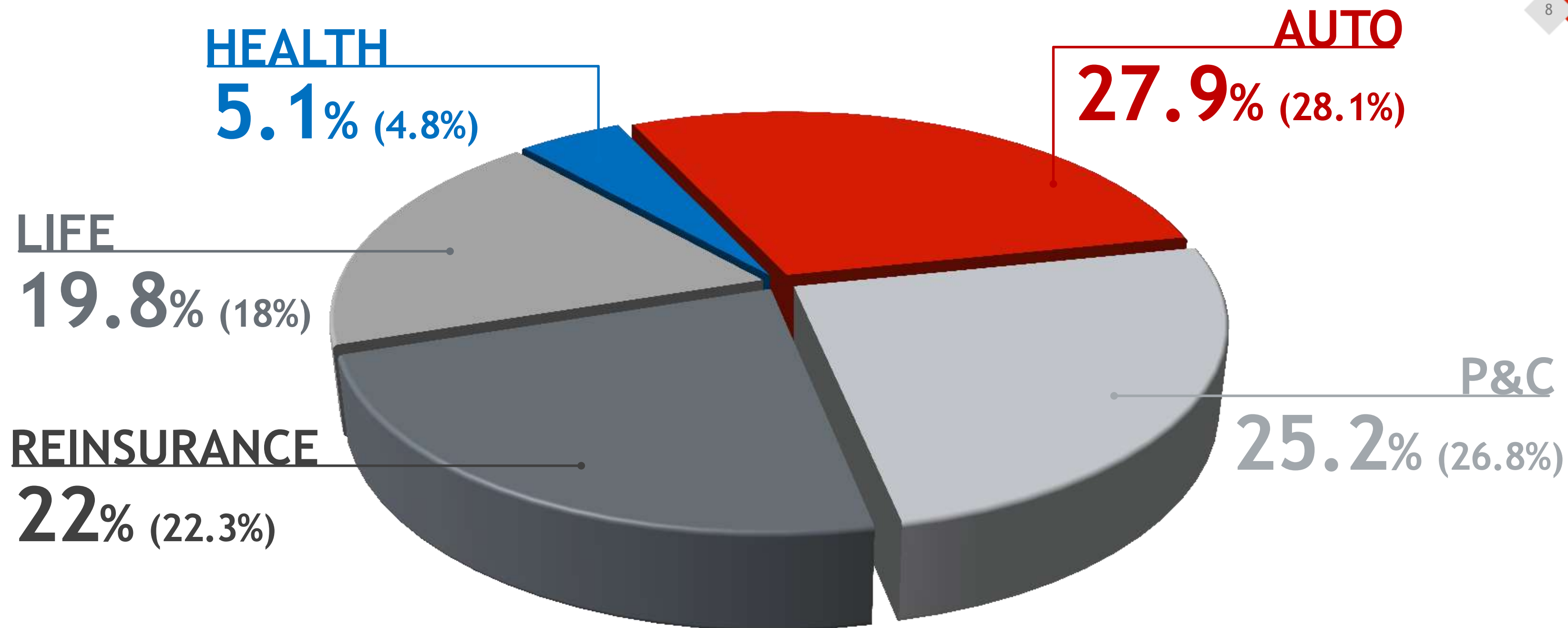
-3%

+4%\*



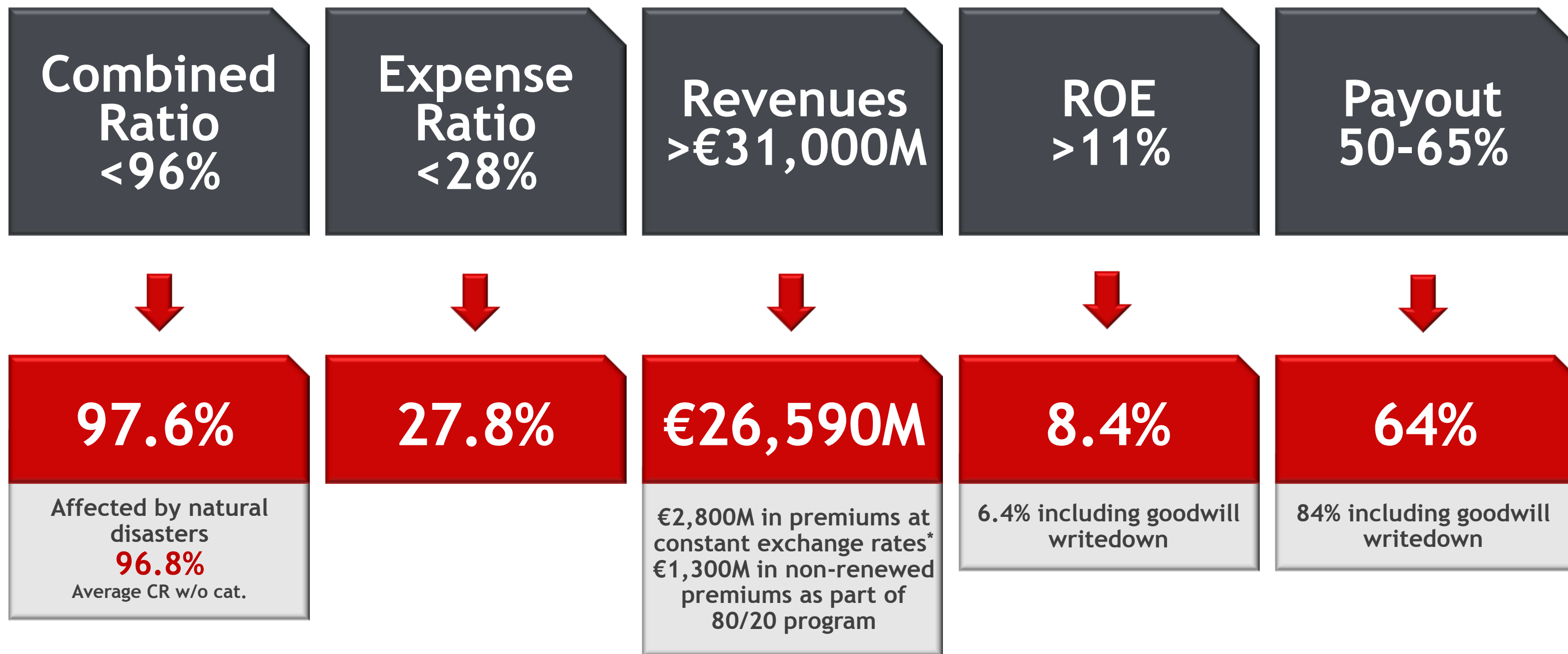
Millions of euros  
\*Data in blue at constant exchange rates

## DISTRIBUTION OF PREMIUMS





# FINANCIAL OBJECTIVES 2016-2018



\*Excluding the impact from hyperinflationary economies

**FERNANDO MATA**

CFO and Member of the Board

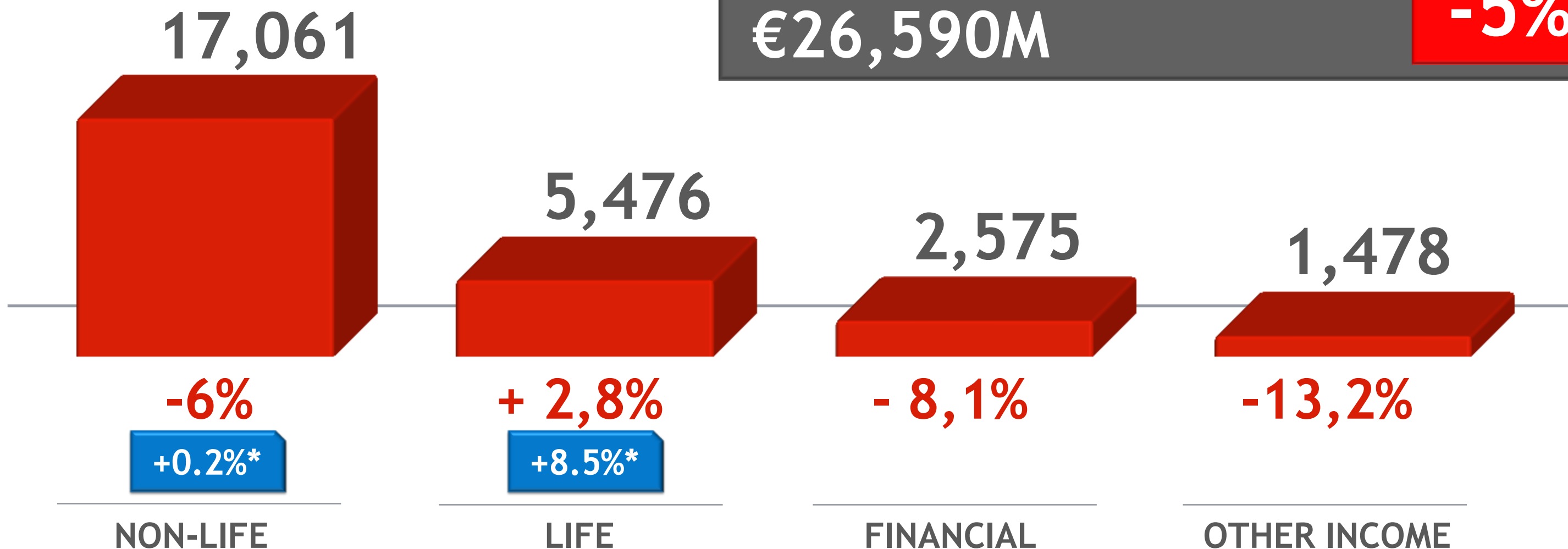
**2018 ANNUAL RESULTS**



# REVENUES AND PREMIUMS

CONSOLIDATED REVENUES  
€26,590M

-5%



TOTAL PREMIUMS (LIFE / NON-LIFE)

€22,537M in 2018

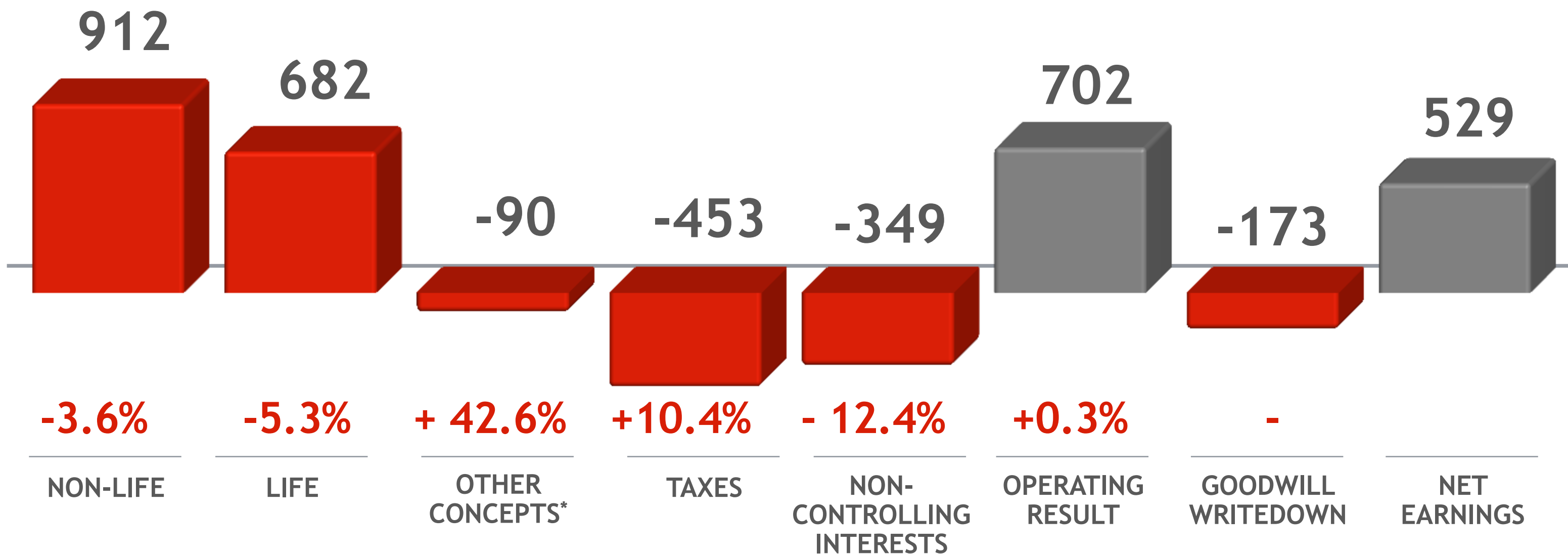
-4%

+2.1%\*

# EARNINGS BREAKDOWN

NET EARNINGS  
€529M

**-24.5%**



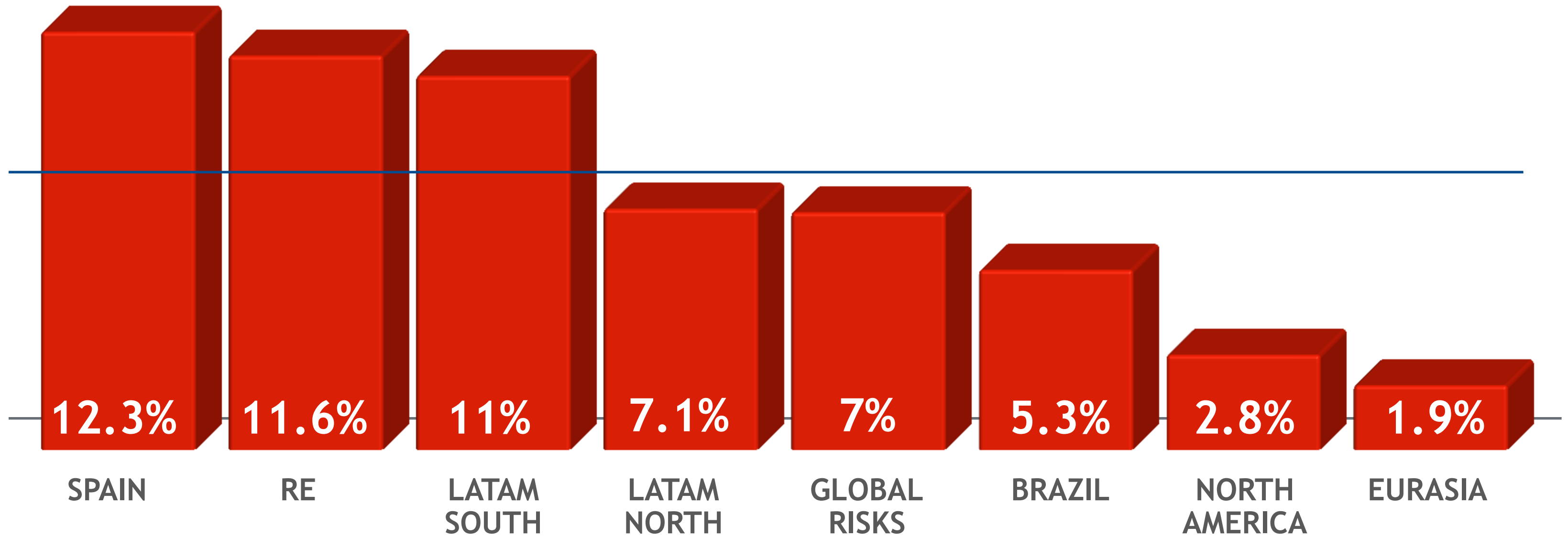
Millions of euros

\*Includes other activities, Holding costs and hyperinflation adjustments



# ROE

ROE GROUP **8.4%\***



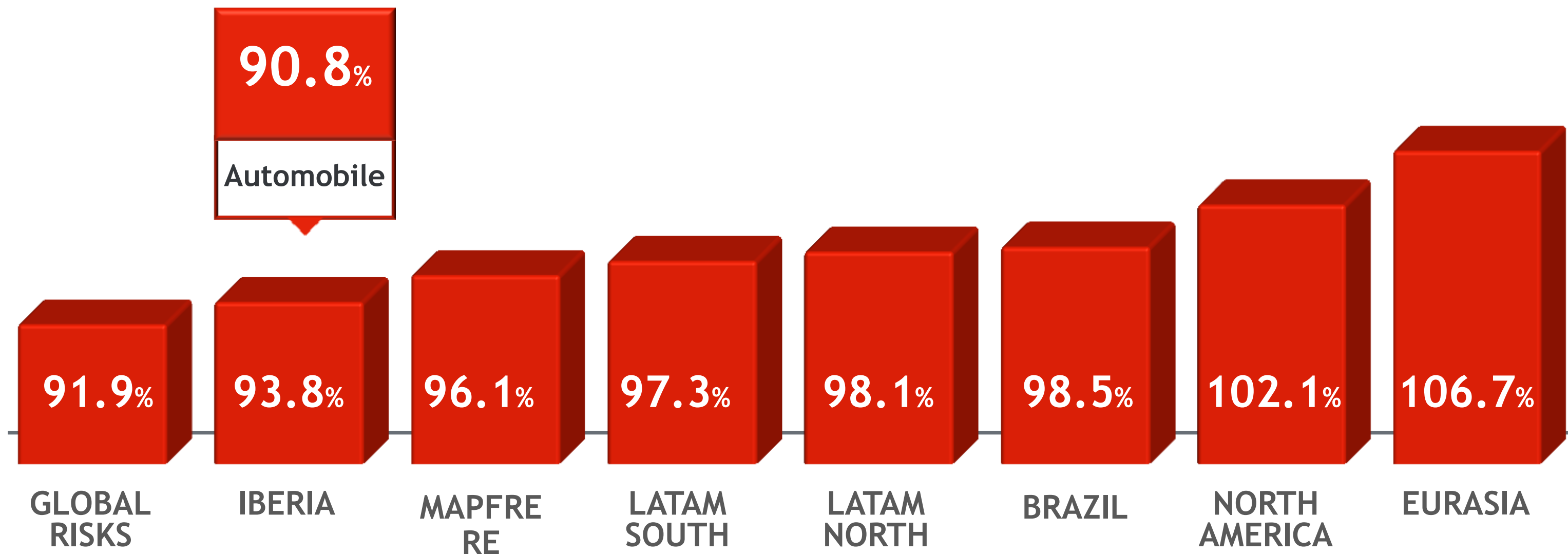
\*6.4% including goodwill writedown



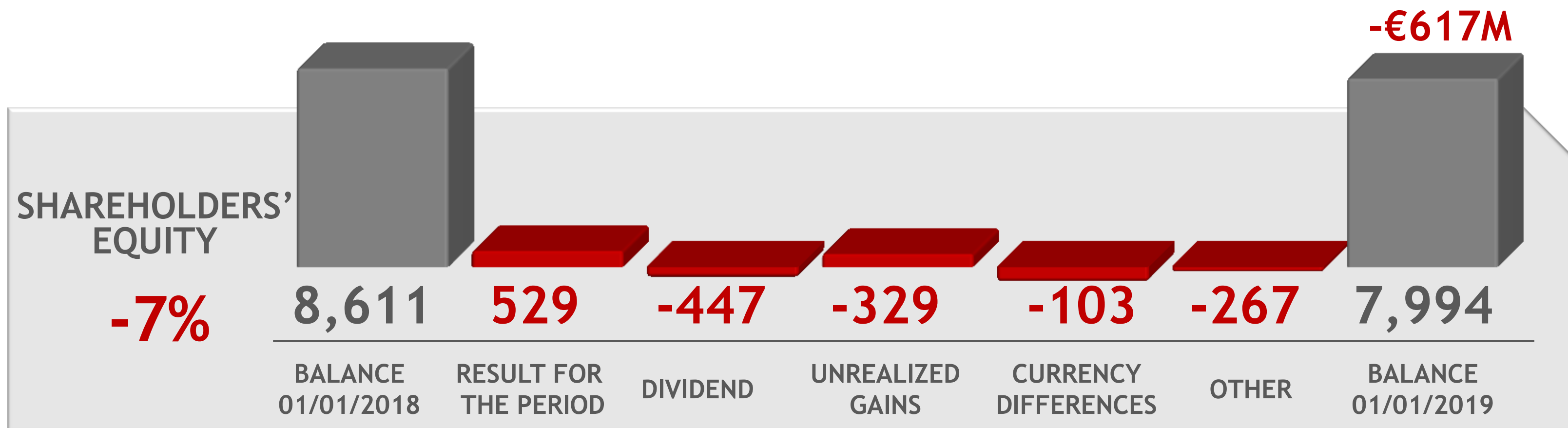
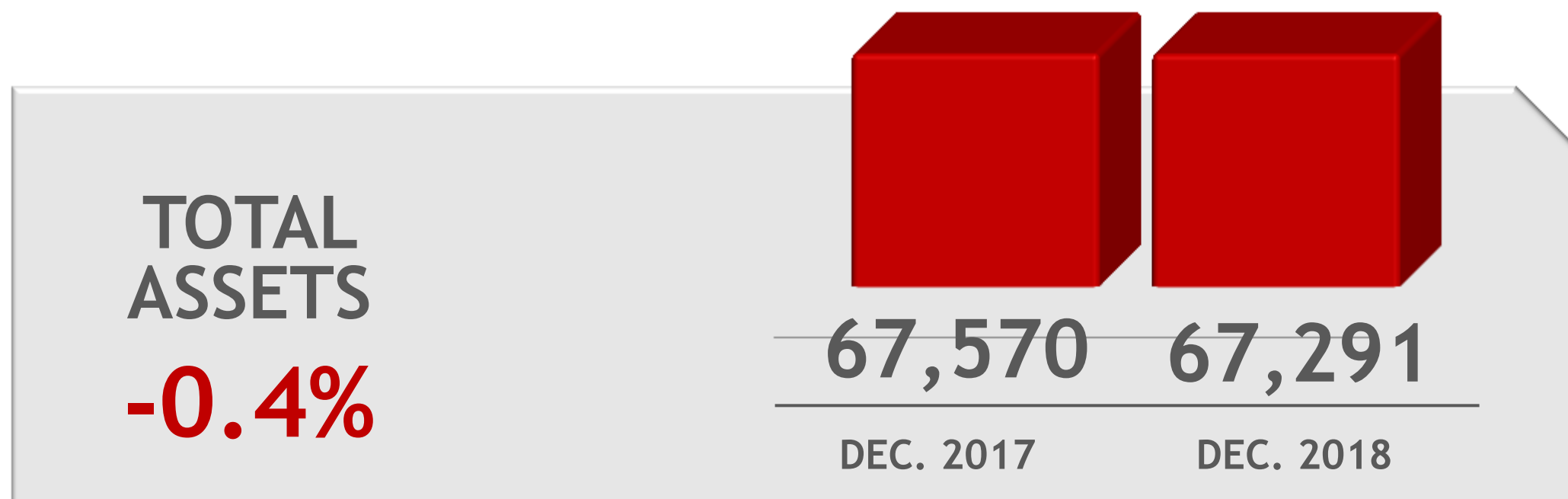
# REGIONAL COMBINED RATIOS

GROUP  
COMBINED RATIO

+97.6%



# GROUP OVERVIEW

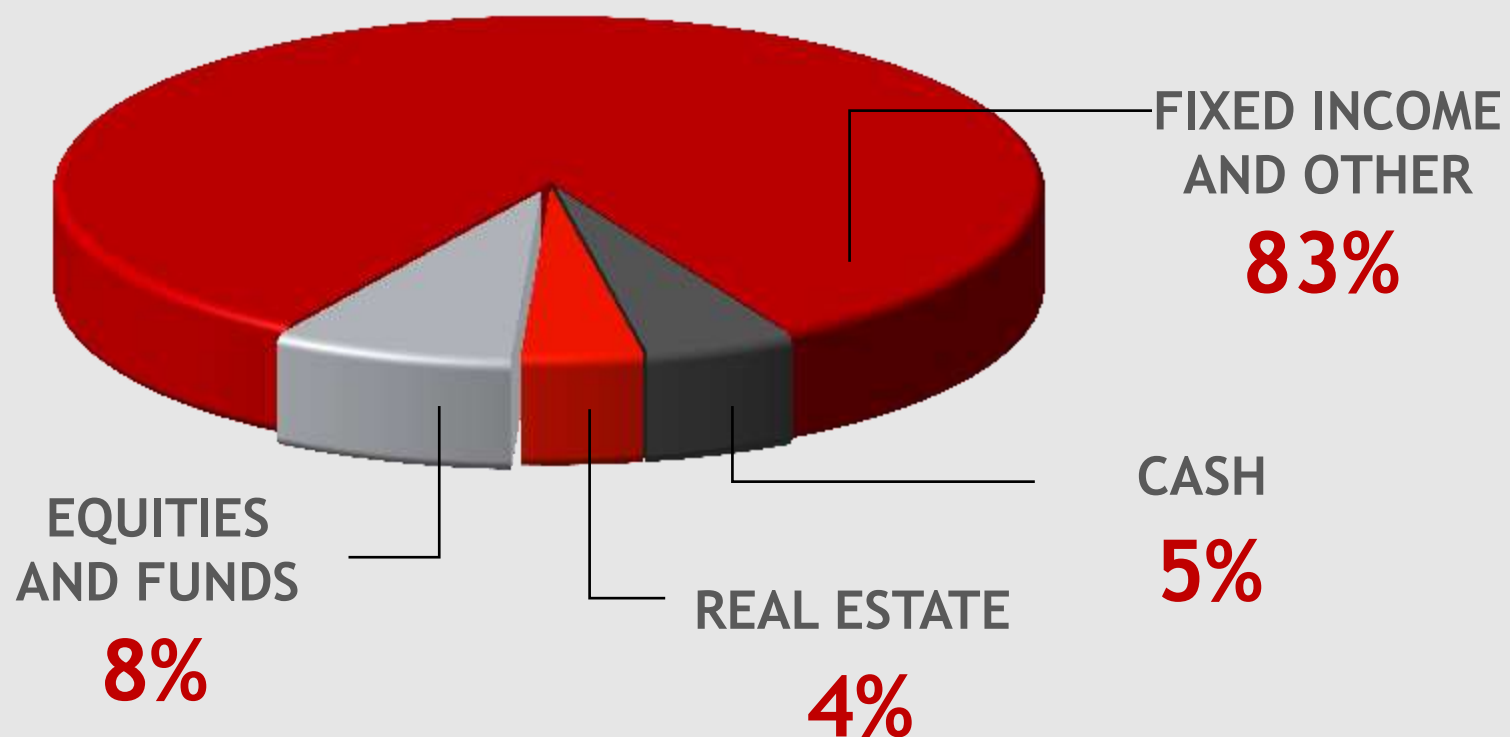


# INVESTMENTS AND CASH

INVESTMENT  
PORTFOLIO

49,274

-1%



**€27,596M** in public debt

**€8,922M** in corporate debt

**€476M** in alternative investments

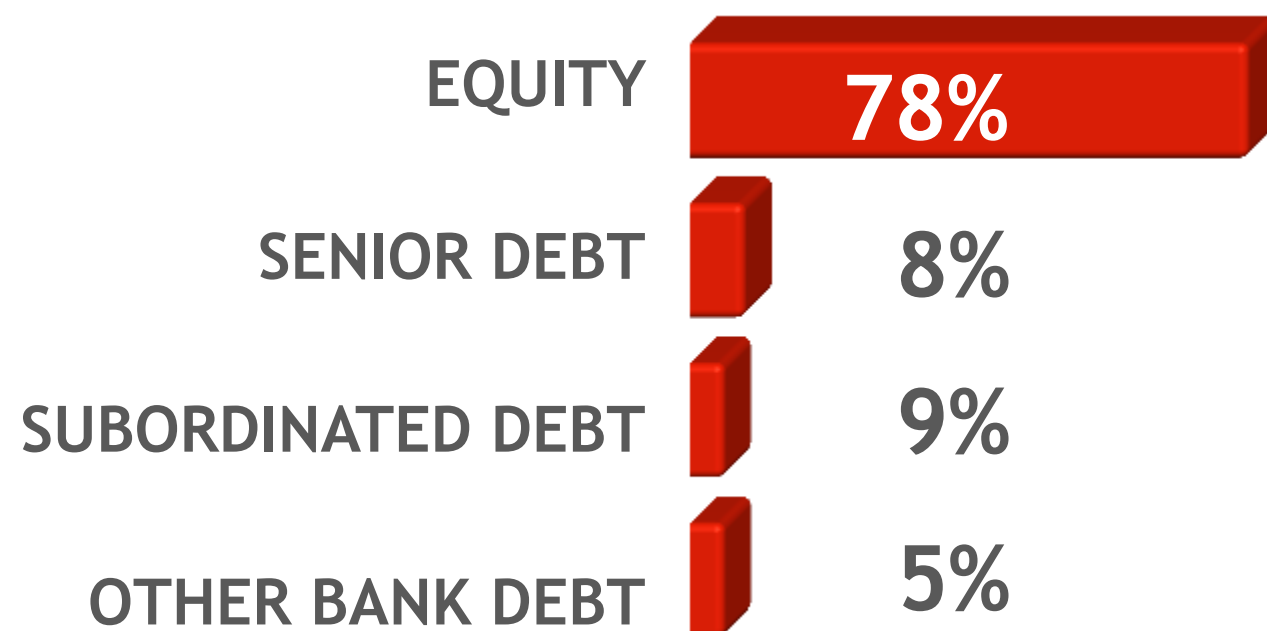
**€27,596M**  
IN PUBLIC DEBT

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

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%)

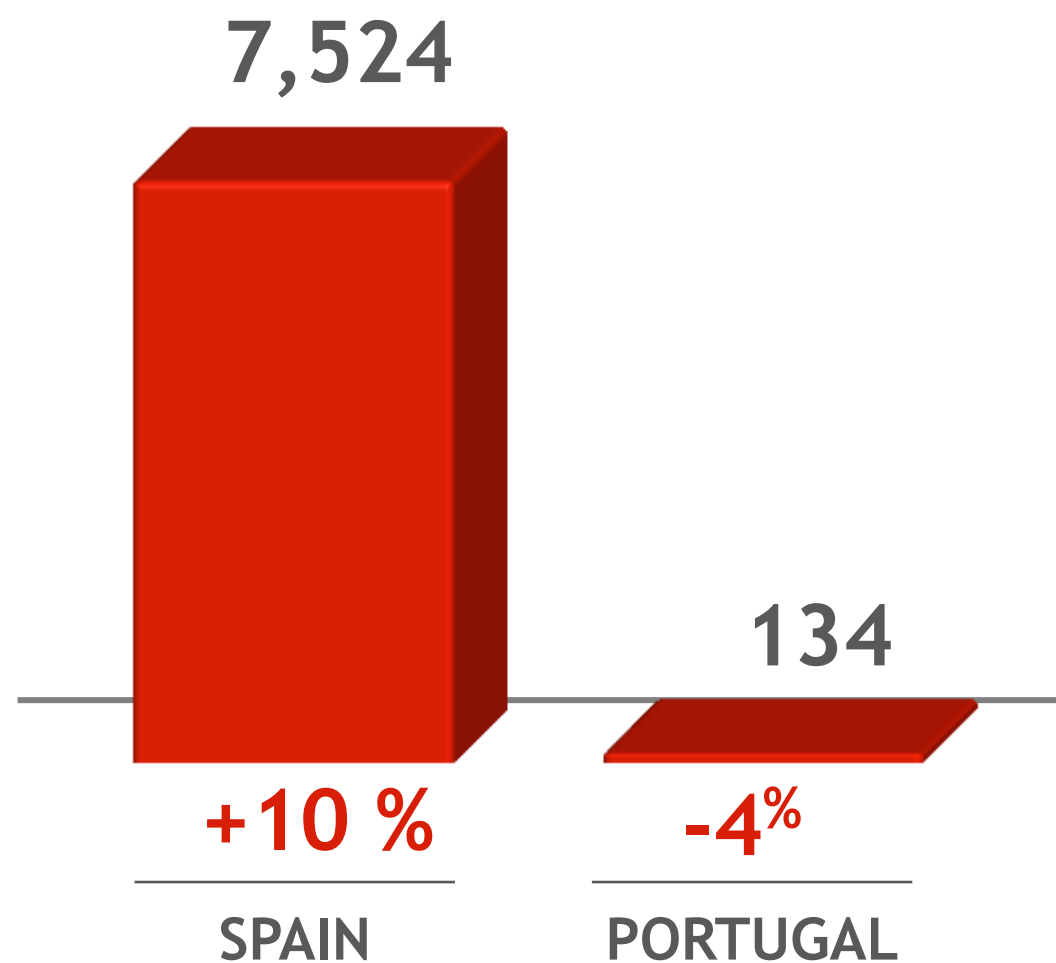
\*3Q

# INSURANCE BUSINESS PREMIUMS REGIONAL BREAKDOWN

IBERIA

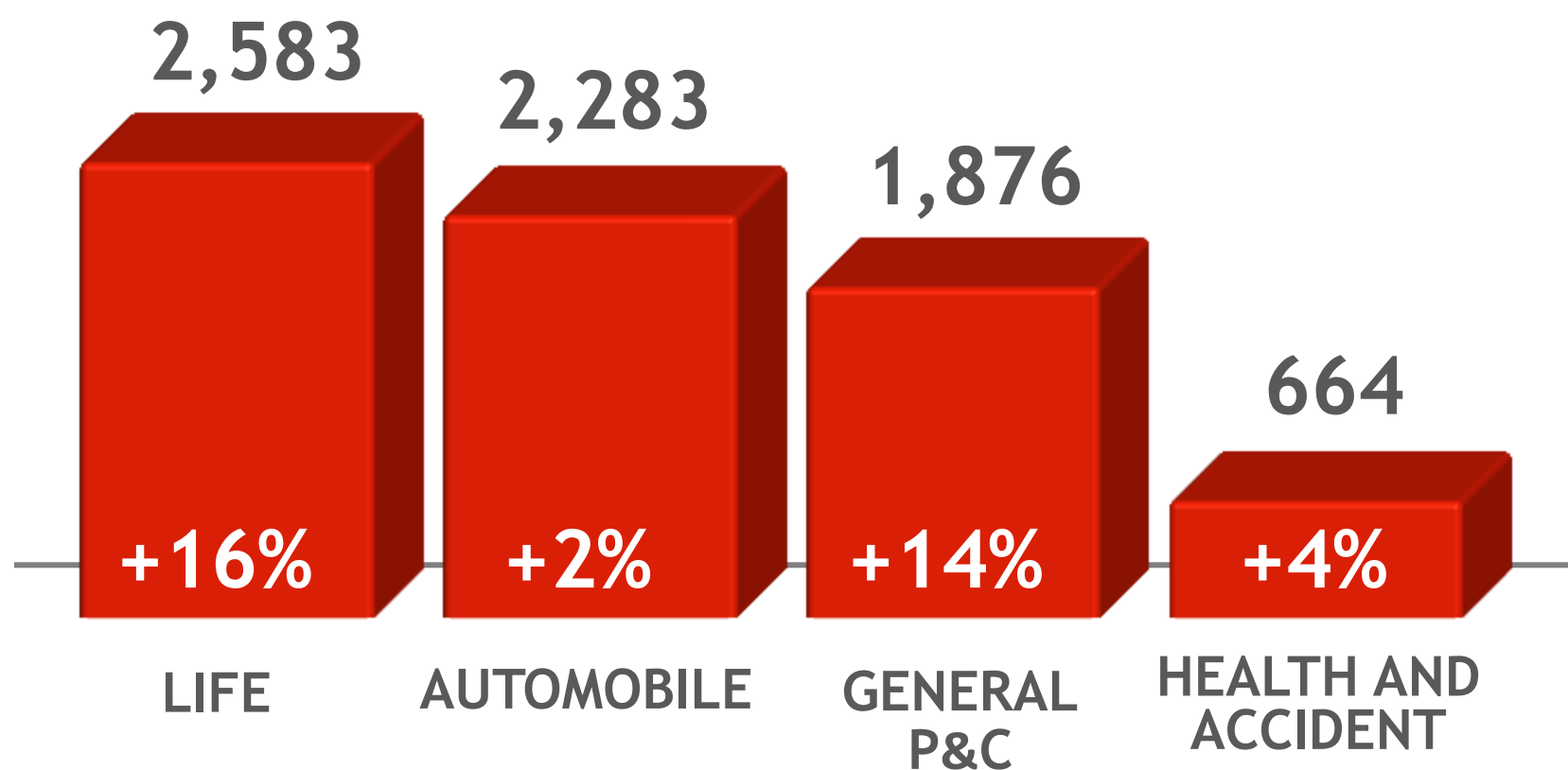
7,658 IN PREMIUMS

+10%



SPAIN

GROWTH DRIVER



INSURED VEHICLES

5,740,018 (units) +2.4%





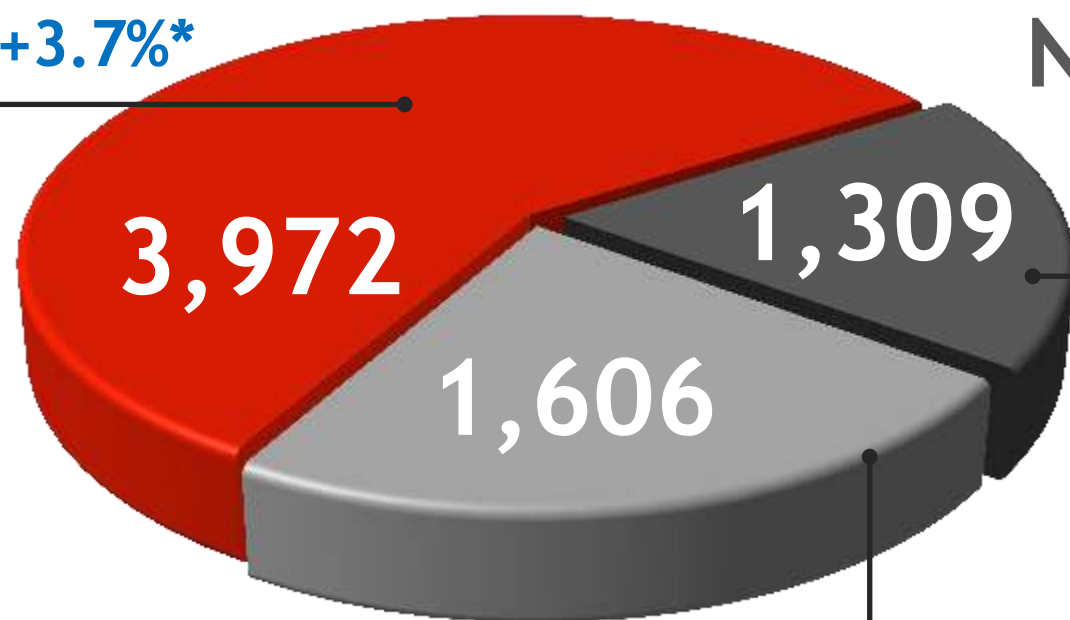
# INSURANCE BUSINESS REGIONAL PREMIUMS BREAKDOWN

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

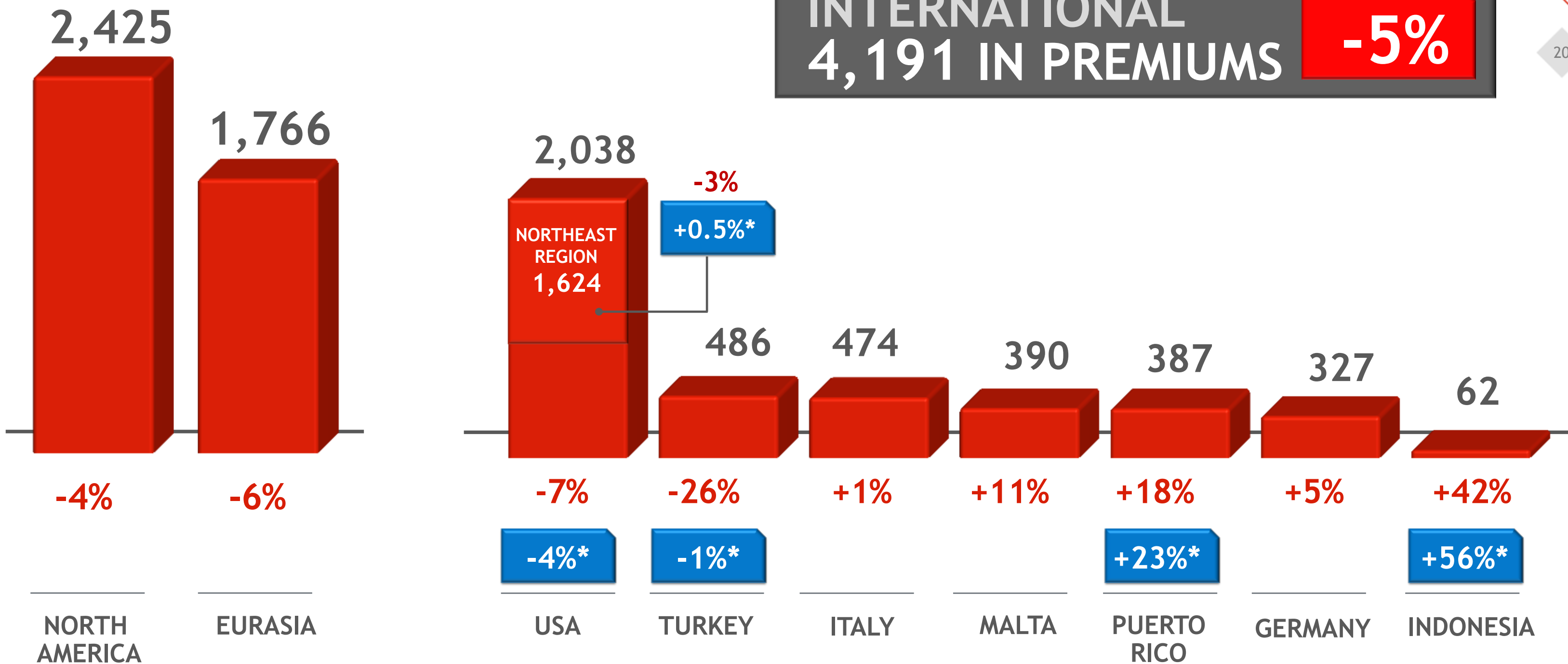
Millions of euros

\*Data in blue in local currency

\*\* +9% excluding Pemex policy effect

# INSURANCE BUSINESS REGIONAL PREMIUMS BREAKDOWN

**INTERNATIONAL**  
**4,191 IN PREMIUMS** **-5%**



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
<b>MAPFRE</b>	<b>-13%</b>	<b>+0.4%</b>
<b>IBEX 35</b>	<b>-15%</b>	<b>-10.5%</b>
<b>Stoxx Insurance 600</b>	<b>-10%</b>	<b>-9.2%</b>




# 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.)



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**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

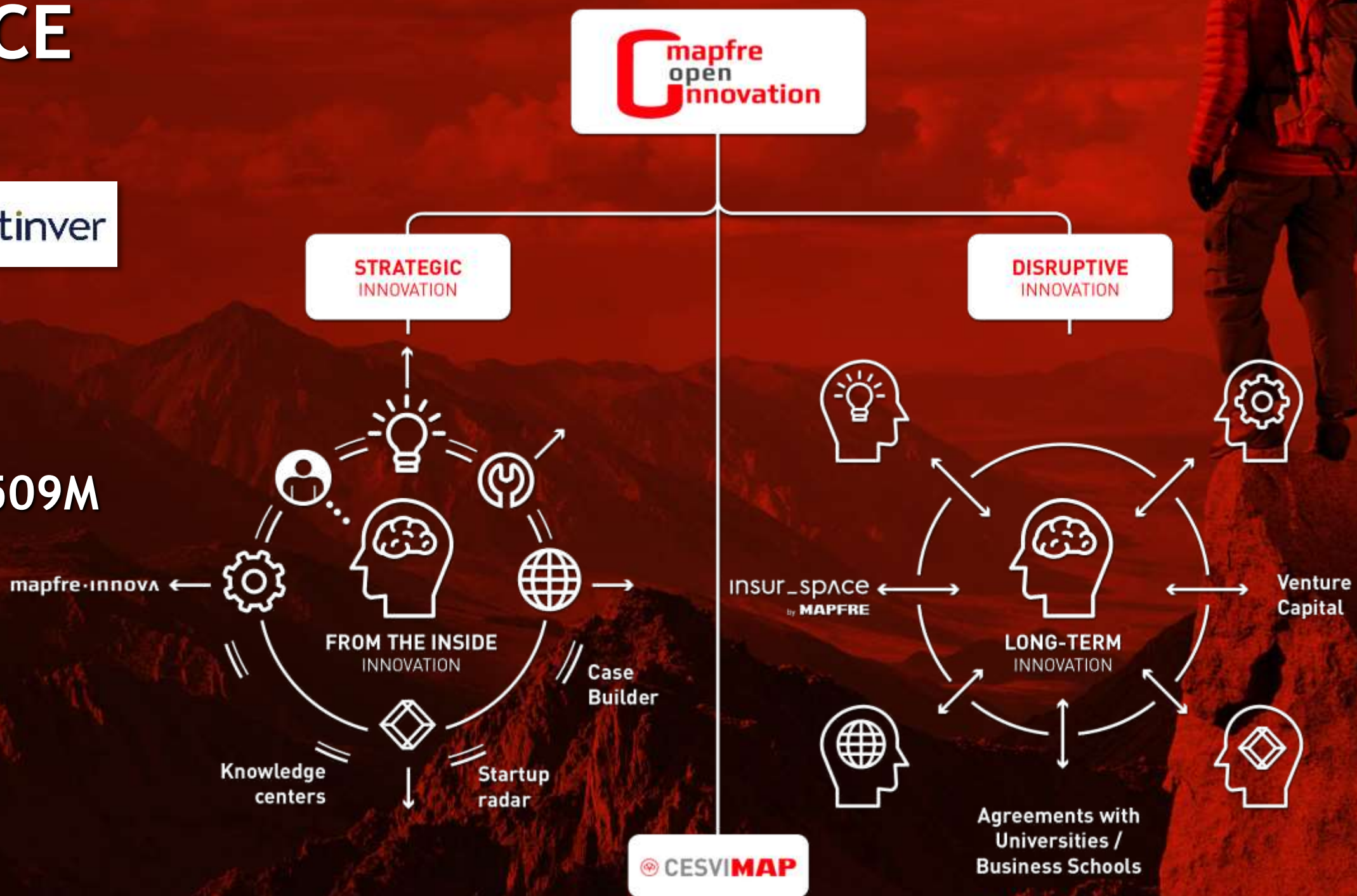
Digital business premiums: €1,509M

+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**

