MAPFRE

Equity Story

July 2019

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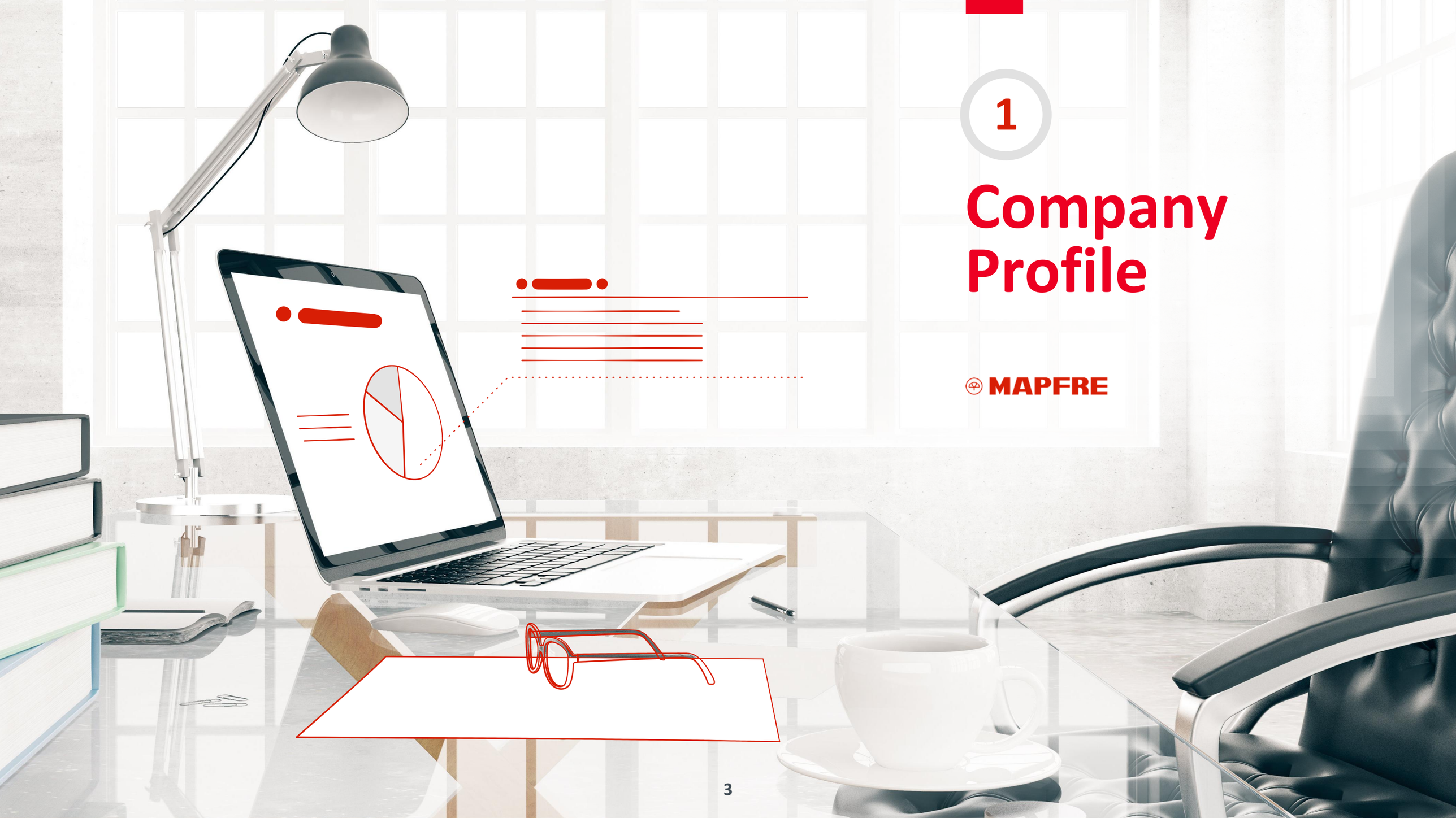
Our differentiating investment proposal

MAPFRE



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Company Profile

MAPFRE

vision

To be the most trusted global insurance company

mission

To be a multinational team that strives tirelessly to improve our services and ensure the best possible relationships with our clients, distributors, providers, shareholders and society in general

values

Solvency
Integrity
Vocation for service
Innovation for leadership
Committed team

MAPFRE began its international expansion over **30 years ago**

1933 MAPFRE founded

1952 Automobile insurance

1970 Insurance group

1975 Fundación MAPFRE created

1982 MAPFRE RE founded

1983 Leadership of insurance industry in Spain

1984 Beginning of international expansion: Latin America

1989 MAPFRE ASISTENCIA created

1998 Launch of bancassurance operations

2005 First Non-Life in Latin America

2006 Transition from a mutual insurance company to a public limited company

2007 Acquisition of GENEL SIGORTA (Turkey)

2008 Acquisition of COMMERCE GROUP (USA)

2009 MAPFRE GLOBAL RISKS founded

2010 Agreement with BANCO DO BRASIL

2011 Beginning of direct business

2014 Acquisition of DIRECT LINE (Italy & Germany)

2016 ABDA takeover (Indonesia)

2019 Strategic Plan 2019-2021

MAPFRE

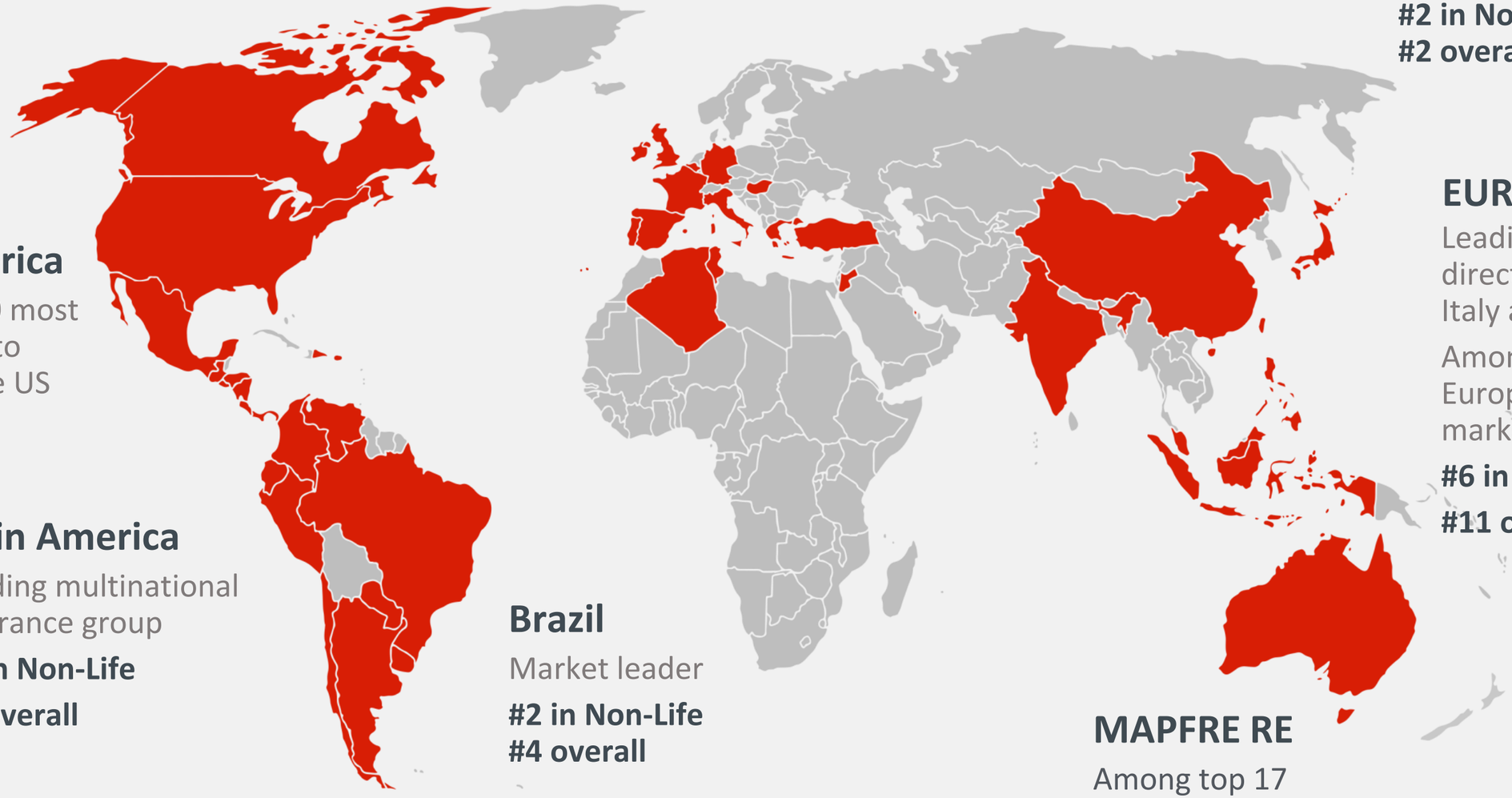
Your trusted global insurance company

Global player: present in 45 countries

Spain

Benchmark company in the Spanish insurance market

#2 in Non-Life
#2 overall



North America

Among the 20 most important Auto insurers in the US

EURASIA

Leading positions in direct Auto insurance in Italy and Germany

Among the leaders in the European insurance market

#6 in Non-Life

#11 overall

Latin America

Leading multinational insurance group

#1 in Non-Life

#3 overall

Brazil

Market leader

#2 in Non-Life
#4 overall

MAPFRE RE

Among top 17 reinsurance companies

Source: MAPFRE 2018 Integrated Report and ICEA ranking to June 2019

Diversified business

Operations in
45 countries
through 224 companies

29 M
clients

86,500
distributors

12,526
branches*

34,705
employees

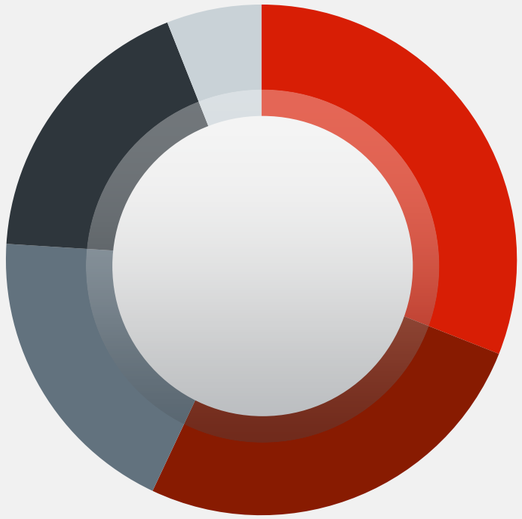
+152,000
providers

- **Global company**, both geographically and in product offering
- **Multichannel** company
- We are advancing in **digital business**, without ignoring **traditional channels**

Source: MAPFRE, 2018 Integrated Report & June 2019 Financial Report
*Of which: 5,256 own and representative branches, and 7,270 in bancassurance

Diversified business

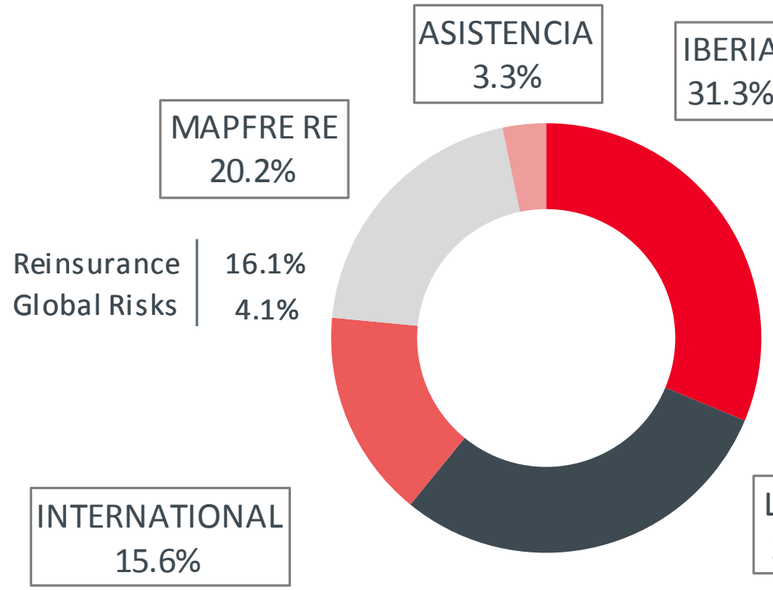
Breakdown of premiums by line



Motor	28%
P&C	25%
Life	20%
Reinsurance	22%
Health & Accident	5%

Information to December 2018

Breakdown of premiums by business unit



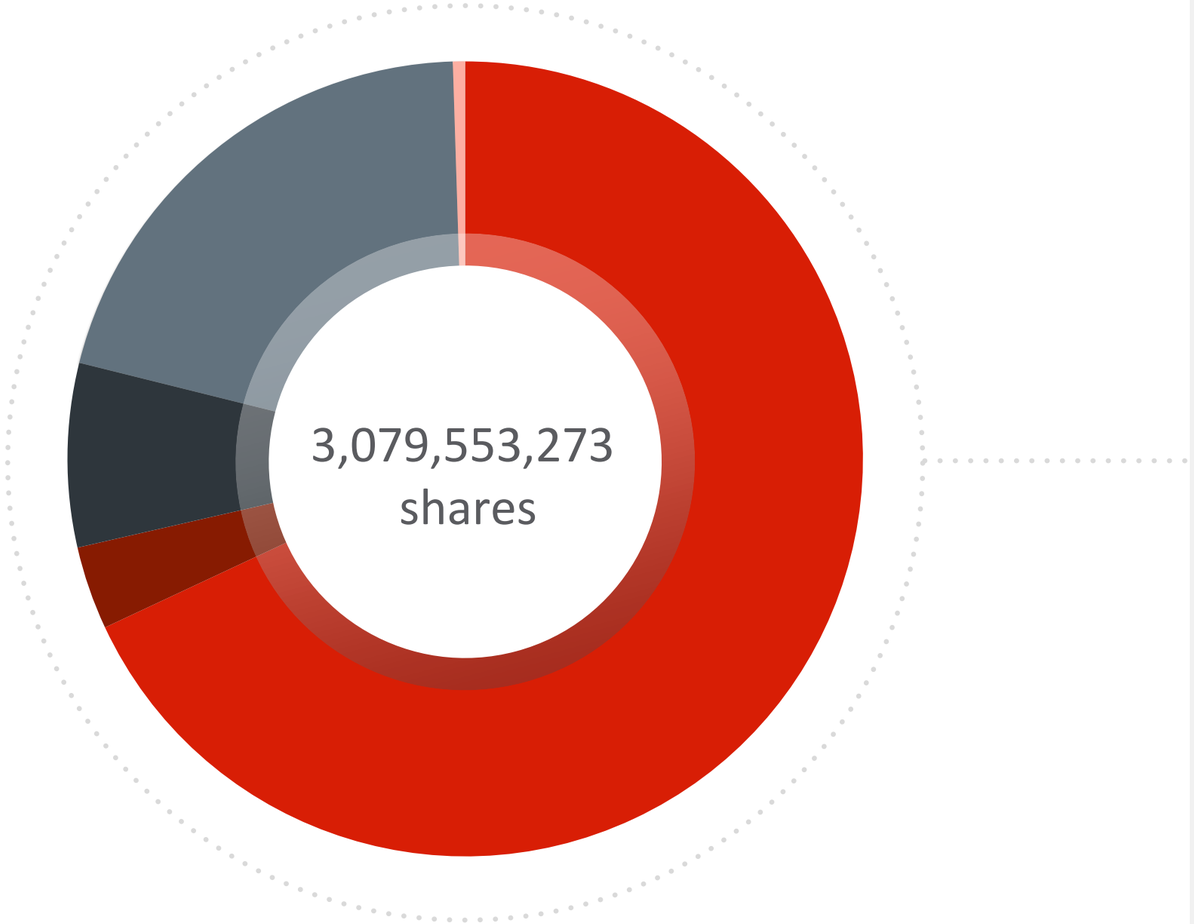
NORTH AMERICA	8.8%
EURASIA	6.9%

BRAZIL	14.8%
LATAM NORTH	9.0%
LATAM SOUTH	5.8%

Information to June 2019

MAPFRE

Shareholder structure



Shareholder composition

- Fundación MAPFRE **68.2%***
- Spanish institutional **3.9%**
- Spanish non-institutional **7.7%**
- International institutional **20.1%**
- International non-institutional **0.1%**

Information to June 2019

* Includes indirect treasury stock holdings from MAPFRE S.A.

MAPFRE

MANAGEMENT ORGANIZATION

CHAIRMAN AND CEO
Antonio Huertas**

EXECUTIVE COMMITTEE

TRANSFORMATION AND INNOVATION COMMITTEE

VICE CHAIRMAN
Ignacio Baeza**

VICE CHAIRMAN
José Manuel Inchausti**

FINANCE AND RESOURCES
Fernando Mata**

PEOPLE AND ORGANIZATION
Elena Sanz*

INVESTMENTS
José Luis Jiménez

GENERAL COUNSEL AND LEGAL AFFAIRS
Ángel Dávila*

BUSINESS AND CLIENTS
José Manuel Corral*

BUSINESS SUPPORT
Francisco Marco**

INTERNAL AUDIT
María Luisa Gordillo

IT AND PROCESSES
Felipe Nascimento

STRATEGY AND M&A
José Luis Gurtubay

OPERATIONS
José Antonio Arias

EXTERNAL RELATIONS AND COMMUNICATION
Eva Piera

MAPFRE WORLDWIDE

BUSINESS UNITS

INSURANCE

ASSISTANCE
Leire Jiménez

GLOBAL RISKS
Bosco Francoy

REINSURANCE
Eduardo Pérez de Lema*

GLOBAL BUSINESS COMMITTEE

IBERIA (SPAIN / PORTUGAL)
José Manuel Inchausti**

LATAM
Aristóbulo Bausela*

INTERNATIONAL
Jaime Tamayo*

BRAZIL
Fernando Pérez- Serrabona

NORTH AMERICA
Alfredo Castelo*

LATAM NORTH
Jesús Martínez

EURASIA
Nikos Antimissaris

LATAM SOUTH
Marcos Ferreira

○ Corporate Area
*Member of Executive Committee
**Member of Executive Committee and Member of the Board of Directors

CORPORATE SOCIAL RESPONSIBILITY

Fundación MAPFRE

Social action

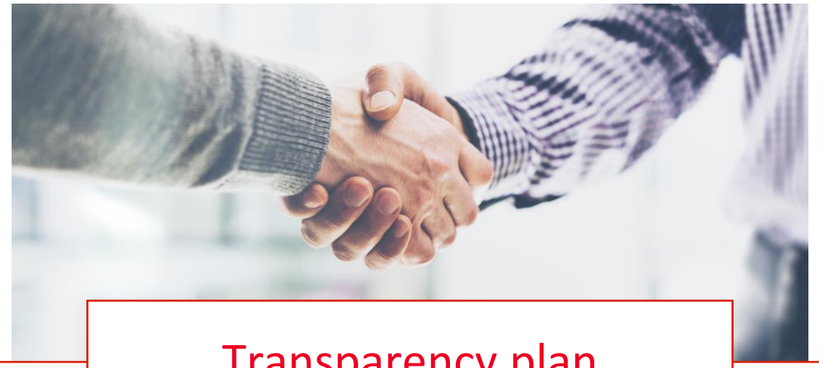
Culture

Health promotion

Accident prevention and road safety

Insurance and social protection

- **277 activities** and nearly **7,000 events** in 30 countries in 2018
- Over **25 million** people benefitting from these initiatives



Transparency plan

MAPFRE | **Stakeholders**

- **Closer, more transparent** relationships
- Better corporate **information** and **communication** – both internal and with third parties
- **Simplify** product information and conditions

Create trust

Sustainability Plan

- Maximize MAPFRE's **social impact**
- Minimize environmental **risks**
- Improve **corporate governance** practices

innovative | **ethical**

MAPFRE as a company

transparent | **dedicated**

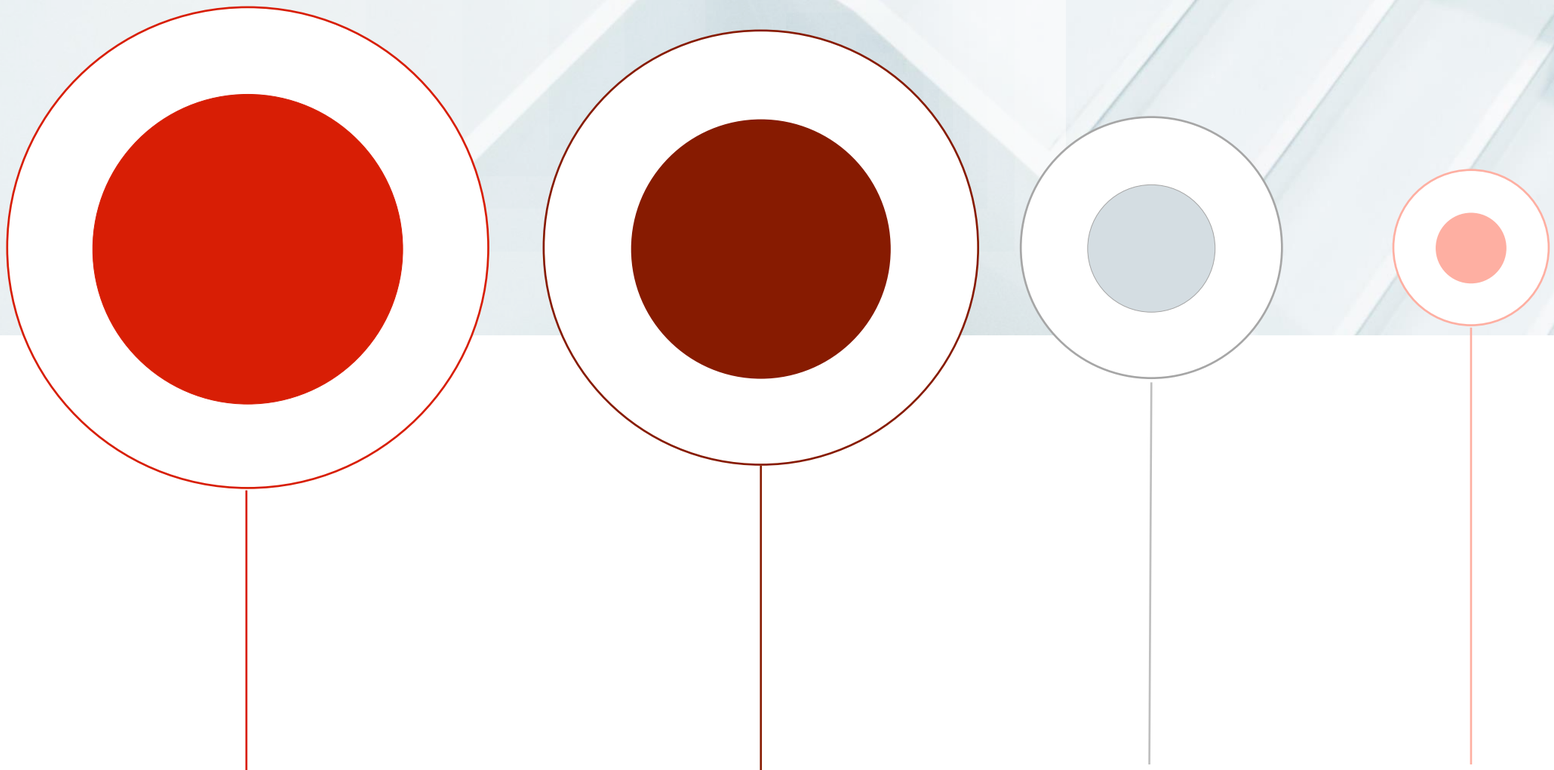
MAPFRE

2

6M 2019 Results

MAPFRE

Figures at a glance



15.1 BN
Consolidated revenue
+6.8%

12.5 BN
Premiums
+4.7%

374.5 M
Attributable result
-2.9%

95.9%
Non-Life combined ratio
-1.5 p.p

ROE
7.9%
Excluding 2018 goodwill writedowns

ROE
6.0%
-0.4 p.p. *

SOLVENCY RATIO
189%
At 03.31.2019

Robust and resilient solvency position

Figures in €

*Variation vs. December 2018

MAPFRE

Figures at a glance

More growth

REVENUE	+6.8%
PREMIUMS	+4.7%
SPAIN	+5.1%
LATAM	+17%
SHAREHOLDERS' EQUITY	+10.6%*
ASSETS	+9.3%*

* Variation vs. December 2018

More profitability

COMBINED RATIO	95.9% (-1.5 p.p.)
ROE	7.9%**
INSURANCE UNIT RESULT	+9.4%
SUBSTANTIAL RECOVERY	BRAZIL AND USA

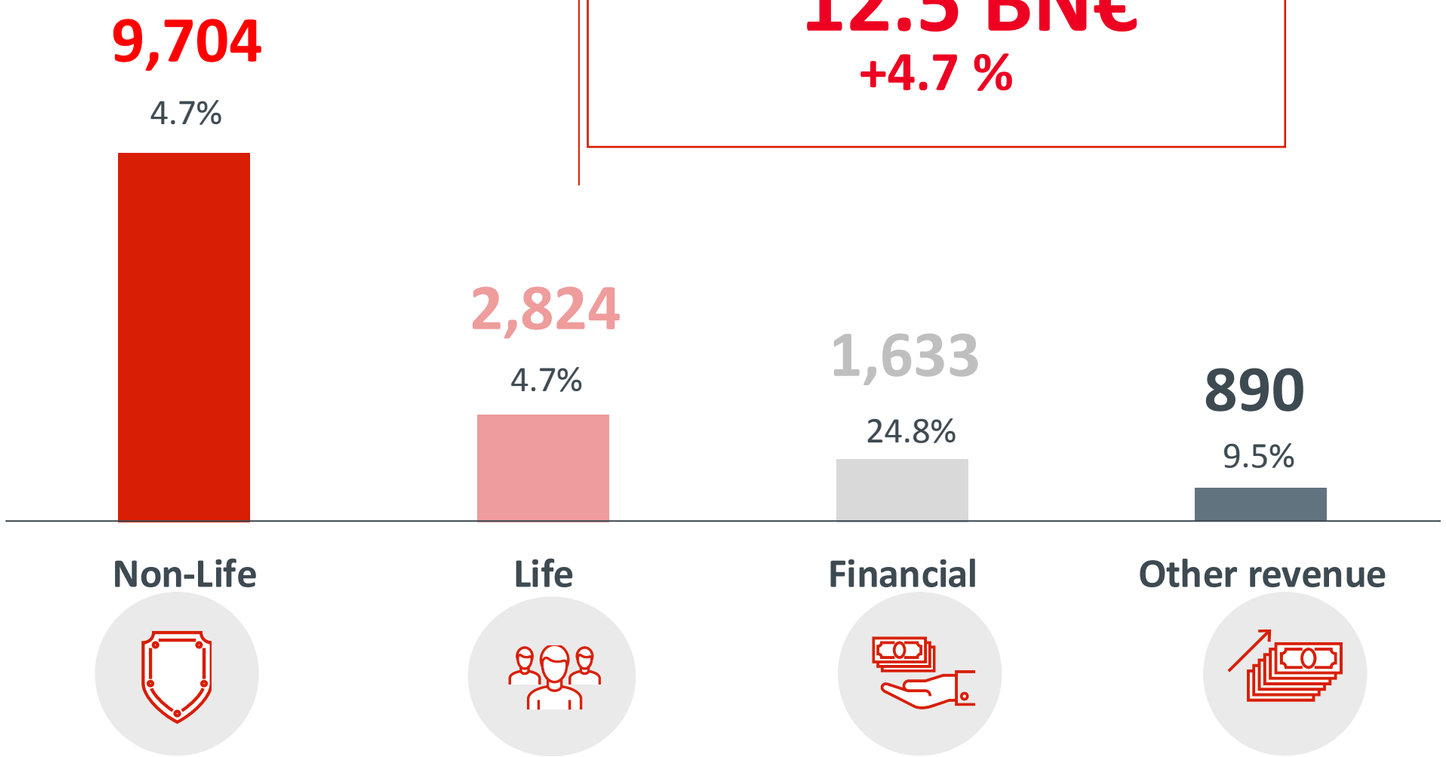
** Excluding 2018 goodwill writedowns

Economic context

MORE NEUTRAL
CURRENCY DEVELOPMENT

CONTEXT OF
STRUCTURAL
LOW RATES

Consolidated revenue



Total premiums

12.5 BN€

+4.7 %

Consolidated revenue

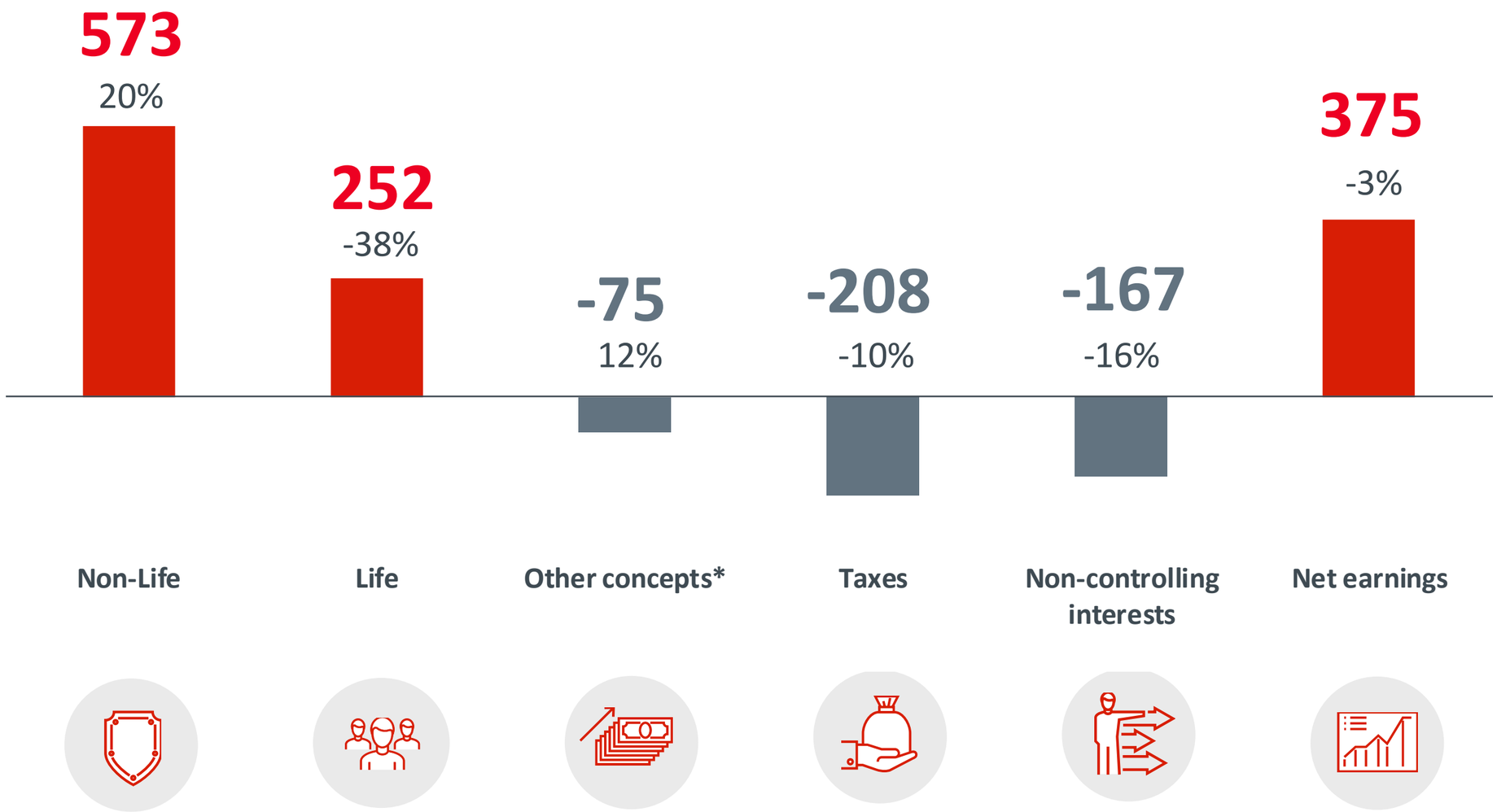
15.1 BN€

+6.8%

Figures in million € unless otherwise indicated

MAPFRE

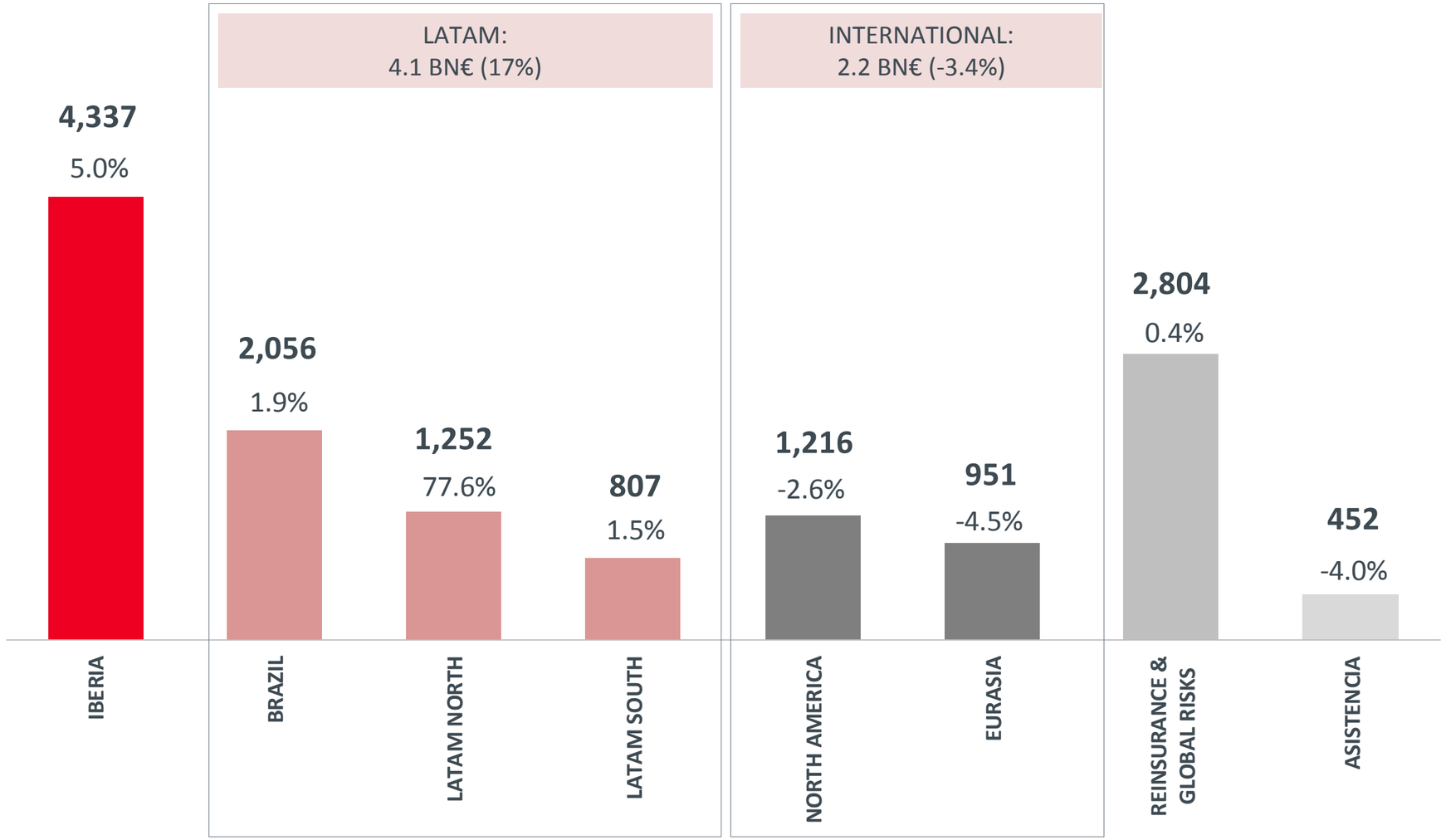
Earnings breakdown



Figures in million €

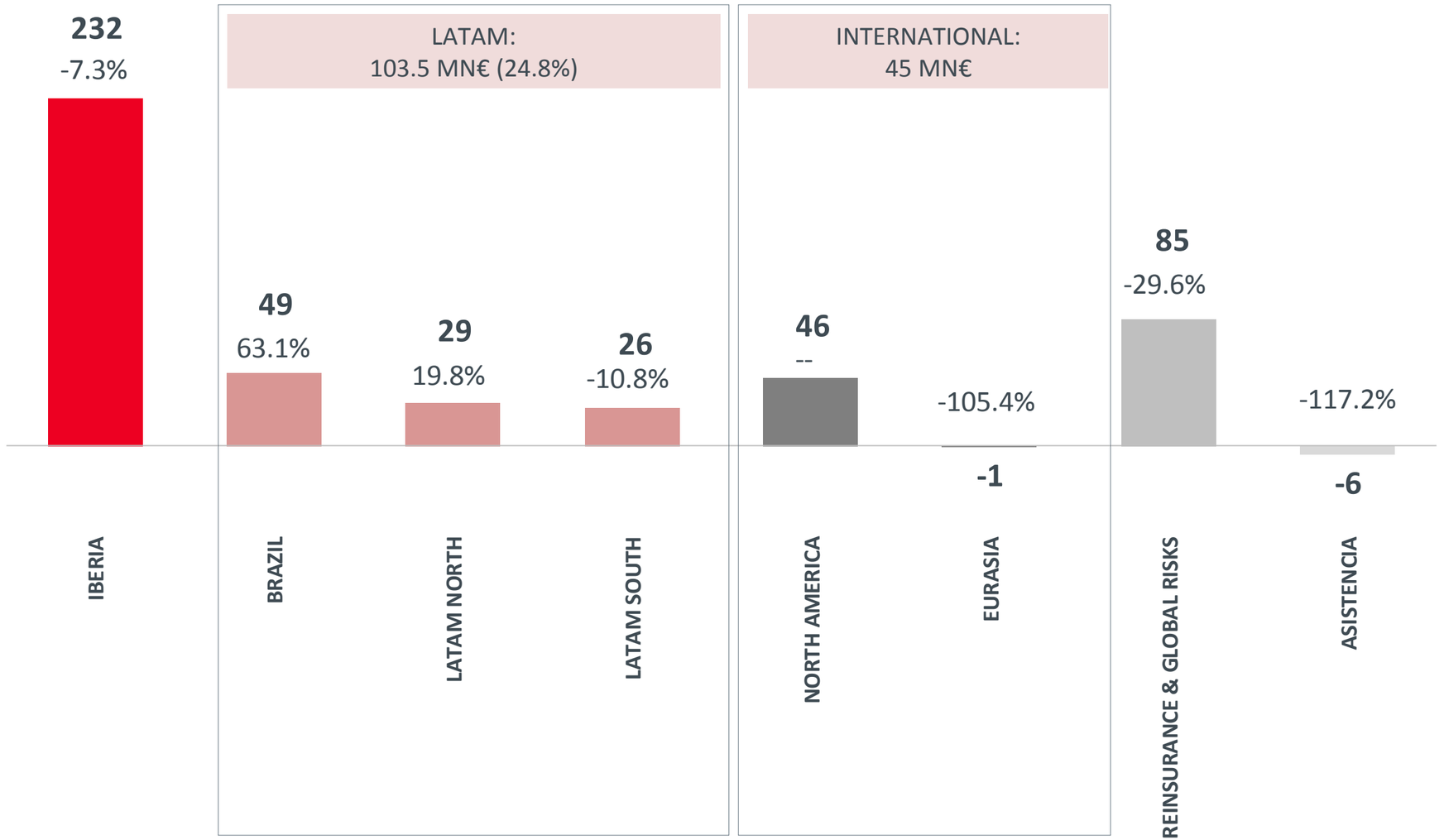
*Includes other activities, Holding expenses, and hyperinflation adjustments

Distribution of premiums by business area



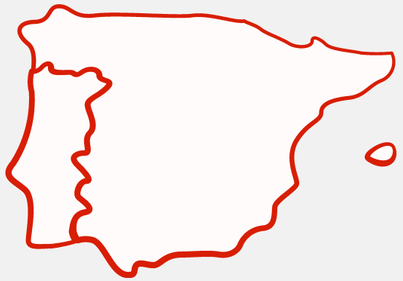
Figures in million € unless otherwise indicated

Distribution of profit by business area



Figures in million € unless otherwise indicated

Premiums by main lines

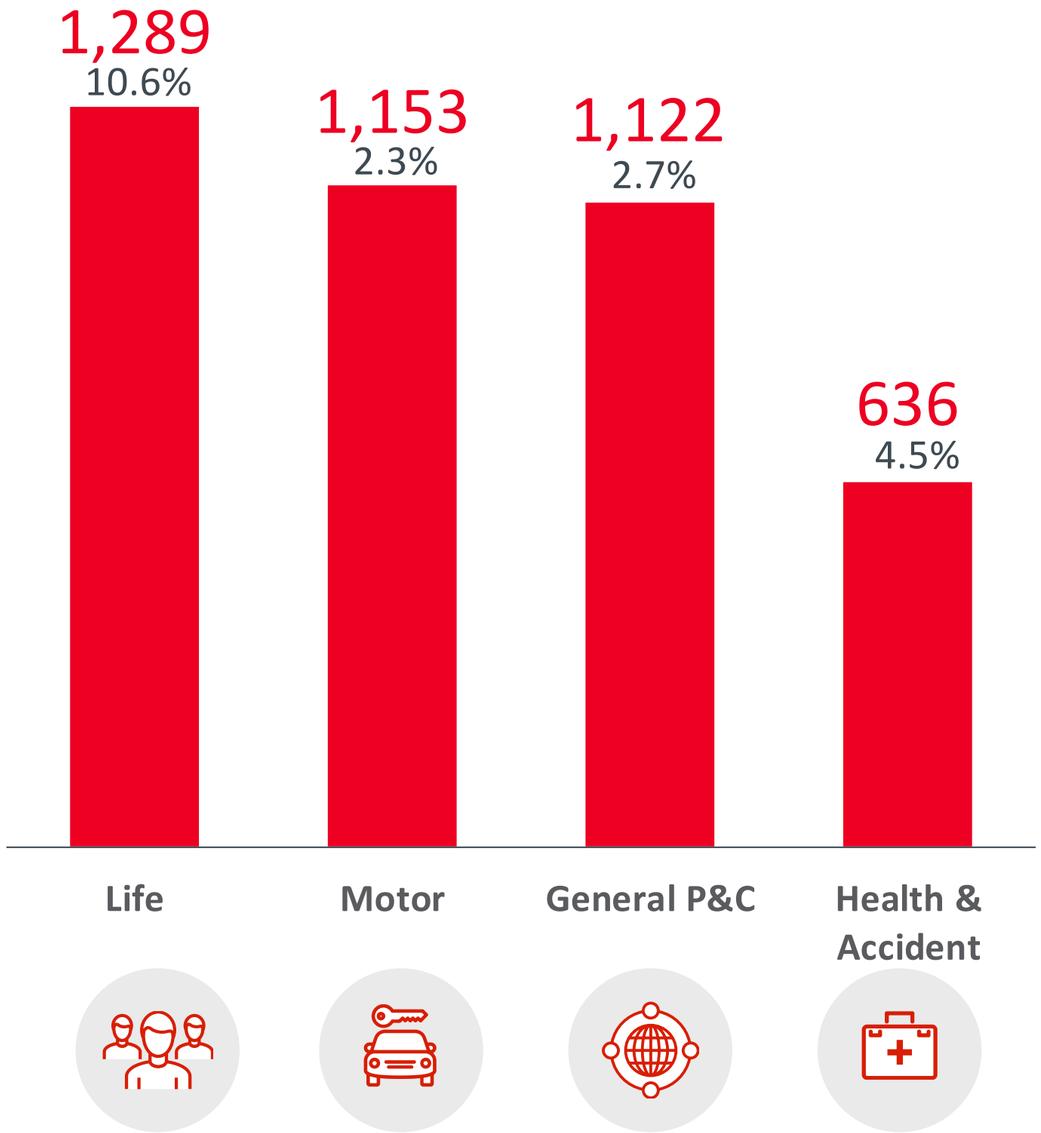


Iberia

4.3 BN€ in premiums

+5.0%

- Growth outperforming insurance sector with excellent combined ratios
- Strengthening our bancassurance footprint and making progress in our digital transformation in Spain



Figures in million €

MAPFRE

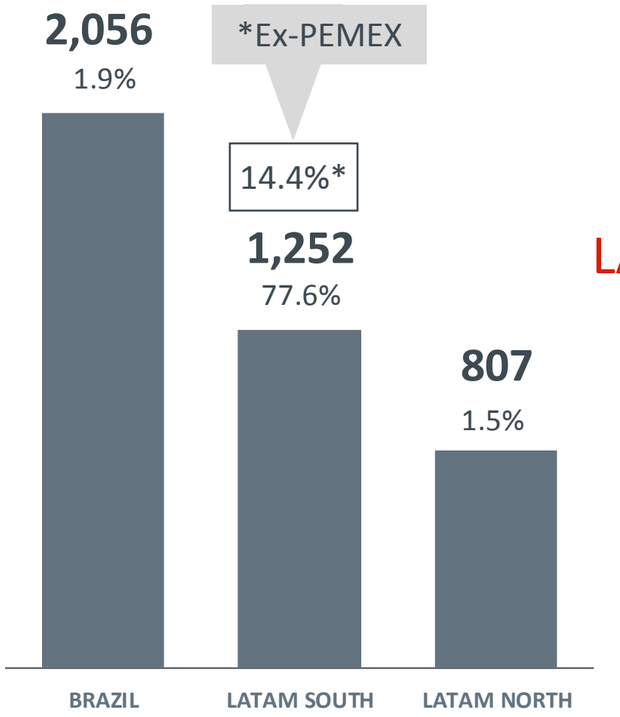
Premiums by main countries

Latin America

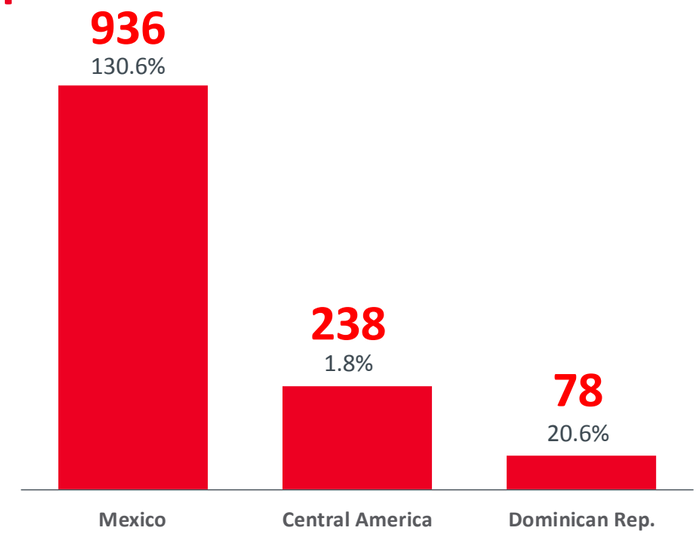
4.1 BN€ in premiums

+17.0%

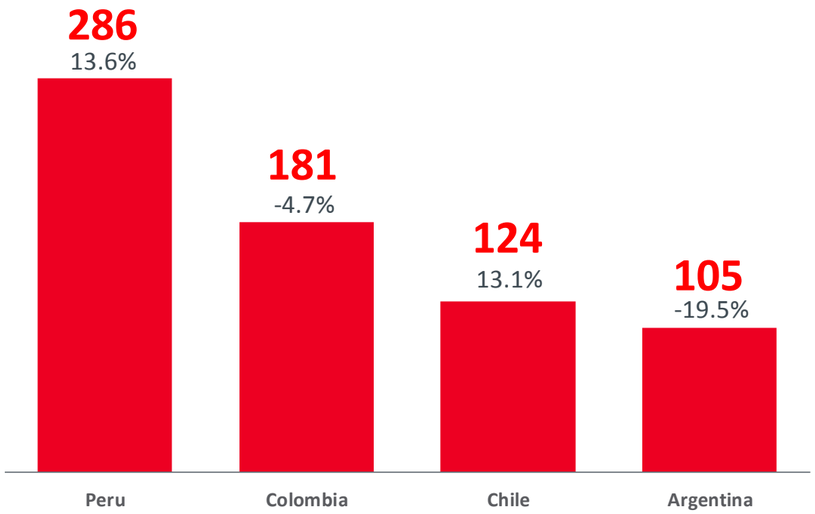
- Brazil: proving the potential of the bancassurance channel and showing improvements obtained from the implementation of a business model with stricter control measures and technical discipline
- LATAM NORTH reflects the effect of the renewal of the multi-year PEMEX policy (€445.1 million), as well as the positive performance of the Motor business in Mexico
- Positive premium trends in Mexico, Chile, Peru and Dominican Republic



LATAM North



LATAM South



Figures in million €

MAPFRE

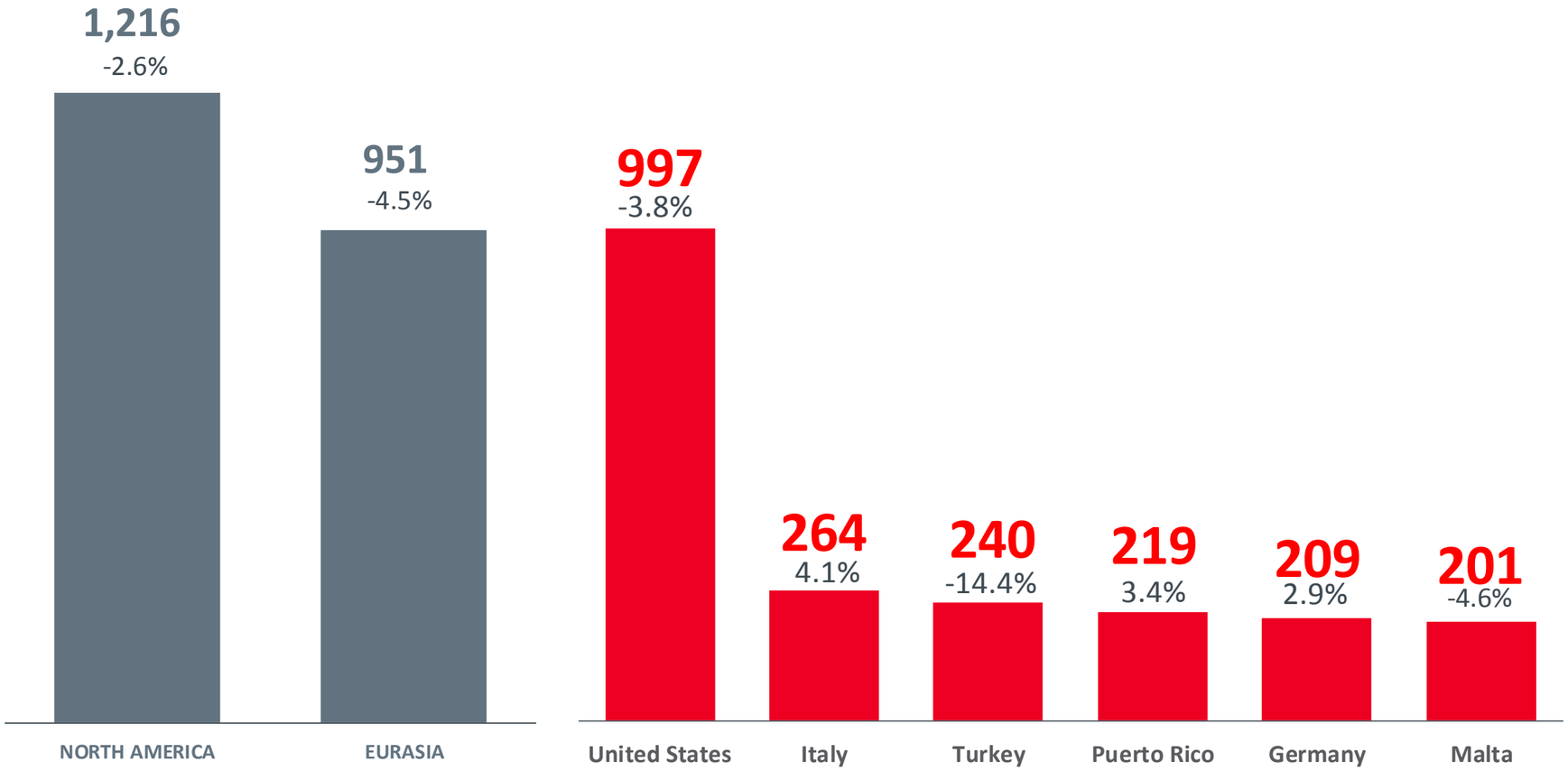
Premiums by main countries

International

2.2 BN€ in premiums

-3.4%

- Successful strategy implementation in the US
- Turkey: impacted by Motor Third Party Liability regulation and the depreciation of the lira



Figures in million €

MAPFRE RE

2.8 BN€ in premiums

+0.4%

- Solid results, with excellent growth capacity
- Premiums benefitting from currency movements
- Ceded business:
  - Mapfre | **52.5%**
  - Other | **47.5%**

Premiums by region

Eurasia	**41.1%**
Latam	**24.6%**
Iberia	**21.1%**
North America	**13.2%**

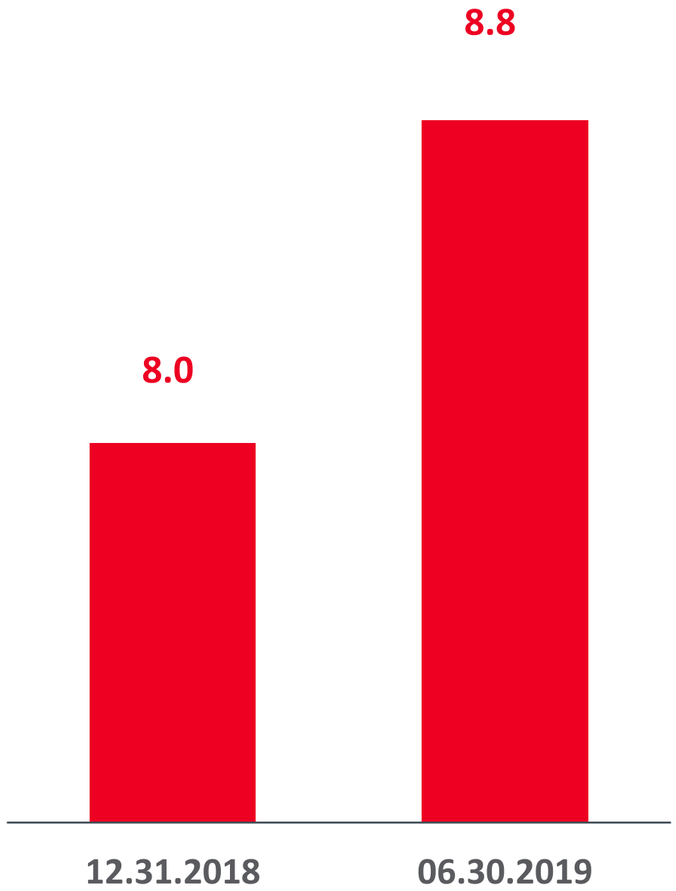
Premiums by business line

P&C	**37.9%**
Auto	**22.5%**
Global Risks business	**20.2%**
Life & Accidents	**11.9%**
Other lines	**4.7%**
Transportes	**2.8%**

Balance sheet

Total assets

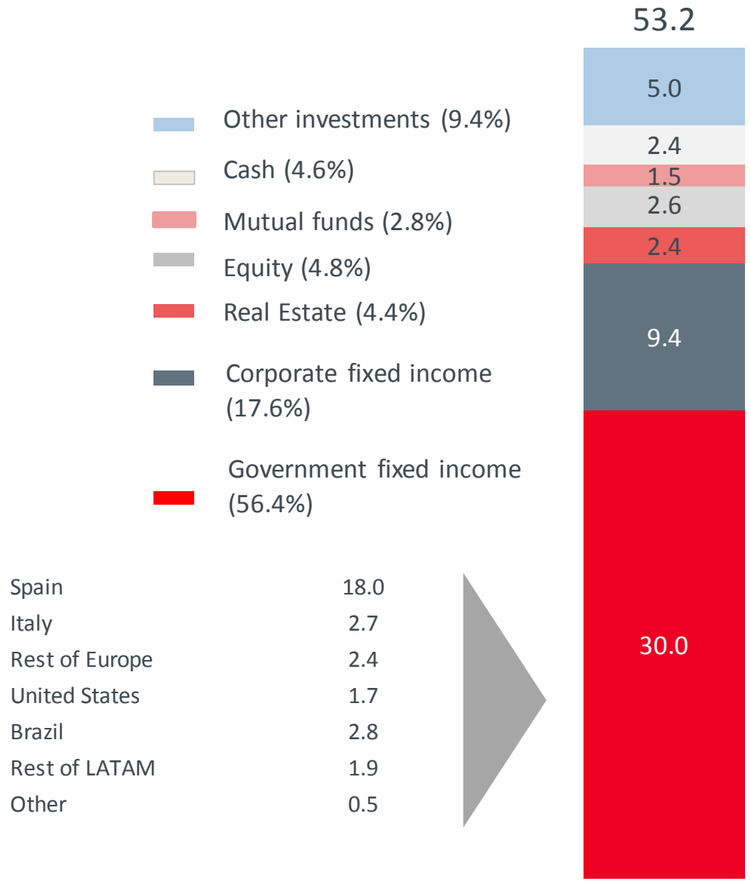
Shareholders' equity



Figures in billion €

Investment portfolio and AuM

Breakdown by asset class

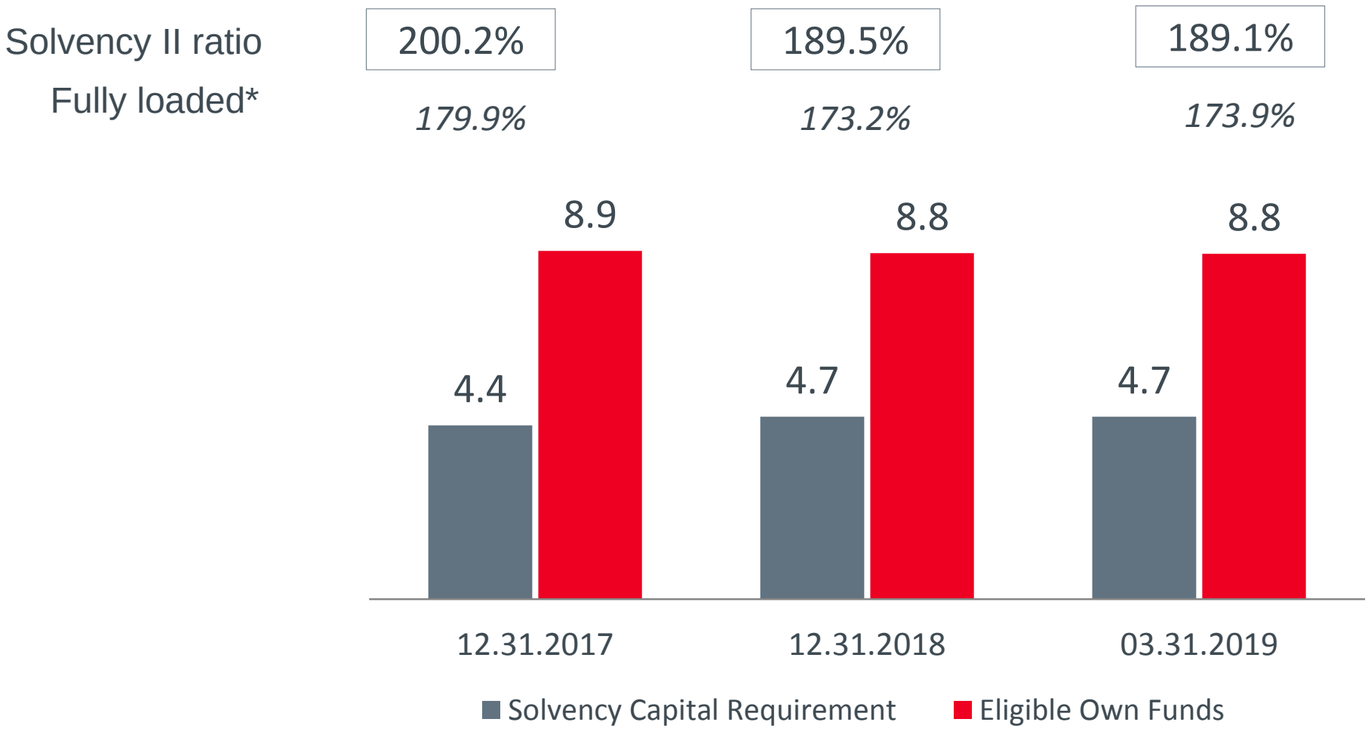


Assets under management

	12.31.2018	06.30.2019	% Δ
Assets under Management	**58.5**	**63.0**	**7.8%**
of which:			
Investment portfolio	49.3	53.2	7.9%
Pension funds	4.9	5.2	6.0%
Mutual funds & other	4.3	4.7	8.5%

Figures in billion €

Solvency margin breakdown



High quality capital base

Tier 1: 87%

Tier 2: 13%

200% Solvency II target

including transitionals (+/- 25 p.p.)

* Excluding impacts of transitional measures for technical provisions and equity

Figures in billion €

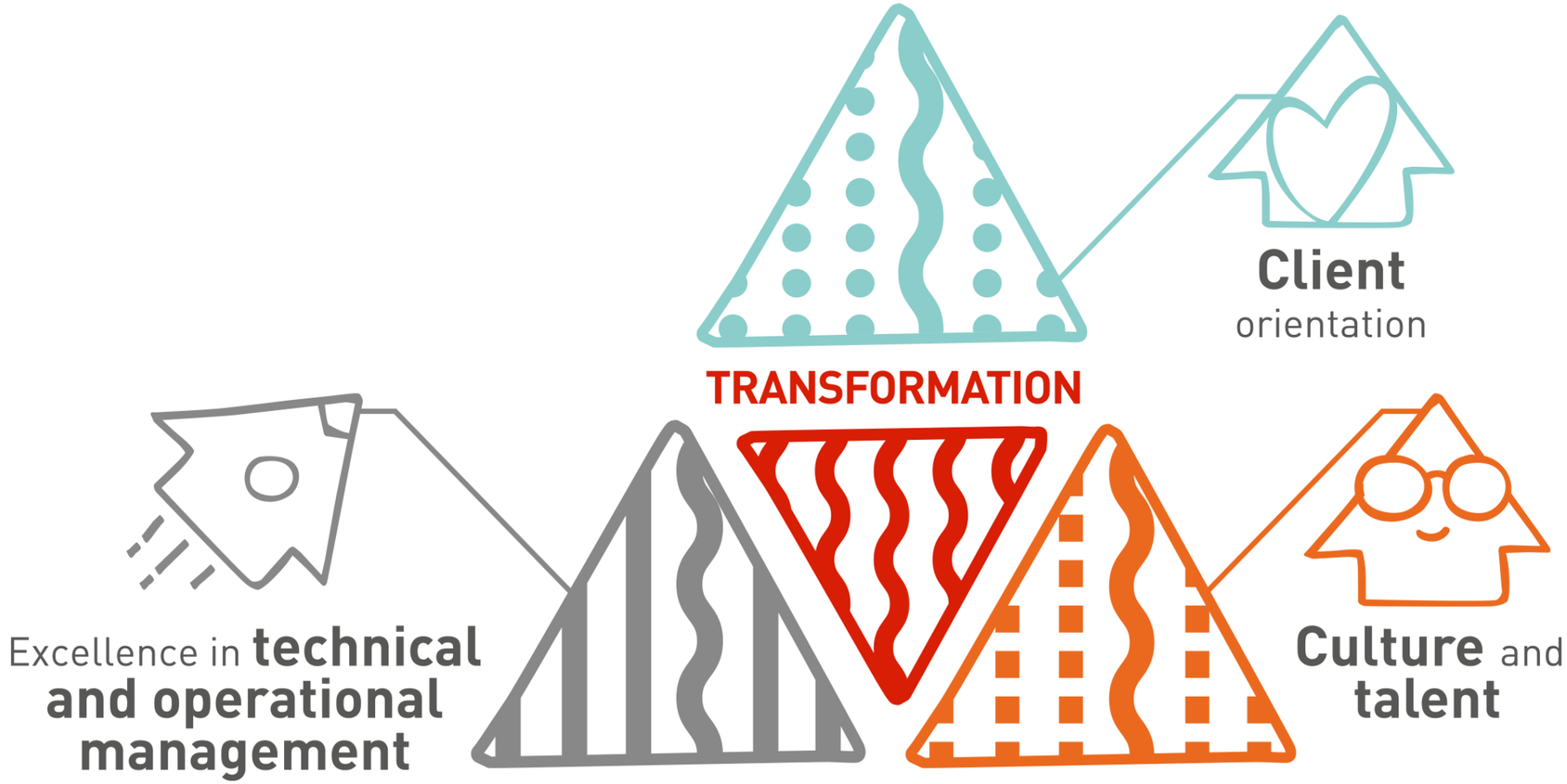
3

2019-2021 Strategic Plan

MAPFRE

2019-2021 Strategic Plan

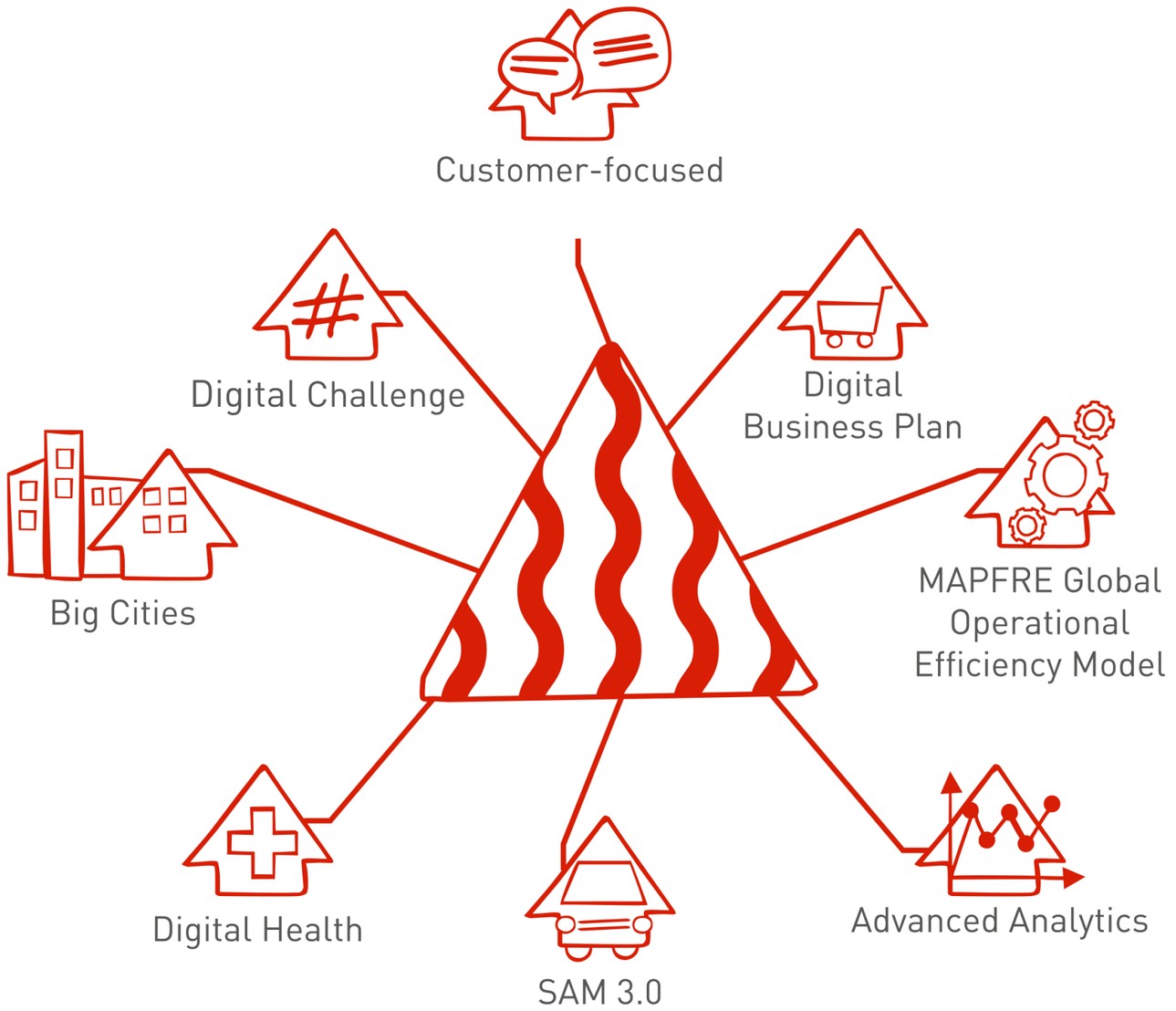
Transforming for growth and improved profitability



MAPFRE

2019-2021 Strategic Plan

Strategic initiatives



MAPFRE

2019-2021 Strategic Plan

Aspirational objectives

Profitable growth

VALUE CREATION

Average ROE **10%**

GROWTH

€30 BN
revenue by 2021

Premiums +5%
Annual average on a like-for-like basis

Boost the **LIFE** business

Life-Protection Premiums +8%
Annual average on a like-for-like basis

OPERATIONAL MANAGEMENT

Non-Life Combined Ratio: Average **96%**

Source: 2019 AGM

2019-2021 Strategic Plan

Excellence in technical and operational management

+10 million
automated transactions

Open, flexible and global
technology

Advanced analytics
platform

Source: 2019 AGM

2019-2021 Strategic Plan

Client Orientation

QUALITY MEASURE

73%

of measured business with NPS® outperforming competitors

DIGITAL BUSINESS

+41%

Revenues

in the **3-year period**

INNOVATION

mapfre open innovation

Solutions to

1 million clients

Source: 2019 AGM

2019-2021 Strategic Plan

Culture and talent

CULTURE AND TALENT INDEX

75% by 2021 (starting from 63%)

GENDER EQUALITY

45% of openings in leadership positions filled by women

INCLUSION

3% of workforce comprising people with disabilities by 2021

Source: 2019 AGM

2019-2021 Strategic Plan

Sustainability, innovation and trust

FIGHT AGAINST CLIMATE CHANGE

All MAPFRE companies with headquarters in Spain and Portugal will be **CARBON NEUTRAL** by 2021	Reduction of **61%** in current Group emissions worldwide	We will not invest in companies deriving **30%** or more of their revenues from coal-fired energy sources	We will not insure construction of new coal-fired **electricity generation** plants, nor will we insure new mines

Source: 2019 AGM

2019

Business strategy

Macroeconomic environment

GLOBAL GDP forecast for 2019 & 2020

+3.3%

Eurozone 2019

+1.3%

Emerging 2019

+4.3%

2019 favorable insurance sector

Source: MAPFRE Economic Research

Macroeconomic environment
IBERIA

Spain GDP 2019:
+2.4%

Spain GDP forecast for 2020:
+2.1%

Spanish economic growth slows down in line with the global environment, but it will continue to be one of the highest growing countries in the Eurozone

Source: MAPFRE Economic Research

Business strategy
IBERIA

Grow and improve profitability

- Distribution channels
  - Strengthen the MAPFRE network
  - Reinforce bancassurance channel
- Big cities
- Digital health (Savia)
- Improve client experience
- Family-oriented strategies
- Company segment

Business strategy
IBERIA
–

Enhancing our bancassurance footprint

Reorganization of bancassurance alliance

- **MAPFRE VIDA acquires 51% of the insurance entities Caja Granada Vida and Cajamurcia Vida y Pensiones, owned by BANKIA**
- **Scope of the current alliance for Non-Life is extended to BMN network**
- **~400 new branches**
- **Agreement formalization date: April 2019**

New exclusive distribution agreement in Non-Life in Spain

- **Motor, Commercial Multirisk, SME Multirisk, and TPL**
- **Shared business: 50.01% MAPFRE / 49.99% Santander**
- **Products will be distributed through Santander´s network in Spain (> 4,000 branches)**
- **Agreement formalization date: June 2019**

Macroeconomic environment
LATIN AMERICA

- GDP forecast for 2019: **+1.4%**
- Brazil **+1.0%**
- Mexico **+1.3%**

Source: MAPFRE Economic Research

Business strategy
BRAZIL

- Updated agreement with BANCO DO BRASIL
- Final stage of business restructuring process
- Better discipline and technical control
- Strengthened management team

Optimistic about business development in Brazil

Update of strategic alliance with Banco do Brasil
BRAZIL

Overview

- MAPFRE now controls 100% of MAPFRE SEGUROS, including:
  - All businesses from the traditional channel and auto business from the bank channel
  - Renewal rights of the Large Risks business from the bank channel
- BRASILSEG, of which MAPFRE holds 25% of the economic rights, of will focus on Life, Agro, Mortgage Life, SMEs and Homeowners insurance lines for Banco do Brasil clients, and will maintain the Large Risks run-off portfolio
- Exclusivity in Banco do Brasil's large distribution network is maintained (~4,800 branches)
- Agreement formalization date: June 2018

Business strategy
LATAM NORTH

Mexico

- Growth in most profitable lines
- Boosting agency and digital network
- Bancassurance agreements (Actinver)

Central America and Dominican Republic

- Solid growth in issuing and earnings
- Multichannel approach
- Consolidating as the leading insurance Group in Central America

MAPFRE

Business strategy

LATAM SOUTH

Multichannel approach
Portfolio diversification

- Focus on the client
- Reduced combined ratio
- Life business
- Multichannel approach
- New sales agreements
- Digital services and self-direction

Macroeconomic environment
North America

- US GDP forecast for 2019: **+2.5%**

- A cyclical and orderly slowdown of the US economy is expected

Source: MAPFRE Economic Research

Business strategy
North America

USA

- Profitable leadership in Massachusetts
- New business focus in key states and segments
- Digital business
- New technology platform

Puerto Rico

- Digitalization of operations

Macroeconomic environment
Eurasia

- Eurozone GDP forecast for 2019: **+1.3%**

- Germany **+1.0%**
  Italy **+0.0%**
  Turkey **-1.6%**

- Brexit risk

Source: MAPFRE Economic Research

MAPFRE

Business strategy
Eurasia

Germany & Italy

- Boost Verti brand

Turkey

- Diversification of products and channels
- Focus on improved technical profitability

Technological transformation and
process modernization

Other business units

MAPFRE RE

- Group reinsurance manager, minimizing volatility of the catastrophe business

- Capacity for growth, in line with our risk appetite, maintaining efficiency

- Europe and LATAM: benchmark reinsurer

- Integration of Global Risks business

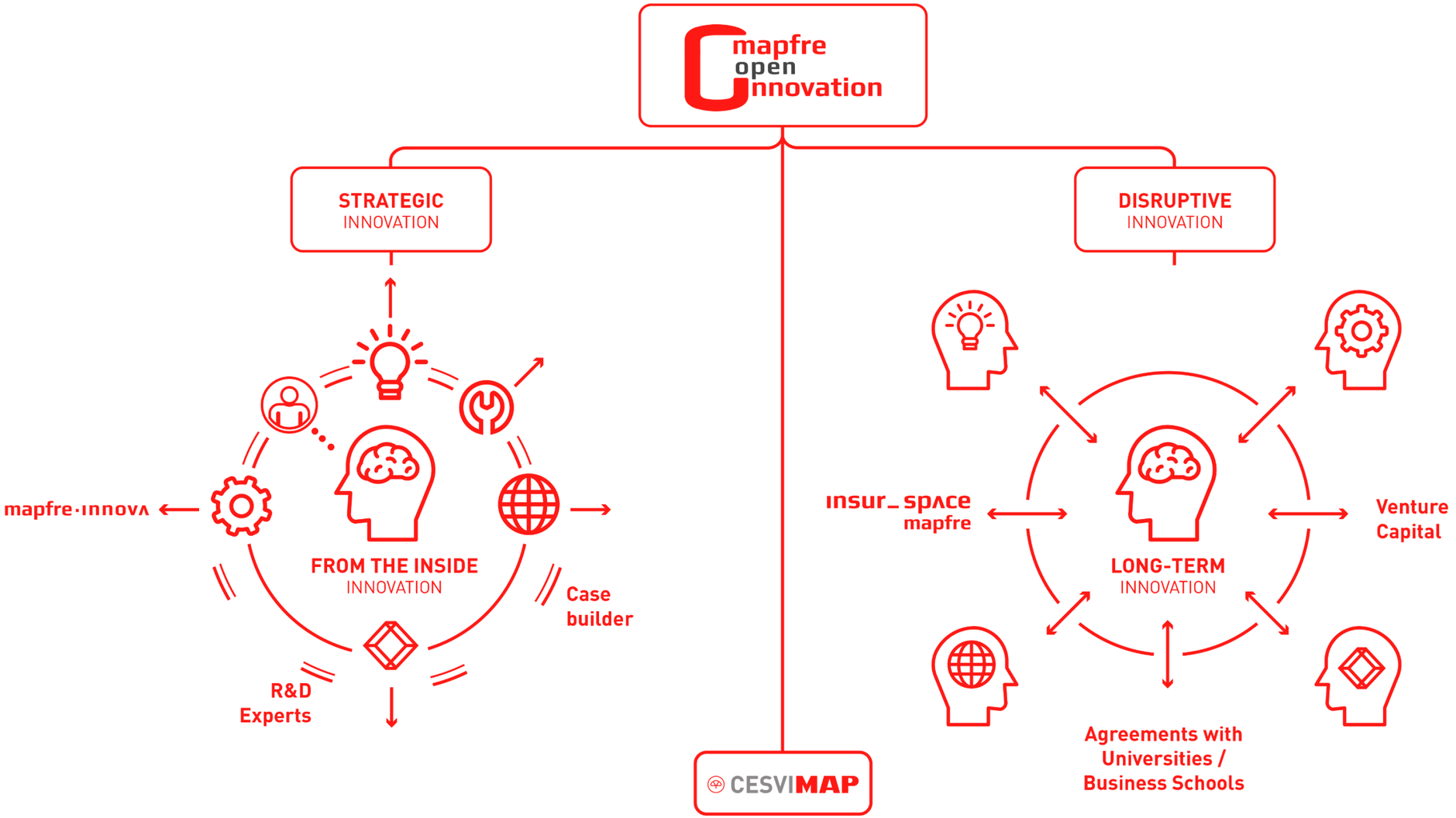
Other business units

MAPFRE ASISTENCIA

Focus on strategic markets for MAPFRE

New phase of profitable growth

Innovation in MAPFRE



MAPFRE

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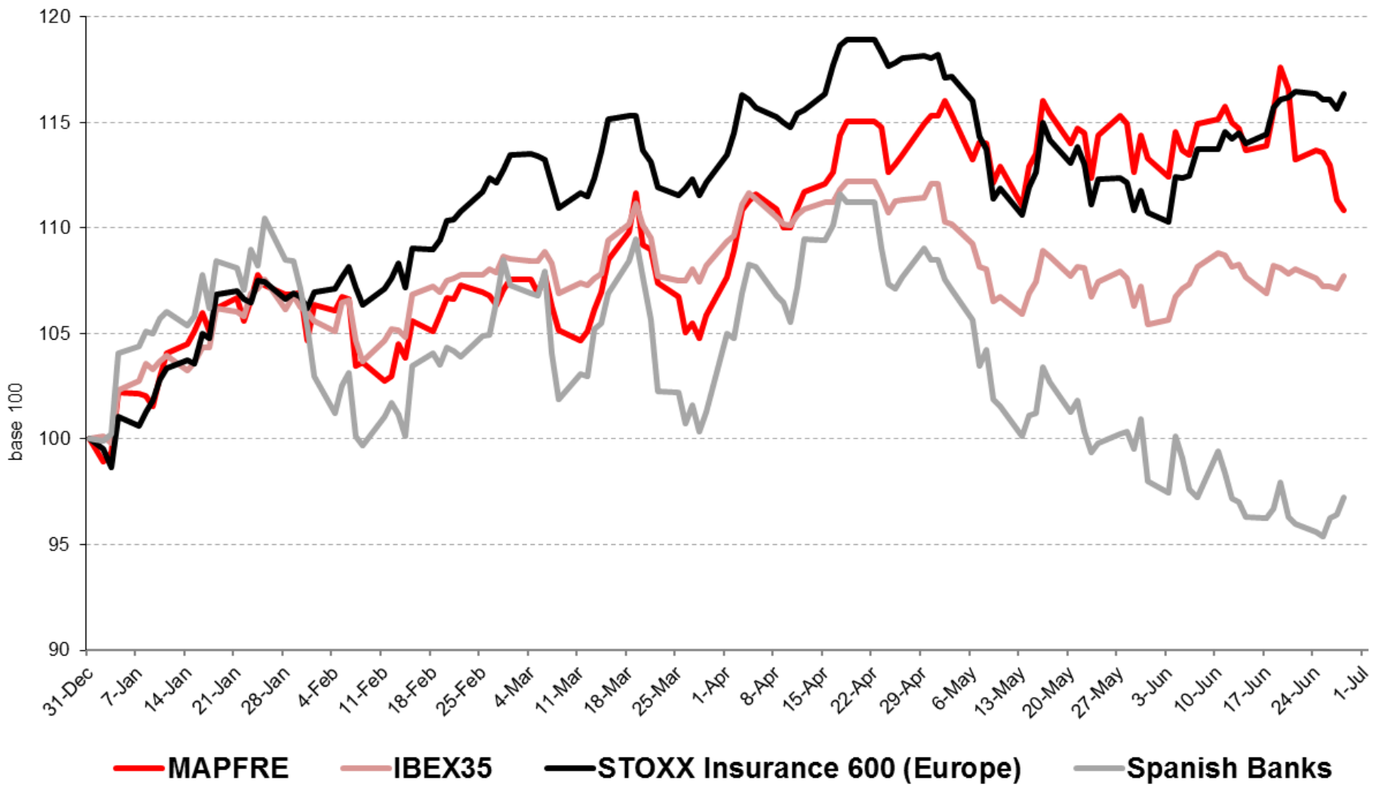
Stock market performance and shareholder remuneration

MAPFRE

Share performance



December 31, 2018 - June 30, 2019

	January – June 2019
MAPFRE	+10.8%
IBEX 35	+7.7%
Stoxx Insurance	+16.4%
Spanish banks	-2.7%

Market cap To June 30, 2019	7.9 BN €

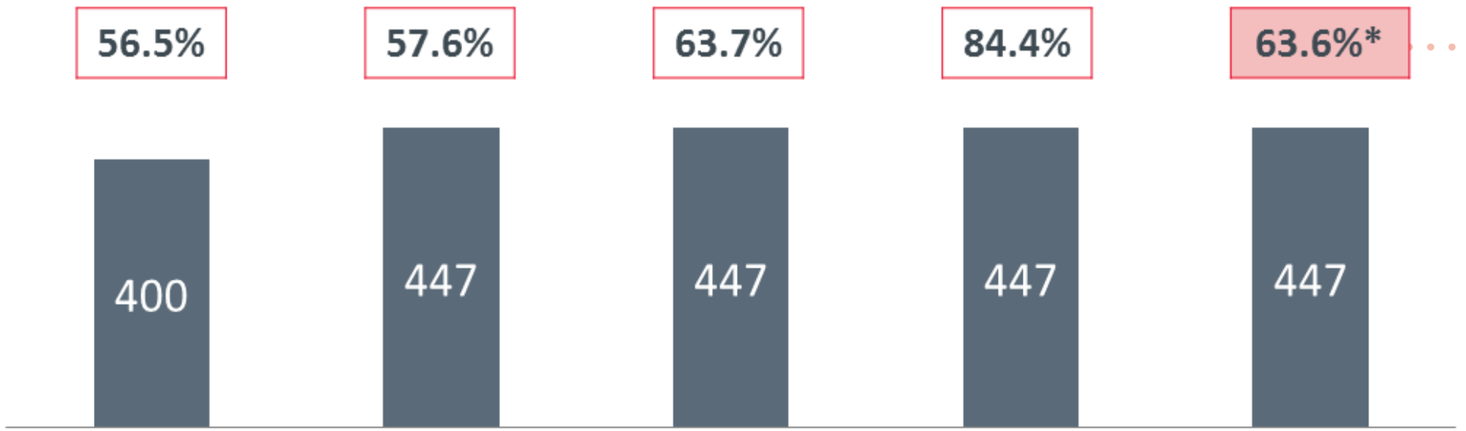
Spanish banks: the six Spanish banks with the greatest market cap

MAPFRE

Commitment to shareholders > dividend stability

–

Dividends paid against results (in million €)



	2015	2016	2017	2018	2018
Earnings per share (€)	0.23	0.25	0.23	0.17	0.23*
Dividend per share (€)	0.13	0.145	0.145	0.145**	0.145**

Payout (%)
50%-65% target range

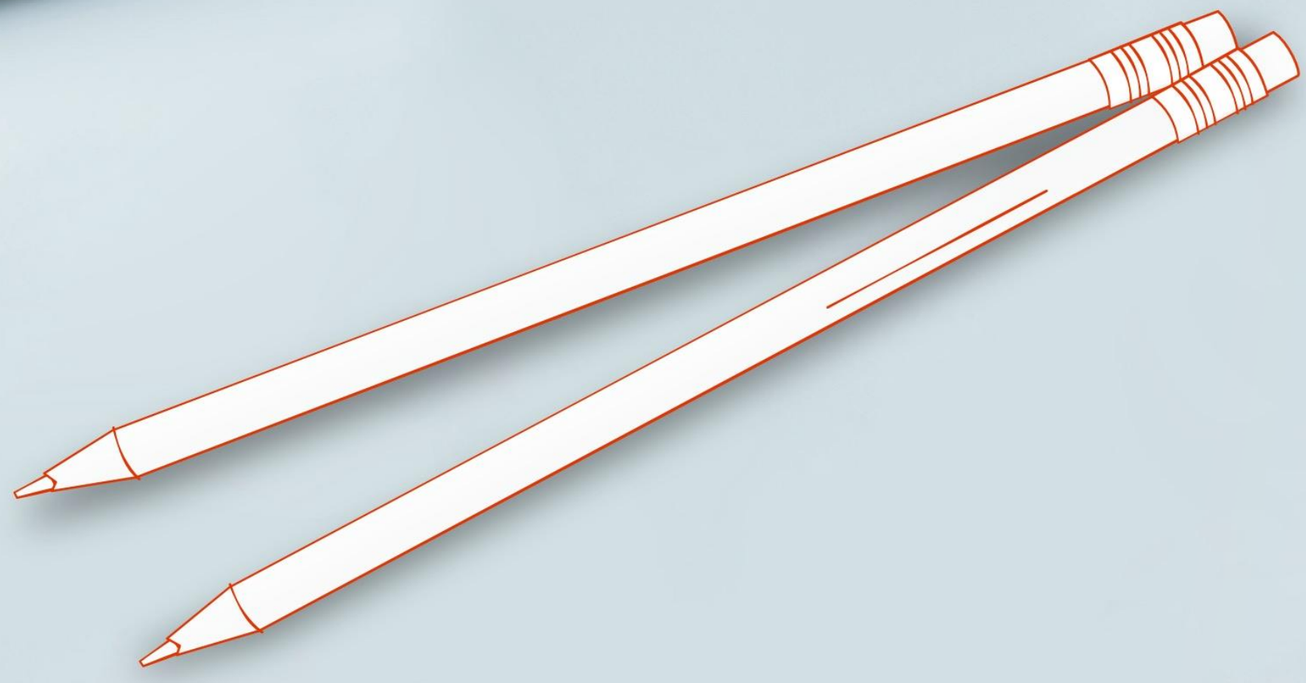
2018 dividend yield: 5.5%

* Excluding goodwill writedowns

**Interim dividend €0.06; final dividend €0.085 approved at Annual General Meeting.

On June 25, the final dividend of 0.0857 euros gross per share was distributed, after having applied the amount corresponding to treasury stock proportionately to the remaining shares.

MAPFRE



5

Conclusions

Our differentiating investment case

MAPFRE

Why **MAPFRE** is a **differentiating value**

Value

Shareholder **stability**

Predictable company

Competitive dividend policy

Management

Rigorous **technical control** of the business

Strict capital and risk **management**

Multiline and **multichannel**

Geographic diversity

Strategy

Multichannel approach

Reinforced **internal structure** with greater **operating efficiency**

Focus on the **client**

Professional **information systems and teams** to achieve excellence

Technology, digitalization and transformation as allies

Greater **technical control**

Culture

Independent company

Human team as a key value in the organization

Responsible and **committed** to ESG

Attractive comparison value

Who are we?

The Investor Relations team

Natalia Núñez

Capital Markets and Investor Relations Director

Leandra Clark

Investor Relations

Marta Sanchidrián

Investor Relations

Raquel Alfonso

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Disclaimer

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MAPFRE S.A. does not undertake to update or revise periodically the content of this document.

Certain numerical figures included in the Investor Presentation have been rounded. Therefore, discrepancies in tables between totals and the sums of the amounts listed may occur due to such rounding.