



MAPFRE'S REVENUES TO JUNE EXCEED 15 BILLION EUROS
AND EARNINGS REACH 375 MILLION EUROS

KEY POINTS FROM THE FIRST HALF

- **Strength of the business in the three main markets: Spain, Brazil and the United States.**
- **Improved combined ratios across the board, with that of the Group standing at 95.9 percent.**
- **Intense business growth in LATAM, with a 17 percent increase in premiums.**
- **Insurance units earnings grow 9.4 percent.**
- **Spain grows 5.1 percent, compared to a 1 percent drop for the sector.**
- **Record high in total assets, exceeding 73.5 billion euros (+9.3 percent).**

MAPFRE's revenues during the first half of the year totaled 15.05 billion euros, a 6.8 percent increase compared to the same period the previous year, thanks to the increase in premiums, which reached 12.53 billion euros (+4.7 percent), and higher financial income. Net earnings at the close of the first half stood at 375 million euros (-2.9 percent), affected by lower financial gains and a lower contribution from the Life business in Brazil.

The Spain business performed strongly, delivering 5.1 percent growth, as did the LATAM North region, which surged 78 percent, and LATAM South, where business was up 1.5 percent, thanks to strong activity in Chile and Peru.

This period also saw an improvement of 1.5 percentage points in the Group combined ratio, to 95.9 percent, and an improvement of almost 2 percentage points in the loss ratio, to 67.5 percent.

Equity stood at 10.13 billion euros at the close of June, 10.2 percent higher than in December 2018, while shareholders' equity amounted to 8.84 billion euros, up 10.6 percent from December of the previous year.

Total assets also grew 9.3 percent, totaling 73.57 billion euros - the largest volume registered in MAPFRE's history, and comes on the back of not just the growth deriving from insurance activity, but also from the increase in financial investment portfolio valuations as a result of the cut in the cost of borrowing in Europe and the United States.

The Group's investments totaled 53.17 billion euros, up 7.9 percent from December 2018. The majority of these investments, 56 percent (29.99 billion euros) are sovereign debt, while 18 percent (9.37 billion euros) are in corporate fixed income, 5 percent (2.56 billion euros) in equities and 3 percent (1.47 billion euros) in mutual funds.

The solvency ratio to March 2019 stood at 189.1 percent, with 87 percent Tier 1 (highest-quality) capital, bringing with it great strength and stability, thanks to the Group's high level of diversification and strict investment policies.

1. Business performance:

Insurance Unit premiums in the first six months of 2019 totaled 10.62 billion euros, up 7 percent on the same period last year.

- The Iberia Regional Area (Spain and Portugal) grew its business 5 percent during the first six months of the year, generating premiums of 4.34 billion euros.

In Spain, premiums totaled 4.27 billion euros, up 5.1 percent, while the sector fell by 1 percent. The progress made with the Automobile business is noteworthy, with growth of 2.3 percent, to 1.15 billion euros, compared to 1.6 percent market growth, and a total of 5.9 million insured vehicles (175,250 more than in June 2018). It is important to highlight the growth of the car fleet business, which was 5.5 percent better, and Verti, where business grew by 5.3 percent. Health and Accident premiums amounted to 591 million (4.5 percent), while growth in Homeowners was 4.9 percent,

surpassing 3 million policies, and the Condominium line rose 8.7 percent, more than double the market.

At the end of June, MAPFRE VIDA premiums totaled 1.32 billion euros, representing 10.3 percent growth, driven by the Life-Savings business, which was up 11.3 percent in the first six months of this year, and the good performance of both the agency and bank channels. The Caja Granada Vida and Cajamurcia Vida premiums have been included in the accounts since March, contributing approximately 13 million euros. Mutual funds grew 8.9 percent, to 3.52 billion euros, during the first half of the year, while pension funds rose 6 percent to 5.17 billion euros.

- The Brazil Regional Area delivered premium volume in the first six months of 2019 totaling 2.06 billion euros, 1.9 percent better. In local currency, premium growth would have been 5.6 percent.

The improvement in the Life business stands out, which grew 15.7 percent, as does that of general P&C, with a 4.7 percent increase, and the combined ratio, which improved by 10.8 percentage points, to 91.6 percent. Earnings from this regional area rose 63.1 percent to 49 million euros, thanks to the favorable evolution of the Automobile and general P&C business, with a significant improvement in the combined ratio in both lines.

- The LATAM North Regional Area business increased 77.6 percent to 1.25 billion euros, driven by Mexico, which was up more than 130 percent to 936 million euros, and the solid performance of most markets in the region, especially the Dominican Republic, posting growth of 20.6 percent to deliver 78 million euros in volume, and Guatemala, up 16.4 percent to 36 million euros. The combined ratio in this regional area also improved by 2 percentage points, reaching 93.1 percent.
- LATAM South Regional Area premiums rose by 1.5 percent during the first six months of this year, reaching 807 million euros, and the combined ratio for this regional area improved by one percentage point, standing at 95.7 percent.

Peru's performance is noteworthy, growing 13.6 percent to 286 million euros, while Chile managed to increase volume by 13.1 percent, delivering premiums of 124 million euros.

- The North America Regional Area produced 1.22 billion euros in premiums (-2.6 percent), with attributable earnings of 46 million euros, compared to 4 million euros for the same period the year before. This increase in profit is explained by the improvement in the underwriting result, coming on the back of lower Automobile and general P&C claim frequency, as well as better financial results.

In the United States, premiums totaled 997 million euros (-3.8 percent) and earnings were 35 million, compared to losses of 4 million for the same period in 2018. The earnings increase is explained by the withdrawal from less profitable states last year and an increase in the insurance result in Massachusetts.

In Puerto Rico, the business grew 3.4 percent, to 219 million euros, with an earnings rise of 61.2 percent, to 10 million euros, and an improvement of more than 2 percentage points in the combined ratio, reaching 92.8 percent.

- Eurasia Regional Area premium volume was 951 million euros (-4.5 percent). In Turkey, premiums amounted to 240 million euros (-14.4 percent), dragged down by the more than 20 percent depreciation of the Turkish lira. In local currency terms, Turkey's business grew by 9.6 percent, well below inflation, due to a strict underwriting policy aimed at reducing the weight of the Automobile third-party liability line.

Highlights of this regional area are Italy's positive premium performance (+4.1 percent) of 264 million euros, and that of Germany, with premium volume of 209 million euros (+2.9 percent).

The Reinsurance Unit's premiums grew 0.4 percent, with volume of 2.8 billion euros. This figure includes the Global Risks business premiums (567 million euros) that have been integrated into MAPFRE RE. MAPFRE RE's net result was 85 million euros (-29.6 percent), affected by a claim for 20 million euros.

Finally, at the close of June 2019, revenues at the Asistencia Unit totaled 498 million euros, a 1.8 percent decrease on the same period last year.

MAIN CONSOLIDATED FIGURES

| Results | Million € | | % Var. 2019 / 2018 |
|--|-----------------|-----------------|-----------------------|
| | 6M 2018 | 6M 2019 | |
| GROSS WRITTEN AND ACCEPTED PREMIUMS | 11.970,4 | 12.528,3 | 4,7% |
| Non-Life | 9.272,1 | 9.704,0 | 4,7% |
| Life | 2.698,3 | 2.824,3 | 4,7% |
| TOTAL CONSOLIDATED REVENUES | 14.091,1 | 15.051,1 | 6,8% |
| RESULTS BEFORE TAX | 815,8 | 749,2 | -8,2% |
| RESULTS AFTER TAX AND NON-CONTROLLING INTERESTS | 385,7 | 374,5 | -2,9% |
| EARNINGS PER SHARE (euro cents) | 12,52 | 12,16 | -2,9% |

| Balance Sheet | Million € | | % Var. 2019 / 2018 |
|--------------------------------|-----------------|-----------------|-----------------------|
| | 12M 2018 | 6M 2019 | |
| TOTAL ASSETS | 67.290,8 | 73.571,0 | 9,3% |
| ASSETS UNDER MANAGEMENT | 58.484,6 | 63.046,0 | 7,8% |
| SHAREHOLDERS' EQUITY | 7.993,8 | 8.840,0 | 10,6% |

| Premiums | Million € | | % Var. 2019 / 2018 |
|----------------------------------|-----------------|-----------------|-----------------------|
| | 6M 2018 | 6M 2019 | |
| IBERIA | 4.129,9 | 4.337,4 | 5,0% |
| LATAM | 3.518,6 | 4.115,7 | 17,0% |
| INTERNATIONAL | 2.244,0 | 2.166,9 | -3,4% |
| TOTAL INSURANCE | 9.892,5 | 10.620,0 | 7,4% |
| RE | 2.793,2 | 2.804,1 | 0,4% |
| ASISTENCIA | 470,9 | 452,2 | -4,0% |
| Holdings, eliminations and other | (1.186,1) | (1.348,0) | -13,7% |
| MAPFRE S.A. | 11.970,4 | 12.528,3 | 4,7% |

| Attributable Result | Million € | | % Var. 2019 / 2018 |
|----------------------------------|--------------|--------------|-----------------------|
| | 6M 2018 | 6M 2019 | |
| IBERIA | 249,9 | 231,7 | -7,3% |
| LATAM | 82,9 | 103,5 | 24,8% |
| INTERNATIONAL | 14,6 | 45,0 | -- |
| TOTAL INSURANCE | 347,4 | 380,2 | 9,4% |
| RE | 120,5 | 84,9 | -29,6% |
| ASISTENCIA | (2,6) | (5,6) | -117,2% |
| Holdings, eliminations and other | (79,6) | (85,0) | -6,7% |
| MAPFRE S.A. | 385,7 | 374,5 | -2,9% |

For more information, please visit <https://noticias.mapfre.com/en/>

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