



2020 earnings total 527 million euros

**MAPFRE GENERATES OPERATING EARNINGS OF
658 MILLION EUROS IN 2020**

**MAPFRE strengthens its balance sheet, writing down
132 million euros of goodwill**

HIGHLIGHTS OF THE FISCAL YEAR

- Group revenues stand at 25.42 billion euros (-10.7 percent).
- Solid contribution from the three main markets (Spain, Brazil and United States) to Group earnings.
- LATAM grows by 7 percent, delivering 230 million euros in earnings.
- MAPFRE RE closes the year with earnings of 17 million euros despite the impact of COVID-19 (80 million euros) and earthquakes in Puerto Rico (39 million euros).
- Gross cost of claims directly caused by COVID-19 totals 367 million euros.
- In the year of the pandemic, MAPFRE will have paid 416 million euros in shareholder remuneration, and proposes a final dividend for the 2020 financial year of 7.5 euro cents a share.
- Social commitment: the Group contributes 298 million euros in corporate taxes, paying an effective tax rate on earnings of 26.6 percent.

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MAPFRE recorded an operating result of 658 million euros in 2020, highly affected by the COVID-19 crisis in the first six months of the year, and producing a very solid result in the second half of the year, when it generated 388 million euros.

At 2020 year-end, the company decided to strengthen its balance sheet by assigning 132 million euros to the entire goodwill impairment of the operations in Italy, Turkey and Indonesia, with the aim of adapting to new market circumstances and laying the foundation for continued profitable growth. This impairment does not have an impact on either the Group's cash positions or Solvency margin. Accounting for this effect, the result for the period stood at 527 million euros, which represents a 13.6 percent decrease against the previous period.

The 2020 result was also impacted by claims deriving from COVID-19. In the reinsurance business alone, these amounted to 80 million euros, and the earthquakes in Puerto Rico added another 68 million euros. Excluding this extraordinary loss experience and the goodwill impairment, the profit for 2020 remained stable with slight growth (0.2 percent) over the previous year, compared on a uniform basis.

The Group's revenues amounted to 25.42 billion euros, a 10.7 percent drop, while premiums stood at 20.48 billion euros, 11.1 percent less than in 2019. This was the result of the global economic situation stemming from the COVID-19 crisis. In addition to the stoppage of economic activity worldwide, it is important to emphasize the impact of the depreciation of the main currencies of Latin America, Turkey and United States (1.6 billion euros), the absence of the two-year PEMEX policy, issued in 2019 (445 million euros) and the reduction of Life-Savings premiums in Iberia (755 million euros). Excluding these impacts, underlying growth would have been slightly more than 1 percent.

The combined ratio improved by nearly 3 percentage points in the 2020 fiscal year, closing at 94.8 percent. Of note was the solid progress in the Automobile line in all relevant countries.

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The Group's attributable equity at 2020 year-end stood at 8.54 billion euros and total assets amounted to 69.15 billion euros.

MAPFRE's investments amounted to 44.89 billion euros, with 52.1 percent of this figure corresponding to sovereign fixed income, 18.1 percent to corporate fixed income and 6 percent to equities.

At the end of September 2020, the Solvency II ratio stood at 180.2 percent, with 86 percent high-quality capital (Tier 1). This ratio is the result of a prudent approach to the balance sheet and active investment management and reflects MAPFRE's strong and resilient balance sheet.

The coronavirus crisis has marked an unprecedented situation at the global level in all aspects. Beginning in March, MAPFRE implemented measures intended to both ensure the safety of its employees and collaborators and to ensure the continuity of its operations. These measures have been adapted as the pandemic has progressed.

The most significant actions carried out in this context are as follows:

- Activation of the business continuity plan through remote working (up to 90 percent of the workforce at certain times and in certain markets), also maintaining the essential services (tow-trucks, repair shops, medical centers, home repairs, burial services etc.).
- Implementation of a strategy to protect the balance sheet and preserve the Group's capital, with the necessary liquidity and financing in place to neutralize any monetary stress, especially in operations in emerging countries.
- Mobilization of resources to boost the economy through direct injections to society and measures to help policyholders, especially SMEs and the self-employed. These measures are complementary to the additional social work carried out by Fundación MAPFRE to address this crisis.

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The gross cost of the claims directly caused by COVID-19 grew to 367 million euros, with the following breakdown by business line:

Line	Amount
Health	58.8
Burial	30.0
Life Protection	83.5
Travel assistance (Travel Insurance)	23.2
Other lines (Homeowners, Multirisk etc.)	13.7
IBNR	44.1
Total insurance	253.3
Accepted reinsurance	113.4
CUMULATIVE TOTAL	366.7

Figures in million euros

1. Business performance:

Premiums from the Insurance Unit at 2020 year-end stood at 16.69 billion euros, 13.5 percent less than the previous year, while earnings amounted to 791 million euros (-2 percent).

Spain:

- In the Iberia Regional Area (Spain and Portugal), premiums stood at 7 billion euros (-9.3 percent), with earnings of 453 million euros.

In Spain, where there are now over 7 million clients, premiums totaled 6.86 billion euros, 9.5 percent less than the previous year, and earnings were 445 million euros. As such, Spain remains the largest contributor to Group earnings. It is important to underscore the positive performance of the Non-Life business, which grew in MAPFRE ESPAÑA by 0.6 percent and reflects the solid progress made in the main lines. Specifically, Automobile premiums stood at 2.24 billion (-3.4 percent) with an improvement in the combined ratio of 8.8 percentage points to 84.9 percent, and nearly 6 million vehicles insured, 91,583 more than at the previous fiscal year-end. Verti made notable progress with a 6 percent increase in premiums, up to 84 million euros, and a profit of 9 million euros versus losses of 2 million in 2019.

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In Homeowners, MAPFRE grew by 4 percent (1.2 percentage points above the market), while in Condominiums, the growth was 6.5 percent, more than doubling the growth recorded in the segment. Premiums for Health and Accident stood at 629 million euros at the end of the year, 5 percent higher than in 2019.

The current context of uncertainty and low interest rates particularly hampered the Life business, especially Life Savings premiums (-39.1 percent), while Life Protection premiums grew by 1 percent. Total revenues for Life premiums was 1.72 billion euros.

Pension fund equity at 2020 year-end came to 5.76 billion euros, 5 percent up on the previous year, while mutual funds grew 7.7 percent to 3.88 billion euros.

Brazil:

- In Brazil, premiums totaled 3.09 billion euros, showing a decline of 22.4 percent, influenced by the depreciation of the Brazilian real, which devalued by 26.2 percent. In local currency terms, premiums were up by 5.1 percent. The General P&C business contributed most to the Group, with 1.43 billion euros, while the Life business amounted to 1.21 billion and Automobile brought in 444 million euros. It is also important to note the progress in earnings from this regional area, which rose 4.6 percent to 102 million euros. An improvement of 4.6 percentage points in the combined ratio to 87.6 percent was also recorded.

LATAM North:

- In the LATAM North Regional Area, insurance business premiums amounted to 1.58 billion euros, 20.2 less than in 2019, while attributable earnings increased by 10.4 percent to 70 million euros. Business in this regional area was greatly affected by the depreciation of the main currencies (11 percent for the Mexican peso and 11.3 percent for the Dominican peso).

In Mexico, premiums stood at 771 million euros (-41.8 percent). This decrease is explained by the absence of the PEMEX policy in 2020. This policy is issued every two years and was worth 445 million euros in 2019. Earnings from Mexico grew by 23.6 percent to 31 million euros, thanks to the solid performance of the general P&C business, industrial risks,

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Automobile and Health. The Dominican Republic recorded premiums of 325 million euros, more than double the previous year, with earnings of 13 million euros (+7.6 percent). In Panama, premium volume totaled 212 million euros (-4.8 percent) and earnings were up by 50.2 percent to 11 million euros. It is important to note the progress of the combined ratio of this regional area, which improved by over 4 percentage points to 90.5 percent.

LATAM South:

- The LATAM South Regional Area premiums ended 2020 at 1.45 billion euros, down 9.2 percent on the previous period. In this region, the main currencies also recorded significant depreciations (34.6 percent for the Argentine peso; 12.8 percent for the Colombian peso; 11.4 percent for the Chilean peso and 7.2 percent for the Peruvian sol). Attributable earnings from LATAM South grew 6.8 percent in 2020 to reach 59 million euros, and the combined ratio improved by 6 percentage points to 93.9 percent.

Progress was notable in Peru, where premiums came in at 507 million (-8 percent), while Chile delivered volume of 312 million euros, showing growth of 12.9 percent, and Colombia posted premiums of 293 million euros (-22.9 percent).

North America:

- In the North American Regional Area, premium volume was 2.1 billion euros at the end of fiscal 2020, down 10 percent on the previous year. Of note was the progress made with the combined ratio, which improved 2.7 percentage points to 97.7 percent, while attributable earnings stood at 76 million euros (-3 percent).

In the United States, premiums were 1.74 billion euros (-10.6 percent). This is a consequence not only of the global economic situation, but also of the business restructuring underway in this region. Earnings were up by 36.6 percent to 78 million euros, underlying the soundness of the profitable growth strategy. The Northeast region, which includes Massachusetts and the neighboring states, and represents 90 percent of MAPFRE USA's premiums, delivered net earnings in excess of 110 million euros (+41.6 percent). In Puerto Rico, business volume fell off by 7.1 percent to 355 million euros. Losses in Puerto Rico are explained by the cost of the earthquakes suffered in the first half of that year (28 million euros).

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EURASIA:

- Premiums for the EURASIA Regional Area fell by 12.5 percent in 2020 to 1.48 billion euros. The consolidated attributable earnings topped 31 million euros (more than twice the previous year's figure). The combined ratio also improved by 7.2 percentage points and ended the fiscal year at 98.9 percent.

In Germany, premiums grew by 5.4 percent to 361 million euros and earnings rose 5.3 percent to more than 6 million euros. In Italy, premiums stood at 392 million euros (-16.8 percent) on the back of a drop in showroom vehicle sales. Turkey delivered premiums of 325 million euros (-27.4 percent), affected by the depreciation of the Turkish lira (20.9 percent), and recorded earnings of 16 million, more than double the previous year's figure. In Malta, premium volume was 345 million (-3.5 percent), as a result of reduced Life issuing due to low interest rates, while earnings of 5 million euros were similar to the previous year.

MAPFRE RE

- At 2020 year-end, premiums at MAPFRE RE, which include the reinsurance and large risk businesses, stood at 5.69 billion euros, 1.9 percent better than the previous fiscal year, with attributable earnings of 17 million euros, down by 70.7 percent, basically due to COVID-19 claims.

The reinsurance business closed out the year with premiums of 4.43 billion euros (-2 percent). The net earnings figure of 2 million euros was strongly impacted by COVID-19 incidents and the earthquakes in Puerto Rico.

Conversely, Global Risks business premiums were up by 18.5 percent to 1.26 billion euros, with earnings of 15 million euros, 178.7 percent more than the figure for the 2019 fiscal year.

ASISTENCIA

The Asistencia Unit's revenue fell by 27.5 percent to 710 million euros. This decrease was strongly impacted by the drastic drop in travel insurance revenue of 57 percent after the widespread collapse of global tourism. The negative result (21 million euros) corresponds mainly to loss experience for travel cancellation coverage due to the pandemic.

2. Dividend

The Board of Directors has agreed to propose to the Annual General Meeting a final dividend of 7.5 euro cents gross per share against the results for the 2020 period. This proposal, which represents a drop of one cent with respect to the final dividend paid the previous year, represents a decision based on an exhaustive and reflective analysis of MAPFRE's situation and the uncertainties arising from the pandemic, and the wish to not compromise its future solvency or the protection of its insureds, and has been made in line with the recommendations of the relevant supervisory bodies. The General Directorate for Insurance and Pension Funds (EIPOA) has issued a "no objection" response to the proposed dividend.

Consequently, the total dividend charged against the 2020 result for the period amounts to 12.5 euros gross per share, representing a payout of 73.1 percent. MAPFRE will pay its shareholders a total of 385 million euros against the 2020 results.

The dividend yield for the 2020 fiscal year, based on average trading price, is higher than 8 percent.

3.- Social commitment:

The main indicators of the Group's social commitment are as follows:

- **Tax contribution:** In addition to the fulfillment of all legal and fiscal obligations in the respective countries, the Group's contribution in corporation tax for the 2020 fiscal year will be 298 million euros, which is equivalent to an effective tax rate of 26.6 percent on earnings.
- **ESG commitment:** Almost 90 percent of all assets in the MAPFRE portfolio, excluding sovereign debt, have high or very high ESG (environmental, social and corporate governance) scores.
- **Commitment to employment:** 98 percent of MAPFRE's 33,730 employees worldwide enjoy permanent contracts.
- **Commitment to diversity:** By 2020 year-end, 46.3 percent of vacancies in job positions of responsibility were filled by women. With regard to inclusion, people with disabilities now represent 3.3 percent of the Group's

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workforce, exceeding the 3 percent target the Group had set itself for the end of 2021.

- **Commitment to society:** Over 150,000 people benefited from the actions carried out by more than 4,750 employees and family members, thanks to the corporate volunteering program, which had to scale back its activities during the year due to the pandemic.
- **Environmental commitment:** The Group is committed to reducing its carbon footprint with a view to achieving global emissions neutrality by 2030. Meanwhile, the most immediate objective is to achieve zero emissions in Spain and Portugal by the end of 2021.

For more information, please visit <https://noticias.mapfre.com/en/>

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MAIN CONSOLIDATED FIGURES

Results	Million €		%Var. 2019 / 2020
	2019	2020	
GROSS WRITTEN AND ACCEPTED PREMIUMS	23.043,9	20.482,2	-11,1%
Non-Life	17.559,1	16.109,8	-8,3%
Life	5.484,8	4.372,4	-20,3%
TOTAL CONSOLIDATED REVENUES	28.472,2	25.419,1	-10,7%
RESULTS BEFORE TAX	1.279,2	1.118,4	-12,6%
RESULTS AFTER TAX AND NON-CONTROLLING INTERESTS	609,2	526,5	-13,6%
EARNINGS PER SHARE (euro cents)	19,78	17,10	-13,6%

Balance Sheet	Million €		%Var. 2019 / 2020
	2019	2020	
TOTAL ASSETS	72.509,9	69.152,6	-4,6%
ASSETS UNDER MANAGEMENT (1)	63.637,8	55.181,8	-13,3%
SHAREHOLDERS' EQUITY	8.854,3	8.536,0	-3,6%

Premiums	Million €		%Var. 2019 / 2020
	2019	2020	
IBERIA	7.717,8	6.998,9	-9,3%
LATAM	7.547,3	6.110,5	-19,0%
INTERNATIONAL	4.027,3	3.581,3	-11,1%
TOTAL INSURANCE	19.292,4	16.690,7	-13,5%
REASEGURO AND GLOBAL RISKS	5.580,5	5.686,5	1,9%
ASISTENCIA	861,0	618,9	-28,1%
Holdings, eliminations and other	(2.690,0)	(2.513,9)	6,5%
MAPFRE S.A.	23.043,9	20.482,2	-11,1%

Attributable Result	Million €		%Var. 2019 / 2020
	2019	2020	
IBERIA	497,8	453,3	-8,9%
LATAM	214,9	229,7	6,9%
INTERNATIONAL	93,7	107,4	14,6%
TOTAL INSURANCE	806,4	790,5	-2,0%
REASEGURO AND GLOBAL RISKS	57,5	16,9	-70,7%
ASISTENCIA	(88,0)	(20,6)	76,6%
Holdings, eliminations and other	(166,7)	(260,2)	-56,1%
MAPFRE S.A.	609,2	526,5	-13,6%

The Alternative Performance Measures (APMs) used in the report, which refer to financial measures not defined or specified in the applicable financial reporting framework, along with their definition and method of calculation, can be found on our website at the following address: <https://www.mapfre.com/en/financial-information/>