



**MAPFRE'S REVENUES GROW BY 6.5 PERCENT TO 21.62 BILLION EUROS**  
**IN THE FIRST NINE MONTHS OF THE YEAR**

**KEY POINTS FROM THE FIRST NINE MONTHS**

- **MAPFRE allocates 77 million to writing down the Asistencia business, following which Group earnings are 463 million (-12.5 percent). Not including this impact, the Group's profits would have grown by 2 percent.**
- **Premiums grow by 2.5 percent to 17.65 billion euros.**
- **Strength and profitable growth in the Group's three main markets (Spain, Brazil and the United States).**
- **Good business growth in LATAM, with a 13.3 percent increase in premiums. All countries in the region record positive results, with an excellent combined ratio.**
- **The Group's combined ratio improves by 1.7 percentage points, standing at 96.4 percent at the close of September.**
- **Earnings at the insurance units grow 7.8 percent.**

MAPFRE's revenues in the first nine months of the fiscal year rose to 21.62 billion euros, representing a 6.5 percent increase on the same period of the previous year, with premiums growing by 2.5 percent to 17.65 billion. The Group's net earnings are reduced to 463 million euros (-12.5 percent), mainly due to the Asistencia goodwill impairment.

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In particular, the Group decided to write down the goodwill of the MAPFRE ASISTENCIA companies in the United Kingdom in the amount of 48 million euros due to reduced expectations about future earnings in the country. This downward review of expectations comes on the back of a complex socioeconomic environment and the foreseeable economic slowdown in the UK brought on by Brexit, as well as the regulatory framework. In addition, the goodwill of the Asistencia companies in the United States and Canada has also been written down, amounting to another 17 million euros, in line with the withdrawal from unprofitable businesses. Furthermore, 11 million euros have been provisioned for the restructuring of MAPFRE ASISTENCIA in several countries with unprofitable operations. The impact of all of these measures on the Group's result amounts to 77 million euros.

It is important to emphasize that this goodwill impairment has no effect on MAPFRE's cash position, nor does it affect the Group's financial strength and flexibility or the capital models that support ratings and high solvency levels, in that goodwill is excluded from the calculation of same, meaning that the company's significant capacity to generate dividends remains unchanged. If the effect of all of these measures adopted is excluded, the Group's result would have grown by 2 percent compared with that obtained in September 2018.

Also, the solid earnings performance in the Group's three main markets (Spain, Brazil and the United States) and the positive development of the business in LATAM, where premiums grew 13.3 percent, thanks to good results in Mexico, Peru and the Dominican Republic, is noteworthy. Furthermore, it is important to note that every country in the LATAM region recorded profits, along with an excellent combined ratio.

This business performance is accompanied by greater technical strength. The combined ratio continues to improve (1.7 percentage points) and stood at 96.4 percent for the period.

Equity stood at 10.31 billion euros at the close of September, 12 percent more than at December 2018, while shareholders' equity rose by 12.4 percent in the last nine months to reach 8.98 billion euros. Total assets were also up, rising 10.5 percent to total 74.34 billion euros.

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At the close of September, Group investments amounted to 54.75 billion euros, an increase of 11.1 percent compared to the close of 2018. The majority of these investments, 56.4 percent (30.87 billion euros) are sovereign debt, while 17.6 percent (9.64 billion euros) is in corporate fixed income, 4.7 percent in variable income (2.59 billion euros) and 2.7 percent (1.49 billion euros) in mutual funds.

The Group's Solvency II ratio stood at 198 percent at the end of June 2019, with 87 percent of this in Tier 1 (highest-quality) capital, maintaining great strength and stability, thanks to the Group's high level of diversification and strict investment and management policies.

**1. Business performance:**

Insurance Unit premiums between January and September 2019 totaled 14.94 billion euros, a 4.1 percent increase compared to the same period last year.

- The Iberia Regional Area (Spain and Portugal) raised premiums in the first nine months of the year by 0.4 percent, to 5.96 billion euros.

In Spain, business was up 0.3 percent to 5.86 billion euros. Growth in the Automobile business is noteworthy, increasing by 1.7 percent (compared to 1.4 percent growth for the sector) to 1.72 billion euros, with a 3 percent increase in the number of insured vehicles, to more than 5.9 million units. Within the Automobile business, it is also important to emphasize the good performance of the private and fleet segments (up by 1.4 percent and 4 percent respectively) and VERTI (+5.7 percent).

In the Homeowners business, growth was 4.9 percent (compared to 4.2 percent market growth) and in Condominiums, MAPFRE practically tripled the sector growth, with an increase of 9 percent between January and September. Good growth of 4 percent was also recorded in the Health and Accident line, where production volume came in at 596 million euros.

MAPFRE managed more than 34,500 claims in the third quarter as a result of the damages caused by the high rainfall levels in August and September, with a total claim value of 13 million euros.

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MAPFRE VIDA generated premiums of 1.89 billion euros at the close of September (-6.7 percent). This decline is mainly due to the low interest rate environment and reduced bancassurance issuing. The solid progress made in Life protection products, which grew by 8.2 percent, merits attention, as does the performance of pension funds, which were up by 7.4 percent to 5.24 billion euros. Mutual funds and other rose to 3.55 billion euros, 9.7 percent better than at the close of September of the previous year.

- Premiums in the Brazil Regional Area were 3.10 billion euros, 3.8 percent higher than in the corresponding period of the previous year. In local currency, this growth would be 5 percent. Net earnings for this regional area increased dramatically by 79.7 percent to 70 million euros, with a significant improvement in combined ratio of more than 12 percentage points, which stood at 91.1 percent.

The Life business in Brazil improved by 16.9 percent, while general insurance premiums were up by 6 percent, thanks to the growth in the industrial risk and agricultural insurance businesses. Automobile business premiums fell 15.7 percent to 670 million euros, due to the business underwriting technical measures adopted. There was a substantial improvement in Automobile earnings, coupled with a decrease of more than 14 percentage points in the combined ratio for this business line.

- LATAM North Regional Area business increased by 59.8 percent to 1.57 billion euros, driven principally by Mexico, the Dominican Republic and Guatemala. Net earnings in this regional area grew by 18.6 percent to 42 million euros, and the combined ratio improved 0.7 percentage points to 95.8 percent.

In Mexico, premiums amounted to 1.10 billion euros, with 97.6 percent growth (driven by the Pemex multi-year policy that was renewed in June for 449 million euros). Even excluding Pemex however, the Mexico business would have still registered a significant increase of close to 17 percent. The improvement in Mexico's business earnings, up by 23.4 percent, and in the combined ratio, which stood at 97.4 percent (1.3 percentage points lower than in September of the previous year), are both worthy of note.

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The Dominican Republic registered an increase in volume of 19.9 percent, delivering 109 million euros, while Panama grew 4.5 percent to 155 million euros. Honduras and Guatemala grew by 6.3 percent and 19.1 percent, producing 62 and 54 million euros respectively.

- Premiums in the LATAM South Regional Area at the close of September this year were 1.19 billion euros, 1.3 percent down, penalized by the inflationary situation in Argentina. Overall however, the local currency business is growing at a good pace in virtually all countries.

It is important to highlight Peru's good performance, where premiums rose 12.2 percent to 429 million euros, making it the biggest earnings contributor in this regional area (with 20 million euros), all the while maintaining an excellent combined ratio of 92.2 percent. Chile, for its part, drove business volume upward by 5.3 percent to 183 million euros.

- In the North America Regional Area, premiums totaled 1.82 billion euros (-3.6 percent), with an attributable result of 65 million euros (three times greater than the previous year), due, among other factors, to the fall in automobile loss experience and the absence of significant adverse atmospheric phenomena. The combined ratio improved by 2.6 percentage points to 99.7 percent.

The United States has improved profitability, producing earnings of 50 million euros, compared to 10 million in the same period of the previous year. Premiums fell 4.4 percent to 1.51 billion euros, due to the technical measures adopted in business underwriting, as part of the profitable growth strategy.

In Puerto Rico, premiums rose slightly (+0.5 percent) to 312 million euros, with a marked earnings rise of 38.7 percent to 15 million euros, and an improved combined ratio, 2.4 percentage points better at 91.8 percent.

- The EURASIA Regional Area premium volume was 1.3 billion euros (-4 percent). This decline is mainly the result of the sharp depreciation of the Turkish lira (15.5 percent).

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In Turkey, premiums totaled 333 million (-7.5 percent), up 9.4 percent in local currency terms. This decline is part of the strict underwriting policy in order to reduce the weight of the automobile third-party liability line.

In this regional area, Italy's healthy premium performance stands out, with business volume up 3.2 percent to 365 million euros, as does that of Germany, with 277 million euros in revenue (+3.1 percent).

MAPFRE RE drove its premium volume up by 7.6 percent to 4.08 billion euros. This figure includes Global Risks business premiums (777 million euros). MAPFRE RE's net earnings were 102 million euros (-17.6 percent), affected by an increase in non-catastrophic claim frequency coming from the MAPFRE GLOBAL RISKS portfolio.

Finally, revenues at the Asistencia business unit slipped by 0.5 percent to 761 million euros. The negative result (-86 million euros) was impacted by the goodwill impairment at several subsidiaries in the United Kingdom, the United States and Canada, as well as the provision made to restructure the business in several countries.

The Alternative Performance Measures (APMs) used in the report, which refer to financial measures not defined or specified in the applicable financial reporting framework, along with their definition and method of calculation, can be found on our website: <https://www.mapfre.com/corporate/institutional-investors/financial-information/alternative-performance-measures/>

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**MAIN CONSOLIDATED FIGURES**

Results	Million €		% Var. 2019 / 2018
	9M 2018	9M 2019	
<b>GROSS WRITTEN AND ACCEPTED PREMIUMS</b>	<b>17.218,5</b>	<b>17.647,4</b>	<b>2,5%</b>
Non-Life	13.086,2	13.567,9	3,7%
Life	4.132,3	4.079,5	-1,3%
<b>TOTAL CONSOLIDATED REVENUES</b>	<b>20.296,6</b>	<b>21.618,5</b>	<b>6,5%</b>
<b>RESULTS BEFORE TAX</b>	<b>1.150,3</b>	<b>994,2</b>	<b>-13,6%</b>
<b>RESULTS AFTER TAX AND NON-CONTROLLING INTERESTS</b>	<b>528,8</b>	<b>462,9</b>	<b>-12,5%</b>
<b>EARNINGS PER SHARE (euro cents)</b>	<b>17,17</b>	<b>15,03</b>	<b>-12,5%</b>

Balance Sheet	Million €		% Var. 2019 / 2018
	12M 2018	9M 2019	
<b>TOTAL ASSETS</b>	<b>67.290,8</b>	<b>74.336,5</b>	<b>10,5%</b>
<b>ASSETS UNDER MANAGEMENT</b>	<b>58.484,6</b>	<b>64.576,7</b>	<b>10,4%</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>7.993,8</b>	<b>8.983,6</b>	<b>12,4%</b>

Premiums	Million €		% Var. 2019 / 2018
	9M 2018	9M 2019	
IBERIA	5.939,4	5.962,6	0,4%
LATAM	5.175,2	5.861,2	13,3%
INTERNATIONAL	3.240,9	3.119,2	-3,8%
<b>TOTAL INSURANCE</b>	<b>14.355,5</b>	<b>14.943,0</b>	<b>4,1%</b>
RE	3.795,9	4.083,1	7,6%
ASISTENCIA	710,1	684,3	-3,6%
Holdings, eliminations and other	(1.643,0)	(2.063,0)	-25,6%
<b>MAPFRE S.A.</b>	<b>17.218,5</b>	<b>17.647,4</b>	<b>2,5%</b>

Attributable Result	Million €		% Var. 2019 / 2018
	9M 2018	9M 2019	
IBERIA	354,0	349,3	-1,3%
LATAM	134,7	150,4	11,7%
INTERNATIONAL	37,6	67,8	80,3%
<b>TOTAL INSURANCE</b>	<b>526,3</b>	<b>567,6</b>	<b>7,8%</b>
RE	123,9	102,1	-17,6%
ASISTENCIA	(7,4)	(85,5)	--
Holdings, eliminations and other	(114,0)	(121,2)	-6,3%
<b>MAPFRE S.A.</b>	<b>528,8</b>	<b>462,9</b>	<b>-12,5%</b>

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

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