

MAPFRE in 2014

Presentation of Annual Results
February 11, 2015

Antonio Huertas

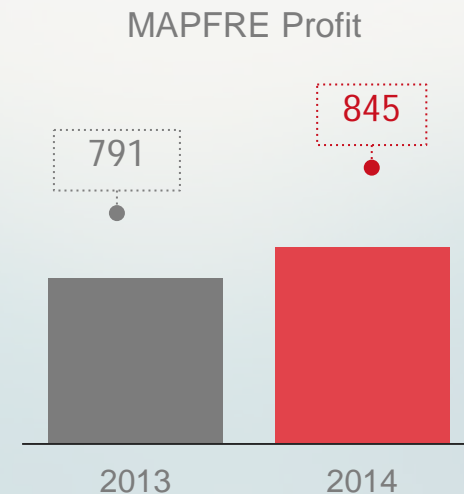
MAPFRE Chairman & CEO



MAPFRE

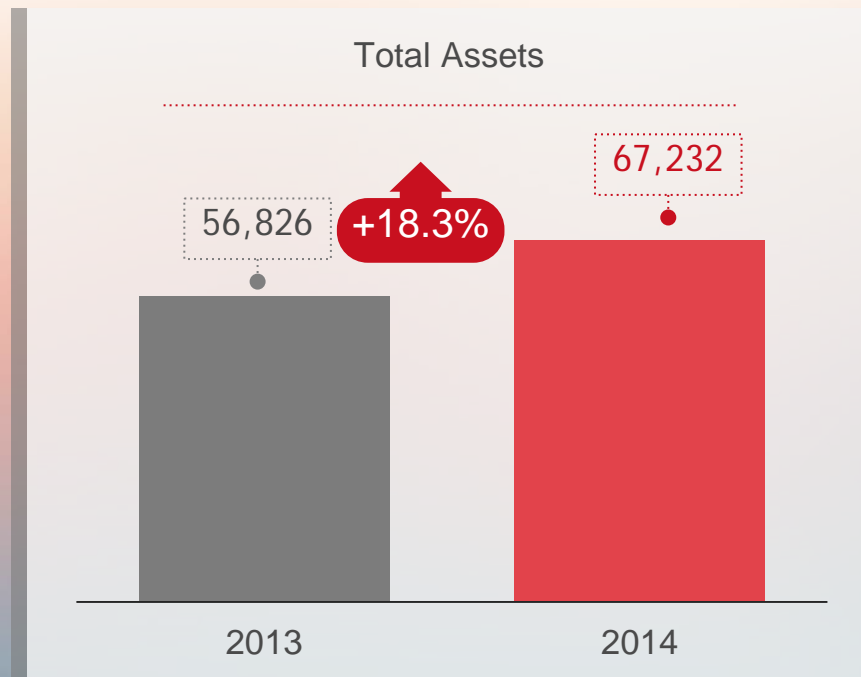
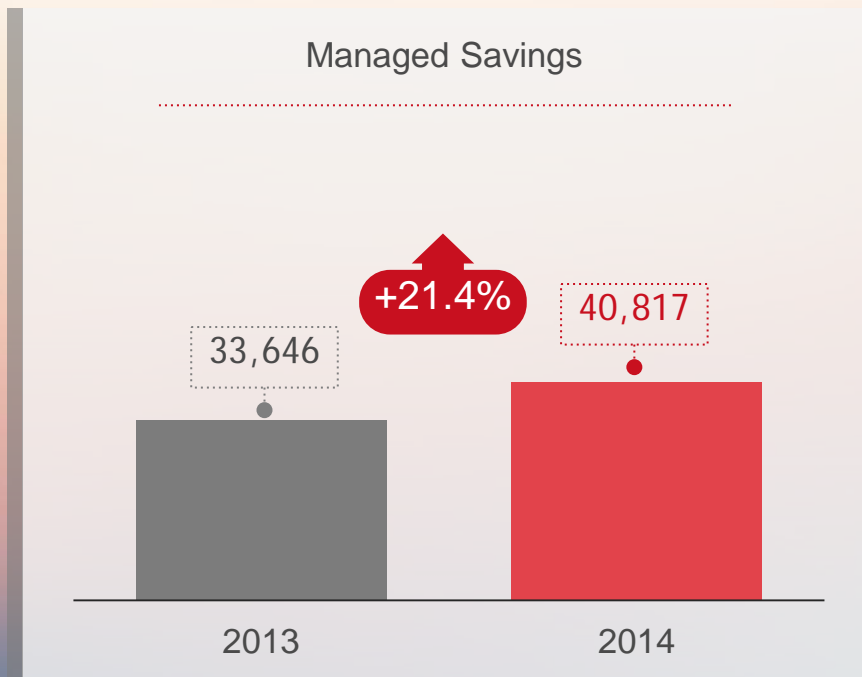
MAPFRE's results are excellent: 845 million euros in profits

	2013	2014	Δ%
<i>Consolidated revenue</i>	25,889	26,366	+1.8
<i>Premiums</i>	21,836	22,401	+2.6
<i>Attributable profit</i>	791	845	+6.9
<i>Combined ratio*</i>	96.1	95.7	-0.4 p.p.



In constant currency, premiums would have risen by 7.7 percent and attributable profit by 11.8 percent

Quality growth: managed savings have increased



Million euros

Highlights of 2014

Growth in the majority of **countries** and **business lines**.

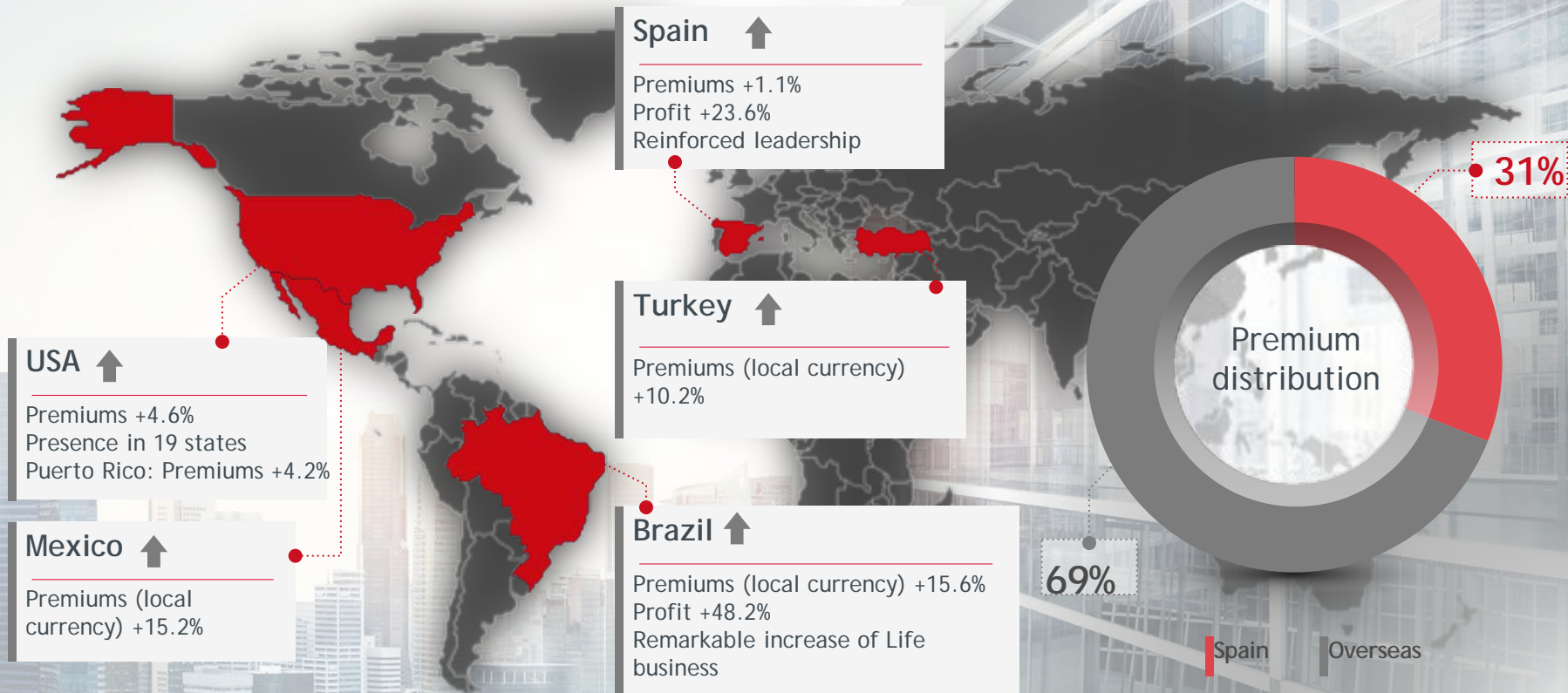
Return in **Spain** to an **upward trend**. Significant contribution from **Life** insurance.

Reduction of 40 basis points in the **combined ratio** due to a significant improvement in the cost ratio.

Significant growth in financial income due to an increase in portfolio market value. **Net equity** has risen by 1,576 million euros.



Maps with Brands



Business Units

Insurance Business

Premiums: €18,893 million

Net profit: €797 million

Reinsurance

Premiums: €3,343 million

Net profit: €141.5 million

Global Risks

Premiums: €1,049 million

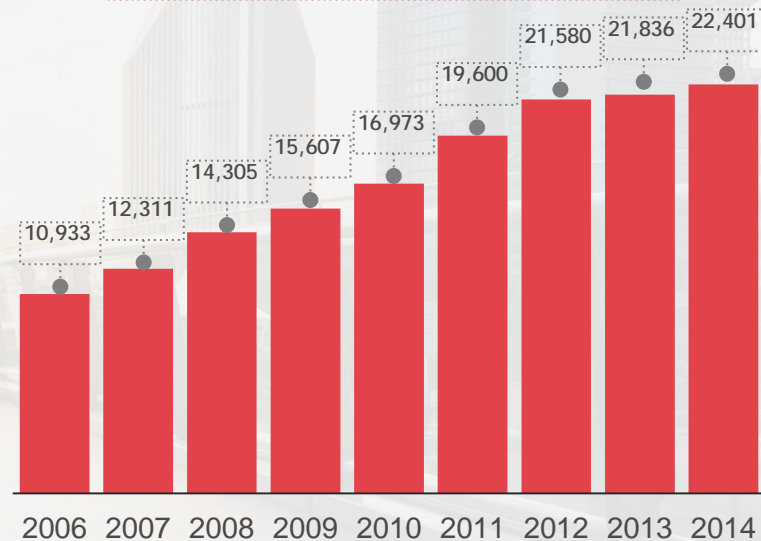
Net profit: €44 million

Assistance

Premiums: €1,137 million

Net profit: €21.1 million

Trends in premium performance



Figures relate to written and accepted premiums.

Key facts and figures

Presence in
49
countries

37,053
employees

5,524
offices

79,289
intermediaries

Business in more than 100 countries

FOCUSING ON THE CLIENT: Solid positions in all business lines



Automobiles

+13.2 million insured



Home

+5 million insured



Health

Nearly 2 million insured



Life and Investment

+21 million policies
40.82 billion euros in managed assets



Companies

Nearly 2 million companies insured



Global Risks

+3,000 companies insured



Reinsurance

+1,600 ceding companies in 105 countries



Assistance

+90 million insured and nearly
200 million beneficiaries

MAPFRE in 2014

Detailed analysis of results

February 11, 2015

Esteban Tejera

Vice Chairman

DETAILED ANALYSIS OF RESULTS



MAPFRE

A few basic figures: Results

	2013	2014	%
CONSOLIDATED REVENUE	25,889	26,367	+1.8
PREMIUMS	21,836	22,401	+2.6
ATTRIBUTABLE PROFIT	791	845	+6.9
NON-LIFE COMBINED RATIO	96.1	95.7	-0.4 p.p.

A few basic figures: Balance Sheet and Managed Savings

	2013	2014	%
NET EQUITY ⁽¹⁾	9,894	11,469	+16
TOTAL ASSETS	56,826	67,232	+18.3
MANAGED SAVINGS ⁽²⁾	33,614	40,818	+21.4
SOLVENCY MARGIN	246.5 %	259.0 %	+12.5 p.p.

Net equity in Spain has increased by 1,576 million euros (+16 percent), mostly due to the good results and the revaluation of investments

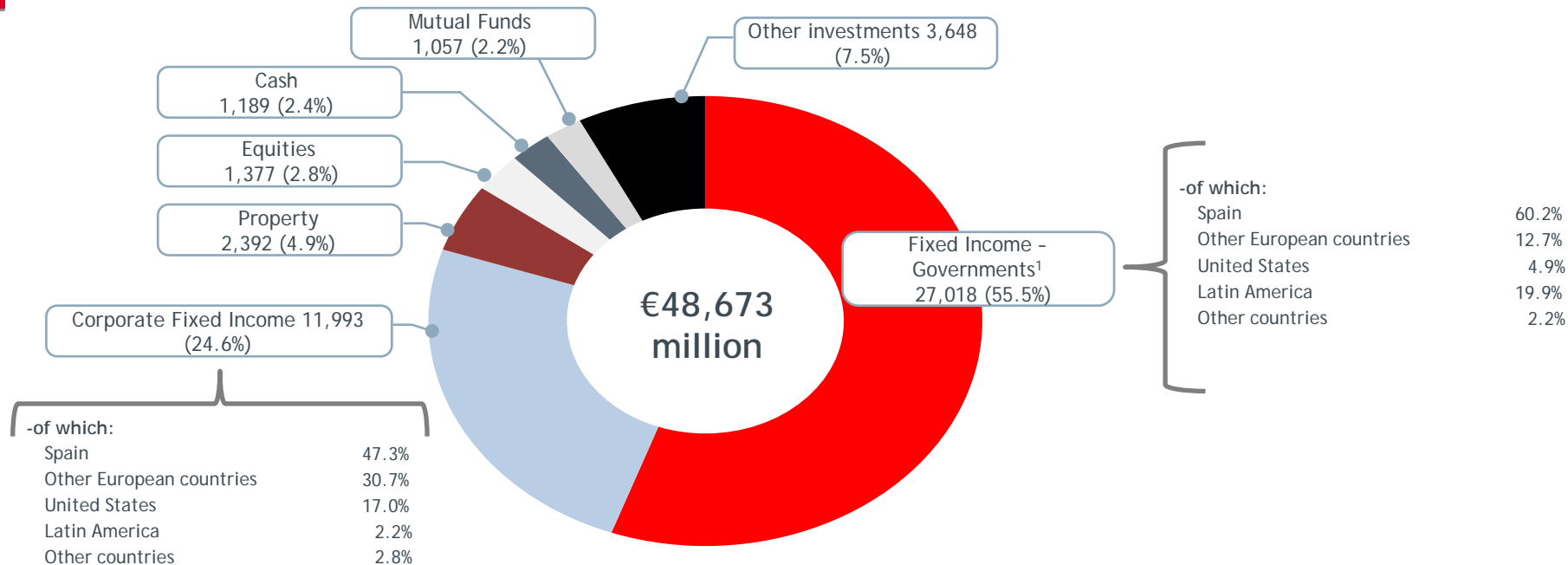
Million euros

1) Includes minority interests.

2) Includes technical provisions for Life Insurance, Mutual Funds and Pension Funds.

A cautious investment policy adjusted to the insurance business

Investment portfolio - Breakdown asset type

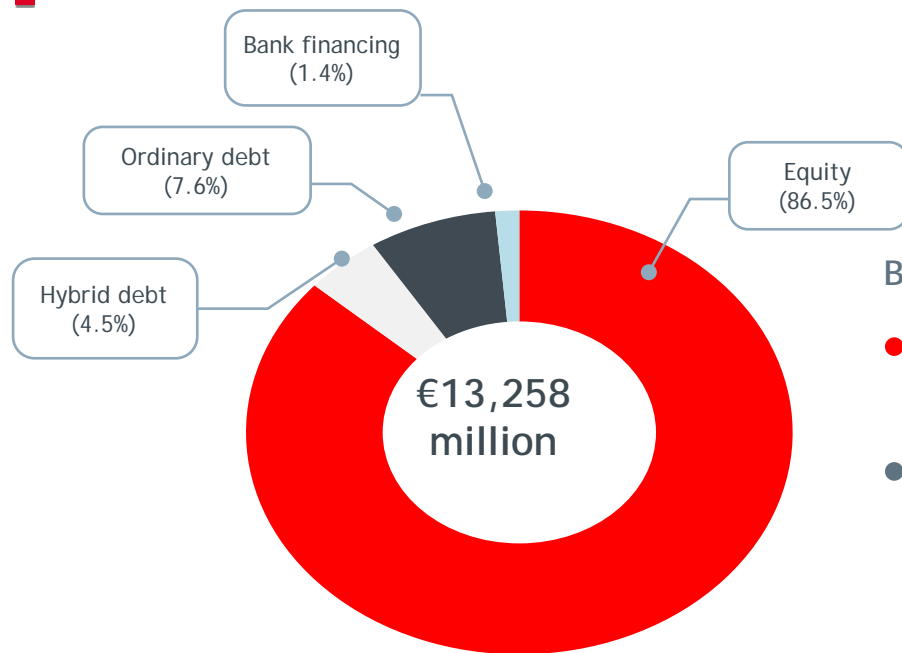


Million euros

1) Includes multilateral agencies.

Financing structure

Capital structure

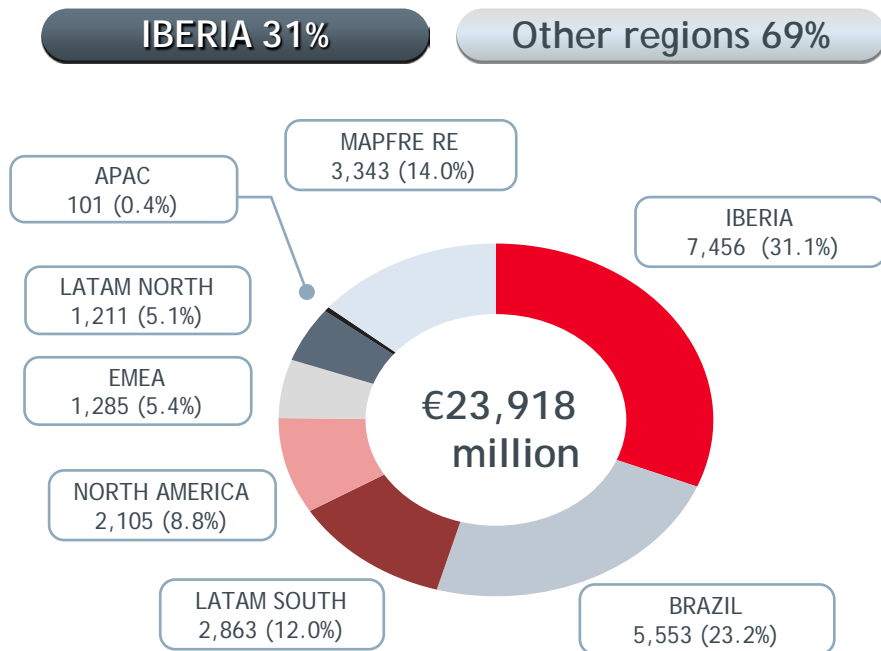


Better market conditions have led to:

- **Early cancellation** of the 750-million-euro revolving credit facility.
- New syndicated **loan** of **1 billion** euros (maturity: December 2019). Not yet drawn down.

Increased contribution of IBERIA and reinsurance to consolidated results

Premiums⁽¹⁾



Contribution to consolidated results

IBERIA 43% **Other regions 57%**

	EUR million	%
IBERIA	432	43.1%
BRAZIL	144	14.3%
LATAM SOUTH	94	9.3%
NORTH AMERICA	70	7.0%
EMEA	57	5.6%
LATAM NORTH	59	5.9%
APAC	7	0.7%
MAPFRE RE	142	14.1%
TOTAL	1,003	100.0%
Holdings and eliminations	-158	
Attributable profit	845	

1) Aggregate premiums. Million euros

PROFIT AND LOSS ACCOUNT



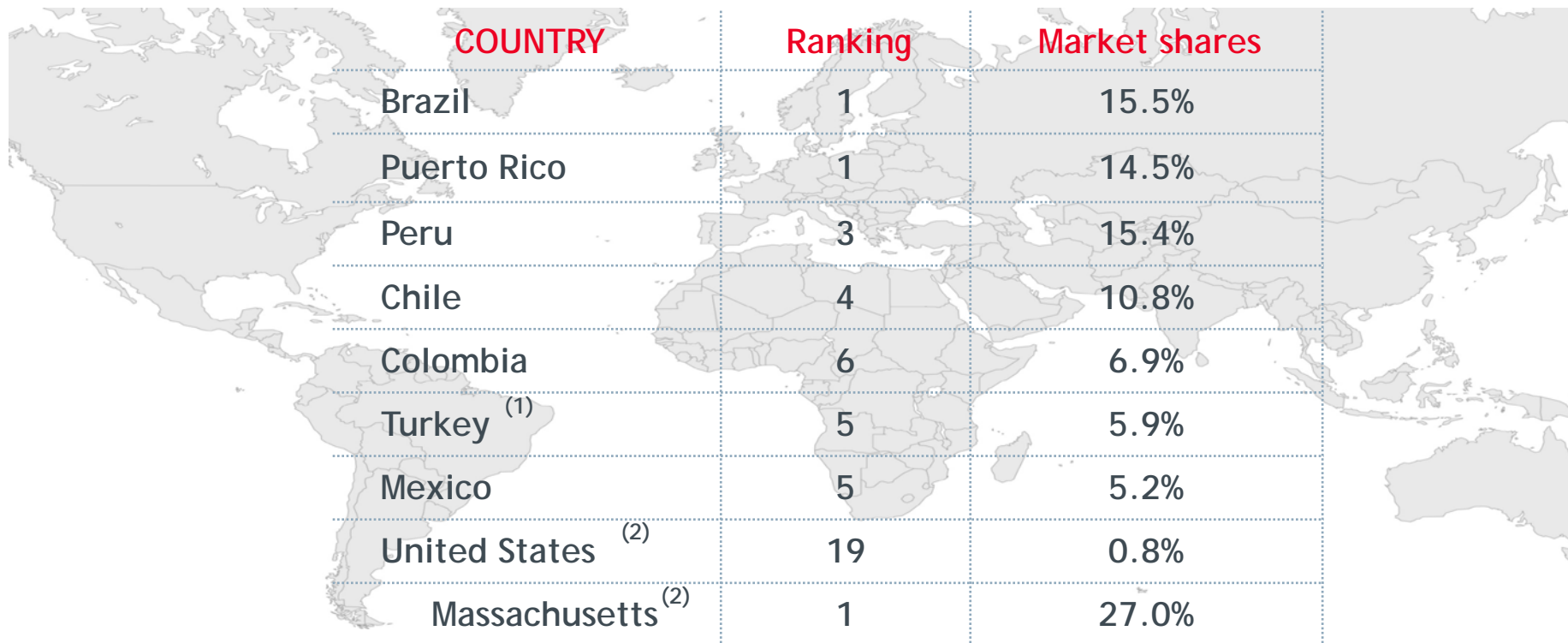
NON-LIFE PREMIUMS: **16,409**million euros. (+0.8%)



LIFE PREMIUMS: **5,992** million euros. (+7.8%)

Business development

Market shares - Non-Life - International business - 2013



COUNTRY	Ranking	Market shares
Brazil	1	15.5%
Puerto Rico	1	14.5%
Peru	3	15.4%
Chile	4	10.8%
Colombia	6	6.9%
Turkey ⁽¹⁾	5	5.9%
Mexico	5	5.2%
United States ⁽²⁾	19	0.8%
Massachusetts ⁽²⁾	1	27.0%

Sources: FUNDACIÓN MAPFRE, Insurance Association of Turkey, Insurance Statutory Market Share Report (USA)

1) Information as of June 2014

2) Data for the motor business

IBERIA

TOTAL PREMIUMS: 7,456 million euros, 31.2 percent of the group's total

PREMIUMS	2014	%
SPAIN	7.256	1.1
PORTUGAL	200	+19.3

The increase in premiums in Spain reflects:

- The growth in Health insurance and the incipient recovery of motor insurance.
- In Life insurance, the increase derived from the significant contribution of the bancassurance channel.
- Remarkable growth of mutual and pension fund subscription.

IBERIA

Spain Insurance: Non-Life Entities	PREMIUMS	2013	2014	%
	FAMILIAR	3,693	3,751	+1.6
	Motor	2,056	2,033	-1.1
	Home	637	643	+0.9
	Health	400	427	+6.7
	Burial	280	296	+5.9
	Other	184	186	+1.5
	EMPRESAS	643	641	-0.3
	TOTAL NON-LIFE	4,336	4,391	+1.2

Million euros

IBERIA

	2013	2014	%
PREMIUMS			
Life	2,508	2,618	+4.4
MANAGED SAVINGS			
Life technical provisions	19,504	24,432	+25.3
Pension funds	5,372	5,789	+7.8
Mutual funds & managed portfolios	3,027	3,534	+16.7
TOTAL	27,903	33,754	+21.0

Million euros

Spain Insurance:
Life and Savings
Entities

Net equity in Spain has increased by 743 million (+19 percent), mostly due to the revaluation of Spanish sovereign debt

IBERIA

Premiums:
Market share
in Spain

	2014
Motor	20.6%
Multi-peril	18.7%
TOTAL NON-LIFE	15.2%
LIFE	10.6%

MAPFRE surpasses market performance by two points

IBERIA

Managed savings:
Market share in
Spain

	2014
Life provisions	12.3 %
Mutual funds	1.8 %
Pension funds	5.8 %

LATAM

PREMIUMS	2014	%
BRAZIL	5,553	+15.6*
LATAM SOUTH	2,863	-4.1
LATAM NORTH	1,211	+11.0

Figures relate to written and accepted premiums in millions of euros.

* Percentage calculated in local currency.

INTERNATIONAL

PREMIUMS	2014	%
NORTH AMERICA	2,105	+4.5
EMEA	1,285	+4.4
APAC	101	+16.7

The premium volume in local currency has risen by 4.5 percent in the USA, 10.2 percent in Turkey, and 36.6 percent in Malta

Remarkable growth in APAC, driven by China, the Philippines and Australia

MAPFRE in 2014

ASSESSMENT AND STRATEGY

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MAPFRE Chairman & CEO



MAPFRE

Pillars of our growth strategy

The economic
context

Future
plans in strategic
markets

The new strategy
map

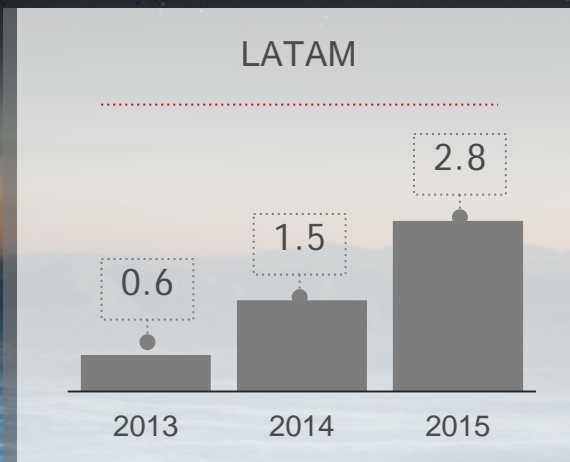
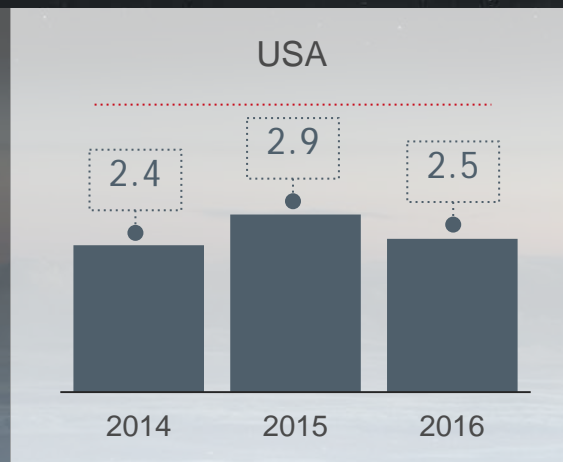
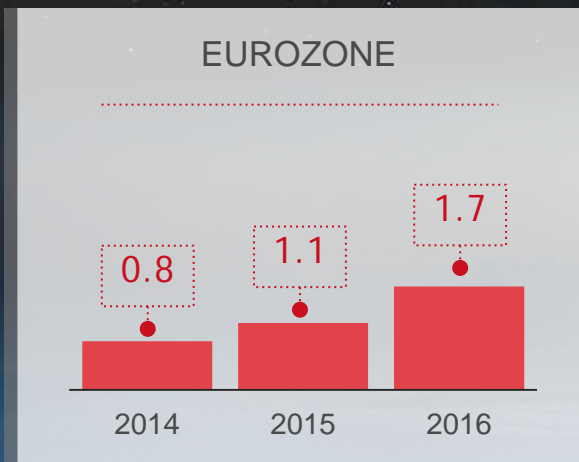
The
attainment of our
goals

The global economy has left the crisis behind but uncertainties persist

Europe recovering but **growth** is still weak. ECB QE. Greece.

USA once again the engine of global growth. China slowing down.

Less growth in emerging economies. Falling oil prices. Depreciation of the euro.



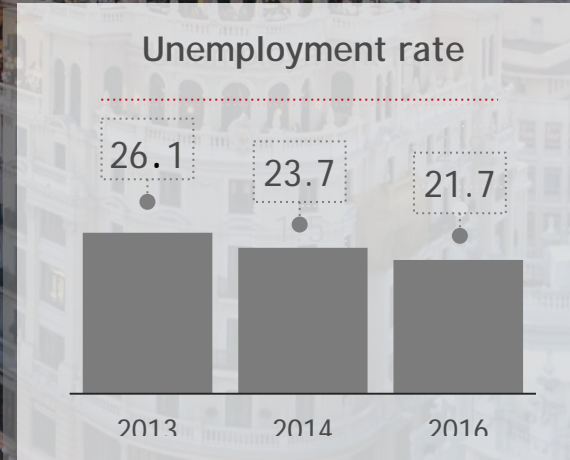
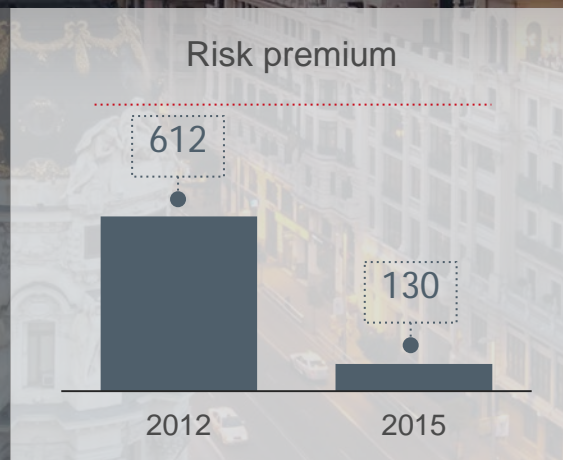
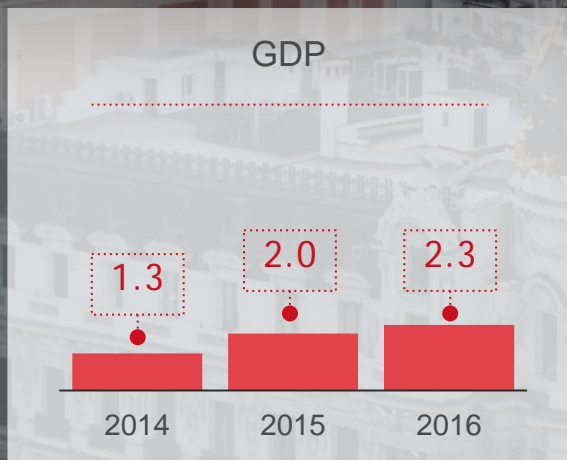
IMF forecast 2014 and 2015

Spain is regaining its momentum and leading economic growth in Europe

Economic activity gathering momentum, consumption and investment improving.

Economic and financial conditions relaxing for companies and individuals.

Unemployment falling, though still very slowly.



Sources: Economy Ministry – Bloomberg - National Statistics Institute

Global insurance company: five continents | 47 countries

15th largest reinsurance company in NET premiums and the **13th** largest in GROSS

Top 10 in Europe

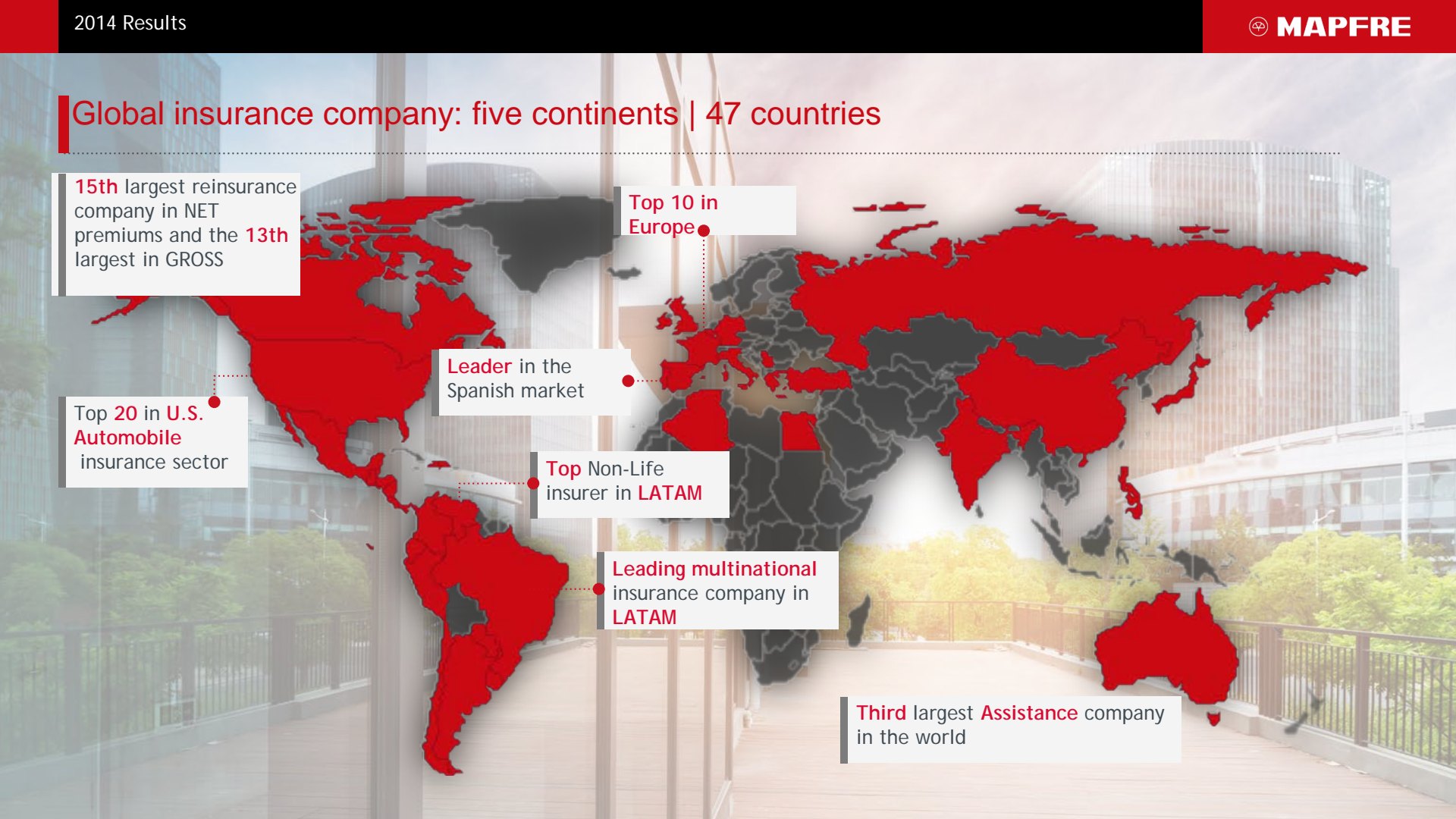
Leader in the Spanish market

Top 20 in U.S. **Automobile** insurance sector

Top Non-Life insurer in **LATAM**

Leading multinational insurance company in **LATAM**

Third largest **Assistance** company in the world



MAPFRE IBERIA: Consolidation of leadership

1 | **Automobiles:** Increase of market share to 20.6 percent

2 | **Life:** MAPFRE has become the exclusive bancassurance provider for BANKIA

3 | **Investment:** Mutual funds +16.7 percent (3,533 million euros); Pension funds +7.8 percent (5,789 million euros)

4 | **Verti:** Leader of online insurance sales in Spain. Premiums +47 percent



MAPFRE BRAZIL: 23 percent of total premiums 



Represents **54 percent** of
MAPFRE's insurance business
in **Latin America**



Slowdown of economic
growth more cushioned in
insurance industry



New business line:
Corporate Health

LATAM SOUTH/NORTH

- 1** | Strategic commitment to growth in Mexico
- 2** | Vast growth potential for the online business in Latin America
- 3** | Leadership consolidation in LATAM South

NORTH AMERICA: More than 2 billion euros in premiums (9 percent of total)

- 1 Presence in 21 states: entry in Vermont and Maine
- 2 Launch of new Life business
- 3 Development of digital business
- 4 Distribution agreements on West Coast

EMEA

Acquisition of direct line in Italy and Germany

Main figures

- +700 million euros in annual premiums, 30 million euros in annual profit
- 1.5 million clients, 1,400 employees
- Market share of 28 percent and 13 percent in direct Automobile insurance in Italy and Germany, respectively
- Businesses aligned with MAPFRE's global strategy

Commitment to Turkey

- 1 Non-Life market share doubled to 7 percent in six years
- 2 573 million euros in premiums. Vast growth potential



Leader in online travel insurance with



APAC



Development of a **direct insurance business in China**

Progressive development of a **multichannel offering in China**



We are forging ahead with our
changes to become:

A more client-oriented company

That continues to grow profitably

Through operational excellence

And solid risk management

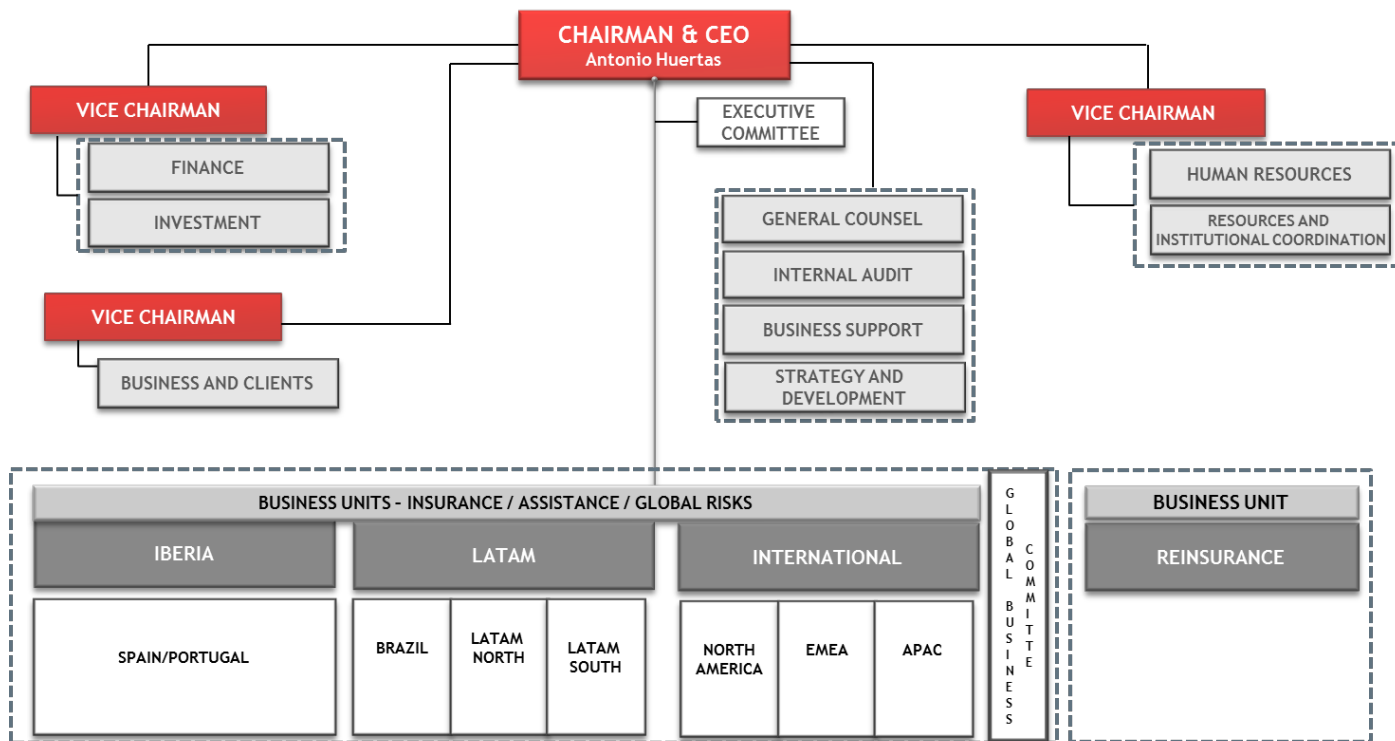
Relying on committed **human capital**
that has the **necessary skills**



Our challenge

To be the most trusted global insurance company

With a simpler and more efficient corporate governance model



- Decentralized management within a common framework of action that guarantees the local implementation of policies established for the whole GROUP
- Dissemination of best practices and reinforcement of innovation in the design and launch of new products and services

Strategic goals 2014-2016



GROWTH

Revenue forecast of
30 billion euros



EFFICIENCY

Maintenance of the group's
combined ratio below 96
percent



PROFITABILITY

Maintain a **dividend yield**
consistent with present
levels

Strategic goals 2014-2016 (II)



Cost reduction plan



Consolidation of leading
position in the regions
where
we are already a key player



Continued development in
the North American,
European and Asian
markets



Commitment to creation of long-term shareholder value

Proposal to raise dividend by 7.7%

Total dividend proposed against 2014 results increases to 14 euro cents per share

In 2014, 431.2 million euros was paid in dividends - a payout of 51%



Ratings: "A" as insurer and "BBB+" as issuer

Highest ratings among Spanish business groups



Our most trusted global insurance company