

MAPFRE RECORDS REVENUES OF 13,720 MILLION EUROS IN THE FIRST HALF OF THE YEAR AND NET EARNINGS OF 457.7 MILLION EUROS

- **Excluding the impact of exchange rates, premiums and earnings would have grown by 8 percent 7 percent respectively.**
- **Profits before taxes and minority interests amount to 942 million euros, a record figure for MAPFRE in the first six months.**
- **Equity rises by nearly 820 million euros in the first half of the year, and now exceeds 10.71 billion euros.**
- **Overseas business continues to grow at a sustained pace, reporting significant increases in local currency terms.**
- **In Spain, MAPFRE outperforms the market by 2.4 percentage points, with strong growth in the Health, Accidents, Life and Multi-peril lines. The Motor insurance business performs on par with the market.**

MAPFRE generated premium volume of 11.78 billion euros in the first half of 2014, similar to the figure for the same period of the previous year, and produced attributable earnings of 457.7 million euros, up 0.4 percent. Revenues stood at 13.72 billion euros, a figure in line with that of the preceding year. The first half was characterized by the strength of the euro against the company's key trading currencies; at constant exchange rates, premiums would have grown by 8 percent and profits by 7 percent.

Profits before taxes and minority interests reached a new first-half high for MAPFRE, increasing by 8.7 percent to 942 million euros, having risen by 45 percent since the onset of the financial crisis in 2007.

During the first six months of the year, business was robust, resulting in the company recording an excellent combined ratio. Moreover, equity grew by nearly 820 million euros in the period, to 10.71 billion euros, due in part to falling spreads in Spain. Likewise, unrealized capital gains recognized in equity have shown a rise of over 1.55 billion euros since the previous year-end.

Non-Life premiums in the first half totaled 8.62 billion euros, (down 0.5 percent), but the second quarter saw a year-on-year increase, (up 1.4 percent). This pick-up was particularly strong in Brazil and Mexico, confirming a change in trend in the Iberia Regional Area. The Life business posted premiums of 3.16 billion euros, (up 1.4 percent), with Brazil performing exceptionally well during the second quarter of the year.

“These results show that the international business continues growing, and MAPFRE is noticing signs of economic recovery in Spain. Moreover, the excellent 95.7 percent combined ratio reflects outstanding operational management”, stated Antonio Huertas, MAPFRE’s Chairman and CEO.

Shareholders’ equity stood at 8.48 billion euros, an 8.3 percent rise since year-end 2013, and total managed assets were 72.33 billion euros, an increase of 7.2 percent over the last twelve months. Managed savings were up 12 percent, to 37.1 billion euros.

Furthermore, the Standard & Poor’s ratings agency in May raised the counterparty credit ratings of MAPFRE RE and MAPFRE GLOBAL RISKS to “A”, and those of the Group’s parent company to “BBB+”, all of them with outlook stable. These upward revisions come on the back of those issued by this and other ratings agencies during the six first months of the year, which reaffirms the financial strength of MAPFRE and its subsidiary companies.

1.- Regional Areas:

→ The **Iberia Regional Area** generated premiums of 4.29 billion euros, which represents a 0.3 percent rise with respect to the period ended June 2013. In Spain, premiums totaled 4.19 billion euros, reflecting the improvement in the Motor business –which recorded premiums of 1.02 billion euros, in line with market performance–, the positive development of the Health line, which rose 6.9 percent, (more than double the growth level recorded by the sector), and the Multi-peril insurance line, where MAPFRE’s growth is more than double that of the market. As regards Life Assurance, premiums amounted to 1.46 billion, 1 percent higher than the first half of 2013, (versus the 6.25 percent decline recorded by the sector). Mutual funds and managed portfolios, as well as pension funds rose in the first half by 22.5 and 9.3 percent, respectively.

→ Premiums from the **Brazil Regional Area** grew 1.1 percent, to 2.7 billion euros, up 19.1 percent in local currency terms. The Motor insurance business performed very well in an exceptionally competitive market. Likewise, the company’s growth in the Industrial Risks and financing-linked insurance products businesses in the second quarter of the year merits special mention.

→ The **LATAM South Regional Area** reported premium volume of 1.43 billion euros, which represents a 2.3 percent drop, although significant increases were recorded in the region’s principal countries in local currency terms.

→ Premiums from the **LATAM North Regional Area** stood at 647.5 million euros, (up 4.1 percent). Of note is the contribution from Mexico, where premiums grew 1 percent (up 9.9 percent in local currency terms), to 432.8 million euros, driven by the strong recovery in

the Non-Life business in the second quarter, where the Motor and Industrial Risks lines made a strong contribution.

→ The **North America Regional Area** generated premiums of 1.02 billion euros, (down 1.1 percent), during the first half. The U.S market contributed premiums of 868.7 million euros in the first half, (up 3.9 percent in local currency terms), driven by solid Motor and Home business, (up 2.6 and 9.6 percent respectively).

→ Premium volume from the **EMEA Regional Area** amounted to 615.1 million euros, (down 5.2 percent). In this region, the Turkish market stands out, producing 281.6 million euros in premiums, representing a 10.5 percent increase in local currency terms, in the face of fierce competition across all lines.

→ Premiums in the **APAC Regional Area** grew by 13 percent, to 46.1 million euros, with the Philippines contributing 17.4 million euros.

2.- Development of the reinsurance business:

→ Premiums from the **reinsurance business** totaled 1.89 billion euros, (up 1.9 percent), due in the main to new Life Assurance contracts. Net income from the business rose 14.9 percent, to 68 million euros, in spite of the increase in the loss ratio in the second quarter of the year.

Madrid, July 24, 2014. For further information, please contact MAPFRE's Corporate Communications Department.

Juan Francés: juanfrances@mapfre.com; 91 581 91 68

Javier Fernández: javier.fernandez@mapfre.com; 91 581 83 66

MAIN CONSOLIDATED FIGURES

Results	Million €		% Change 14/13
	6M 2014	6M 2013	
GROSS WRITTEN AND ACCEPTED PREMIUMS	11.784,6	11.781,5	0,0%
Non-life	8.623,0	8.664,9	-0,5%
Life	3.161,6	3.116,6	1,4%
TOTAL CONSOLIDATED REVENUES	13.720,0	13.777,0	-0,4%
RESULTS BEFORE TAX AND MINORITY INTERESTS	941,9	866,5	8,7%
RESULTS AFTER TAX AND MINORITY INTERESTS	457,7	456,0	0,4%
EARNINGS PER SHARE (euro cents)	0,15	0,15	0,4%
Balance Sheet	Million €		% Change 14/13
	6M 2014	6M 2013	
TOTAL ASSETS	62.421,9	58.566,9	6,6%
MANAGED SAVINGS⁽¹⁾	37.075,8	33.109,0	12,0%
SHAREHOLDERS' EQUITY	8.484,8	7.867,8	7,8%

MAIN FIGURES BY REGIONAL AREAS

Gross written and accepted premiums	Million €		% Change 14/13
	6M 2014	6M 2013	
IBERIA	4.298,2	4.285,9	0,3%
BRAZIL	2.705,5	2.676,0	1,1%
LATAM SOUTH	1.429,7	1.463,8	-2,3%
NORTH AMERICA	1.016,4	1.028,0	-1,1%
EMEA	615,1	648,6	-5,2%
LATAM NORTH	647,5	621,8	4,1%
APAC	46,1	40,8	12,9%
MAPFRE RE	1.885,6	1.850,6	1,9%

Results before tax and minority interests	Million €		% Change 14/13
	6M 2014	6M 2013	
IBERIA	383,7	391,2	-1,9%
BRAZIL	341,1	258,6	31,9%
LATAM SOUTH	87,9	91,6	-4,1%
NORTH AMERICA	37,4	55,5	-32,5%
EMEA	43,8	18,0	143,3%
LATAM NORTH	43,1	40,2	7,1%
APAC	3,1	1,9	57,3%
MAPFRE RE	93,9	85,8	9,5%

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