

MAPFRE'S REVENUES IN THE FIRST HALF OF THE YEAR
SURPASS 14 BILLION EUROS, WITH EARNINGS OF 386 MILLION EUROS

KEY POINTS OF THE FIRST SIX MONTHS

- **Premiums amounted to almost 12 billion euros, in a six-month period marked by the strong depreciation of currencies in MAPFRE's main markets.**
- **The Spain and reinsurance businesses performed positively and made significant contributions to Group profits.**
- **The automobile business in Spain grew by 2.7 percent, with an increase of almost 170,000 insured vehicles, and an improvement in the combined ratio of 3.8 points, to 89.7 percent.**
- **The solvency ratio stood at 203.1 percent, maintaining great strength and stability, thanks to the Group's diversification and strict investment policy.**
- **The actions and agreements for the restructuring of the United States, Brazil and MAPFRE GLOBAL RISKS have been completed, and are pending approval from the regulators.**
- **Of MAPFRE's total investment in ESG-rated companies, more than 95 percent corresponds to issuers with the best ratings (above average).**

MAPFRE's revenues in the first six months of this fiscal year amounted to 14.1 billion euros (-8.7 percent), while premiums reached 12 billion (-8.4 percent) and net earnings were 386 million euros, 7.1 percent lower than the same period of the previous fiscal year. This performance can be explained by the strong depreciation of the main currencies (U.S. dollar: -9 percent, Brazilian real: -16.6 percent and Turkish lira: -19.8 percent) and the decrease in financial returns (due to lower interest rates in Brazil and other countries in the Americas, and the low-rate environment in Europe). Recurring earnings have shown solidity in 2018, up by 4.9 percent after excluding atypical elements from the previous period (bank channel provisions and the sale of real estate in Madrid).

It is important to highlight the positive development of the business in Spain, the driver of growth, and the reinsurance business, both for the strength and sustainability of their results and their contribution to the Group. There has also been a noteworthy improvement in results in countries such as Mexico, Argentina, Italy, and the MAPFRE GLOBAL RISKS and MAPFRE ASISTENCIA businesses.

The Group's combined ratio stood at 97.4 percent at the close of the first half of this year, with particular emphasis on the performance of Spain, mainly in the automobile business, in LATAM North and in LATAM South.

The solvency ratio stood at 203.1 percent in March 2018, maintaining great strength and stability, thanks to the Group's high level of diversification and strict investment policies.

Equity stood at 10.1 billion euros, while shareholders' equity amounted to 8.5 billion euros at the end of the first half of the year, with total assets amounting to 69.2 billion euros.

Group investments amounted to 49.7 billion euros at the end of June, with 55 percent corresponding to sovereign debt, 19 percent to corporate fixed income and 8 percent to equities and mutual funds. It is important to note that 68 percent of investments have a credit rating of A or higher.

1. Business performance:

Premiums for the Insurance unit amounted to 9.9 billion euros (-8 percent) in the first six months of this year.

→ The Iberia Regional Area (Spain and Portugal) generated premium volume of 4.1 billion euros (+4.6 percent), with earnings of 250 million, and an improvement in the combined ratio of 1.4 points to 94.4 percent.

In Spain, premium growth was even higher, rising 4.9 percent to 4.1 billion euros, thanks mainly to the improved business in most lines. The Automobile business turned in a strong performance, 2.7% better (three tenths more than the sector) at 1.1 billion, boasting an increase of almost 170,000 insured vehicles (topping 5.67 million) and an improvement in the combined ratio of 3.8 points to 89.7 percent. The loss experience for this business improved thanks to the cancellation of unprofitable policies, mainly in fleets, and VERTI's healthy performance. Health and Accident also grew by 6.3 percent to 566 million euros.

MAPFRE VIDA's business, meanwhile, stood at 1.2 billion euros, slipping 1.1 percent on the back of reduced Life Savings issuing. Discounting the business of Unión Duero Vida in 2017, which was sold that year, premiums grew by 1.9 percent. Mutual funds closed the first six months at 3.5 billion euros, down 2.9 percent, while pension funds rose 3.8 percent to 5.1 billion euros.

→ Premiums in the Brazil Regional Area at the end of June came in at more than 2 billion euros (-15.3 percent), due in the main to the sharp fall of the Brazilian real in this period (-16.6 percent). In June, the restructuring agreement of the strategic alliance with Banco do Brasil was signed, which is expected to be completed during the second half of this year, entailing an estimated outlay of 515 million euros. During this half-year period, adjustments arose from revising certain balance sheet headings, the impact of which led to a reduction of 9.2 million euros in attributable earnings.

→ Business in the LATAM North Regional Area totaled 705 million euros (-41 percent), due to the aforementioned depreciation of the region's main currencies and the effect of the PEMEX policy, issued in 2017 and which is multiyear. Excluding this effect, premiums in Mexico grew by 17 percent. In local currency, most countries grew at a good rate: Costa Rica (+45 percent), Dominican Republic (+12 percent), and Honduras (+10 percent). The attributable result for LATAM North grew by 40.7 percent, to 24 million euros, with Mexico's contribution surging from 2 million in June 2017 to 11 million in the first six months of this year. LATAM North's combined ratio also improved by 1.4 percentage points to 95.1 percent, thanks to greater progress in the implementation of the profitable growth strategy.

→ Premiums for the LATAM South Regional Area stood at 795 million euros at the end of June (-11.1 percent). In local currency, growth was evidenced in practically all countries: Argentina (+17 percent), Peru (+11 percent), Uruguay (+7 percent) and Paraguay (+6 percent). The combined ratio also improved, falling by 3 percentage points to 96.8 percent, due to reductions in the loss experience and expenses.

→ Business volume in the North America Regional Area was more than 1.2 billion euros (-7.4 percent), as a result of the depreciation of the U.S. dollar (-9 percent) and the cancellation of unprofitable businesses in the United States, where premiums amounted to more than 1 billion euros at the end of June (-10.8 percent). It is important to highlight the impact of the storms on the East coast on U.S. first quarter results, which entailed a net cost of 12 million euros. In the Northeast region (which includes Massachusetts and four neighboring states), premiums were up 2.3 percent in local currency, with the downward trend continuing in the rest of the states as a result of the cancellation of unprofitable

business. MAPFRE is advancing in the reorganization its business activity in the United States, with the sale of the Life insurance operation and withdrawal from five states, implying a cost of 7.2 million euros.

In Puerto Rico, performance was positive, with premiums growing 13.7 percent to 212 million euros, thanks to the renewal of government, municipal policies and commercial property policies. The 3.4 percentage point improvement in the combined ratio to 95 percent is also worthy of note.

→ Premiums in the Eurasia Regional Area at the end of the first half of this year stood at just under 1 billion euros (-4.3 percent), weighed down by the depreciation of the Turkish lira (-19.8 percent) and other Asian currencies, among other reasons. In Turkey, premiums fell 21.7 percent to 281 million euros, due to the implementation of strict underwriting within the framework of the company's profitable growth strategy. Additionally, the effect of the official tariff limitation on automobile insurance in this country continues to be felt. Italy grew by almost 1 percent to 254 million euros, while in Malta, an increase of 6.8 percent brought in premiums of 211 million euros, with Germany reporting 203 million euros, up 1.2 percent.

The Reinsurance Unit's total premiums were 2.2 billion euros (-7 percent), with the drop explained, once again, by the currency effect, in that a significant part of MAPFRE RE's business comes from countries outside the European continent. This business unit has succeeded in maintaining excellent profitability levels in the current context, delivering stable net earnings of 102 million euros.

The Global Risks Unit, for its part, recorded premium volume of 631 million euros (-12.9 percent). Earnings in this half of the year were 20.3 million euros, against losses of 13 million in the same period the previous year. The combined ratio also improved significantly, closing at 89.1 percent, thanks to a positive loss experience.

Lastly, revenue at the Assistance, Services and Specialty Risks Unit was 507 million euros (-13.1 percent) at the end of the first half of the year, as a result of the restructuring of the business that began in previous fiscal years. This translates into an improvement in results, reducing losses from 25 million euros in June 2017 to 3 million euros at the end of the first half of this year.

2. Social dimension

Of the 9.2 billion euros of investments that MAPFRE has in corporate bonds, more than 7.2 billion is invested in ESG-certified companies. Of that 7.2 billion, 95.2 percent

corresponds to issuers with the best rating (above average), according to the main sustainability indicators*.

These indicators measure, among other criteria, transparency and the inclusion of environmental, social and corporate governance (ESG) aspects in a business, as well as reputational risk. These indicators are becoming increasingly important for the investment community.

It is important to highlight that MAPFRE, within its 2016-2018 strategic plan, continues to make strong progress in its commitment to diversity and equality policies, and 39.3 percent of management job positions throughout the Group are already occupied by women.

Likewise, the objective proposed for the three-year 2016-2018 period of having people with a disability comprise 2 percent of the workforce has already been exceeded, with the figure currently standing at 2.2 percent, contributing to greater inclusion in both society and group companies.

It is also important to underscore the Group's fixed contract percentage of 97.6, which represented a total of 35,730 employees at the end of June this year.

Finally, it is worth mentioning the effective tax rate of MAPFRE Group companies over the course of the last six months, which was in excess of 28 percent (231 million euros).

MAIN CONSOLIDATED FIGURES

Results	Million €		% Var. 2018 / 2017
	6M 2017	6M 2018	
GROSS WRITTEN AND ACCEPTED PREMIUMS	13,073.1	11,970.4	-8.4%
Non-Life	10,256.1	9,272.1	-9.6%
Life	2,817.1	2,698.3	-4.2%
TOTAL CONSOLIDATED REVENUES	15,438.3	14,091.1	-8.7%
RESULTS BEFORE TAX AND NON-CONTROLLING INTERESTS	934.5	815.8	-12.7%
RESULTS AFTER TAX AND NON-CONTROLLING INTERESTS	415.1	385.7	-7.1%
EARNINGS PER SHARE (euro cents)	13.48	12.52	-7.1%

Balance Sheet	Million €		% Var. 2018 / 2017
	6M 2017	6M 2018	
TOTAL ASSETS	68,127.0	68,202.7	0.1%
ASSETS UNDER MANAGEMENT (1)	59,322.6	59,458.3	0.2%
SHAREHOLDERS' EQUITY	8,859.6	8,456.9	-4.5%

Premiums	Million €		% Var. 2018 / 2017
	6M 2017	6M 2018	
IBERIA	3,947.4	4,129.9	4.6%
LATAM	4,472.7	3,518.6	-21.3%
INTERNATIONAL	2,388.3	2,244.0	-6.0%
TOTAL INSURANCE	10,808.4	9,892.5	-8.5%
RE	2,325.8	2,161.9	-7.0%
ASISTENCIA	531.3	470.9	-11.4%
GLOBAL RISKS	725.0	631.3	-12.9%
Holdings, eliminations and other	(1,317.3)	(1,186.2)	10.0%
MAPFRE S.A.	13,073.1	11,970.4	-8.4%

Attributable Result	Million €		% Var. 2018 / 2017
	6M 2017	6M 2018	
IBERIA	260.7	249.9	-4.2%
LATAM	114.8	82.9	-27.8%
INTERNATIONAL	53.8	14.6	-72.8%
TOTAL INSURANCE	429.3	347.4	-19.1%
RE	101.7	101.9	0.2%
ASISTENCIA	(24.5)	(2.6)	89.5%
GLOBAL RISKS	(13.0)	20.3	--
Holdings, eliminations and other	(78.4)	(81.3)	-3.7%
MAPFRE S.A.	415.1	385.7	-7.1%

Madrid, July 26, 2018. For more information, please contact MAPFRE Corporate Communication (Tel. +34 91 581 83 66; +34 91 581 91 68; 91 581 87 14), email: javier.fernandez@mapfre.com; juanfrances@mapfre.com; joaquinhernandez@mapfre.com;

The Alternative Performance Measures (MAR) used in this report, which correspond to those financial measures that are used but not defined or explained in the applicable financial information framework, can be consulted at the following webpage: <https://www.mapfre.com/corporativo-es/accionistas-inversores/inversores/informacion-financiera/medidas-alternativas-rendimiento.jsp>