

**MAPFRE REINFORCES ITS GEOGRAPHICAL DIVERSIFICATION:  
IN 2020 OVERSEAS BUSINESS WILL CONTRIBUTE 75 PERCENT OF  
THE GROUP'S REVENUES**

- The Group presents its business opportunities in each region, as well as its most relevant strategic initiatives for the next three years.
- Focus on digital business: this channel will generate 7 percent of premiums in 2020.
- Increased business diversification: in 2020 Life and Health premiums will represent approximately 35 percent of the total.
- Continued application of its cost containment policy, thereby maintaining its expense ratio at a maximum rate of 28 percent over premiums.
- Will develop a plan to grow its market share in the Motor business in Spain and Portugal.
- Expects to increase its market share in Mexico from 6 to 10 percent in the next five years, on the back of its sales network and digital business.
- The effective rate of corporation tax for Group companies stood at 27.4 percent in 2014, contributing over 1,300 million euros to Public Administrations.
- MAPFRE adapts its Bylaws to the latest Corporate Governance requirements.
- The dividend payable against the 2014 results rises by 7.7 percent.

MAPFRE's Chairman and CEO, Antonio Huertas, addressed some of the Group's challenges for the next years at the Annual General Meeting held today in Madrid, making special mention of the continued strengthening of its geographical and business diversification, such that in 2020, revenues from overseas business will represent at least 75 percent of the total, with Life and Health premiums contributing around 35 percent.

Moreover, the Annual General Meeting approved the 2014 financial statements, as well as the proposal to distribute a total dividend of 0.14 euros per share against last year's results, which represents a 7.7 percent increase with respect to the preceding year. All other proposed resolutions were also widely supported by shareholders. Among said resolutions, those referring to Corporate Governance merit special attention: the AGM has approved the amendment of MAPFRE's Bylaws and the new Regulations of the General Meeting with the aim of adapting them to the latest legislative changes.

Antonio Huertas analyzed the economic forecasts and business opportunities for each region in which MAPFRE operates, and presented the most relevant strategic initiatives for the next three years. He pointed out that MAPFRE will further strengthen its multichannel approach, progressing in the ongoing development of its sales network, opening new offices in most of the countries where it operates and signing new distribution agreements, (especially in the countries in the LATAM South Regional Area, in the USA and in Turkey).

Likewise, the Group will significantly boost its Global Risks project in Europe, seeking to increase its market share among the largest industrial groups on the continent, and in Brazil, devising a plan specifically targeted at large Brazilian companies.

MAPFRE will continue to maximize synergies among its different units, while adhering to its cost containment policy, thereby maintaining its overall internal expense ratio at 28 percent over premiums at the most.

Antonio Huertas stated that MAPFRE will develop a plan to turn the company into a global digital distribution leader by 2020, when at least 7 percent of MAPFRE's premiums are expected to stem from this channel. Likewise, innovation will be promoted as the company's differentiating factor in all the markets in which it operates as the basis for providing clients with the best possible service.

During the Meeting, MAPFRE's commitment to further grow in the countries where it is present was underscored. As such, the Group's contribution to Public Administrations was highlighted, showing that MAPFRE contributed more than 1,300

million euros in taxes in 2014, with an effective corporation tax rate for Group companies of 27.4 percent.

Antonio Huertas declared that MAPFRE will implement a business plan in Spain and Portugal in order to increase its Motor market share, build customer loyalty and pursue cross-selling opportunities, via its sales network and attracting new agents. Additionally, the company will continue to simplify its structure so as to further improve efficiency.

As regards Latin America, MAPFRE expects to increase its market share in Mexico from 6 to 10 percent in the next five years, resulting from the expansion of its sales network, a specific network for Life Assurance and digital business. Moreover, the possibility of entering into new agreements or alliances with other insurance or financial groups is being considered in order to increase MAPFRE's presence in Mexico. In LATAM South, the Group will devise a specific sales plan targeted at Latin companies.

In relation to said Areas, Jesús Martínez Castellanos, the current General Manager for Business and Clients for the Iberia Regional Area, was appointed CEO of MAPFRE MEXICO, replacing José Carpio, who will be the new CEO of MAPFRE Colombia, after the retirement of its current CEO, Raúl Fernández Maseda. Additionally, Roy Medina will be the new General Manager in Costa Rica, replacing Carlos Granjel, who will join MAPFRE MEXICO's sales team.

In Brazil, MAPFRE, which has already started to operate in the Health business, will continue to develop its sales network, through bank agents who distribute insurance products in rural areas, providing agents with more specialized training and promoting distribution via vending machines in supermarkets.

MAPFRE, which now operates in 19 US states, foresees extending its presence to Illinois, Virginia and Wisconsin in 2017 and developing a joint plan with Mexico to promote cross-border business between both countries. Moreover, it will open branches in car dealerships and sign distribution agreements with supermarkets in the West Coast. It will also boost the sale of corporate solutions in new states, such as Massachusetts, Florida, Pennsylvania and Arizona, and develop a roadside assistance program for commercial vehicles in California. Furthermore, it will develop a digital distribution strategy in the USA, through a direct insurance operation in the Motor sector, similar to VERTI in Spain, while also promoting MAPFRE's online sales.

In the EMEA Regional Area, MAPFRE is currently working on the integration of Direct Line in Italy and Germany, an operation that will add nearly 1,300 employees, 1.6 million clients and premiums of 714 million euros to the Group. In Turkey, the Life-Protection business will be boosted.

In China, MAPFRE is creating a specialized company for online Motor insurance sales via mobile devices, and is examining potential collaborative options within the main digital distribution channels and platforms in the country. Permission to operate in the chosen region, (Shandong), has already been submitted to the Chinese authorities.

With respect to the reinsurance business, Antonio Huertas noted that MAPFRE RE will open offices in new countries and start to operate in Life reinsurance in the United States.

*About MAPFRE:*

MAPFRE is a global insurance company present in 49 countries in the five continents. The Spanish market leader is also the top multinational insurance group in Latin America and one of the 10 largest insurance groups in Europe by premium volume. MAPFRE has over 37,000 employees and more than 27 million clients worldwide. In 2014, it reported net earnings of over 845 million euros and produced revenues of 26,367 million euros.