

**Antonio Huertas**  
Chairman and CEO of  
MAPFRE

**MAPFRE**  
in 2015

Presentation of  
Annual Results  
February 10, 2016

## MAPFRE results

	<b>2014</b>	<b>2015</b>	<b>Δ%</b>
Consolidated revenue	<b>26,367</b>	<b>26,702</b>	<b>+ 4.1</b>
Premiums	<b>21,816</b>	<b>22,312</b>	<b>+ 2.3</b>
Attributable profit	<b>845</b>	<b>709</b>	<b>- 16.1</b>
Combined ratio*	<b>95.8</b>	<b>98.6</b>	<b>+ 2.8 p.p.</b>

## Highlights of 2015

- || **Increase** in insurance **premiums** in local currency **in most countries**
- || Results affected by the winter storms in the USA, which raised the Combined Ratio by 1.3 points
- || **Spain: return to growth in Motor;**  
above-market rises in **Home and Health**

## Highlights of 2015

- Allocation of **provisions** in some countries to mitigate volatility in results over the coming years
- The **reinsurance business**, which contributes more than 15 percent of premiums, improved by **11.6** percent
- Mutual funds** and managed portfolios in Spain increased by **9 percent**



# MAPFRE is growing in its strategic markets

## USA ↑

Premiums (local currency) +8.7%

## Mexico ↑

Premiums (local currency) +62.4%

## Spain ↑

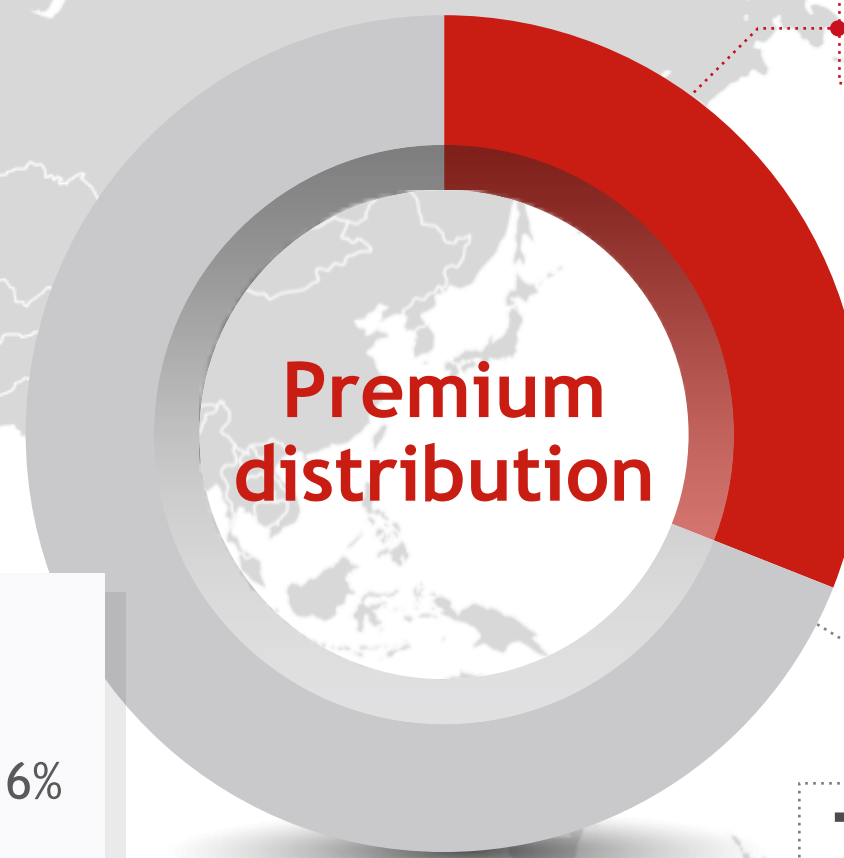
Non-Life premiums +1.8%  
Health +7.4%  
Automobile +0.9%

## Brazil ↑

Premiums (local currency) +3.6%

## Turkey ↑

Premiums (local currency) +41.3%



Spain | Abroad

## Business Units

### Insurance business

Premiums: €18,415 million +0.6%

Net profit: €675 million -15.3%

### Reinsurance

Premiums: €3,732 million +11.6%

Net profit: €153 million +7.8%

### Global Risks

Premiums: €1,175 million +12%

Net profit: €58 million +32.8%

### Assistance

Revenue: €1,210 million +6.4%

Net profit: (€33 million)



## Key facts and figures

**34**

million  
clients

**+38,400**

employees

**5,848**

offices

**+80,000**

intermediaries

**Doing business in more than 100 countries**

## CLIENT FOCUSED: Solid position in all business lines



### Automobiles

+13.2 million insureds



### Home

+5 million insureds



### Health

Nearly 2 million insureds



### Life and Investment

+21 million policies  
Almost 38,000 million 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 insureds and nearly  
200 million beneficiaries



# MAPFRE in 2015

Detailed Analysis of Results

February 10, 2016

**Esteban Tejera**  
Vice Chairman of MAPFRE

## A few basic figures: Results

	2014	2015	%
CONSOLIDATED REVENUE	26,367	26,702	+ 4.1
PREMIUMS	21,816	22,312	+ 2.3
ATTRIBUTABLE PROFIT	845	709	- 16.1
NON-LIFE COMBINED RATIO	95.8	98.6	+ 2.8 p.p.

## A few basic figures: balance sheet and managed savings

		2014	2015	%
EQUITY	(1)	11,469	10,408	- 9.3
TOTAL ASSETS	(2)	65,415	63,489	- 2.9
MANAGED SAVINGS		37,795	37,917	+ 0.3

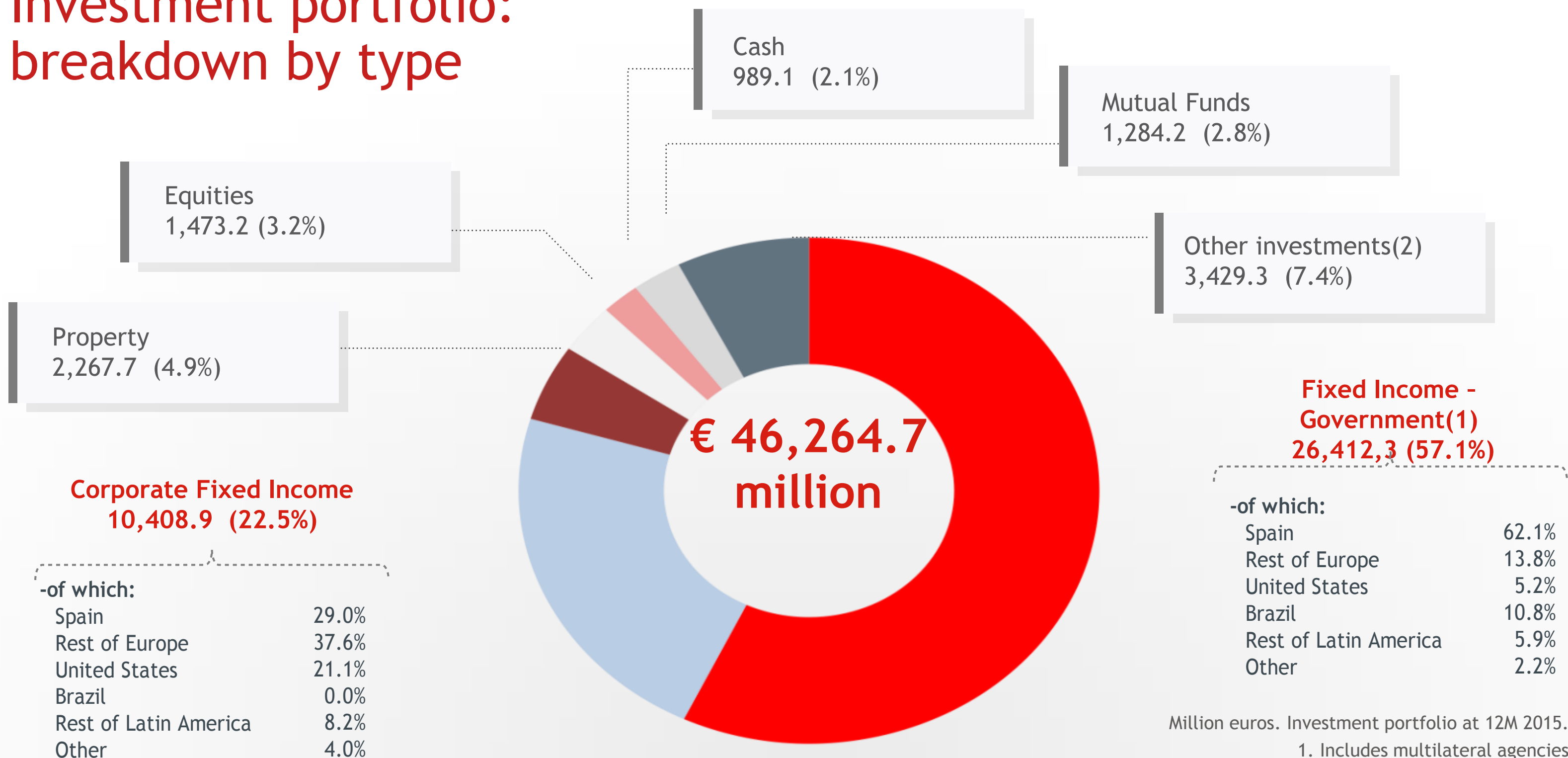
Million euros

1. Includes minority interests

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



# Investment portfolio: breakdown by type

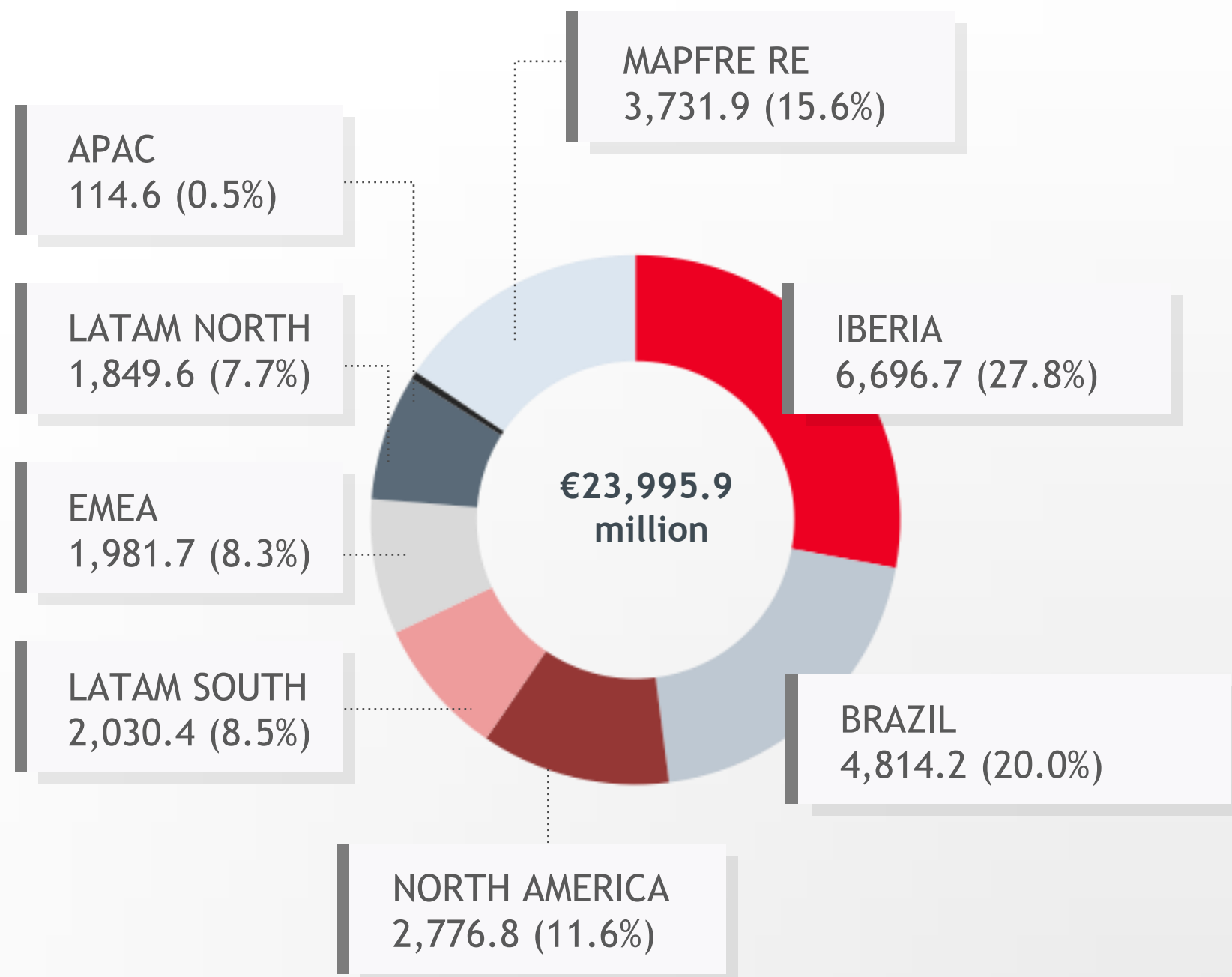


Million euros. Investment portfolio at 12M 2015.

1. Includes multilateral agencies

2. Includes unit-linked

## Premiums



Million euros

## Contribution to attributable results

	EUR M	%
IBERIA	494.8	57.9%
BRAZIL	153.4	18.0%
NORTH AMERICA	-32.7	-3.8%
LATAM SOUTH	49.4	5.8%
EMEA	-2.4	-0.3%
LATAM NORTH	42.4	5.0%
APAC	-3.4	-0.4%
MAPFRE RE	152.6	17.9%
<b>TOTAL</b>	<b>854.1</b>	<b>100.0%</b>
HOLDINGS & CONSOLIDATION ADJUSTMENTS	-145.3	
<b>Attributable result</b>	<b>708.8</b>	

# Strict prudent measures were adopted in 2015 in order to achieve profitable growth



## Impact on earnings before tax

Identification of unprofitable contracts and optimization of MAPFRE ASISTENCIA structure	<b>-54.5</b>
Increase in provisions in Spain (Motor and General PL)	<b>-44.8</b>
Increase in provisions and alignment of underwriting policies in Turkey, Colombia and Mexico	<b>-38.2</b>
Less realized capital gains - Non-Life and Life	<b>-47.7</b>



## Income statement



NON-LIFE PREMIUMS: **17,441** million euros. (+6.5%)



LIFE PREMIUMS: **4,871** million euros. (-10.6%)

# Iberia

TOTAL PREMIUMS: **6,697** million euros, **27.8** percent of the Group's total

<b>PREMIUMS</b>	<b>2015</b>	<b>%</b>
SPAIN	6,498	-2.5
PORTUGAL	199	-0.5

## Changes in the Spain business cover:

- Increase in premiums in the major Non-Life lines: Health, Motor, Home and Funeral
- Contraction in Life insurance due to low interest rates

# Iberia

**Insurance  
Spain  
Non-Life  
Entities**

<b>PREMIUMS</b>	<b>2014</b>	<b>2015</b>	<b>%</b>
Motor	2,026	2,044	+ 0.9
Home	611	626	+ 2.5
Health	427	458	+ 7.4
Funeral	296	307	+ 3.7
Other	186	195	+ 4.5
Companies	641	637	- 0.5
<b>TOTAL NON-LIFE</b>	<b>4,352</b>	<b>4,429</b>	<b>+ 1.8</b>



# Iberia

Insurance  
Spain  
Life &  
Savings  
Entities

	2014	2015	%
<b>PREMIUMS</b>			
Life	2,072	1,824	- 12
<b>MANAGED SAVINGS*</b>			
Life Technical Provisions	22,400	21,982	- 1.9
Pension Funds	4,799	5,076	+ 5.8
Mutual Funds and Managed Portfolios	3,534	3,853	+ 9
<b>TOTAL</b>	<b>30,733</b>	<b>30,911</b>	<b>+ 0.6</b>

Million euros.

\*Excluding the CX effect.

# LATAM

Premiums	2015	%
BRAZIL	4,814	+3.6*
LATAM SOUTH	1,963	+6.6**
LATAM NORTH	1,850	+52.7

- Appreciation of local currency in Mexico (+62 percent), Peru (+27 percent), Argentina (+23 percent) and Chile (+13 percent)

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

\*Percentage calculated in local currency.

\*\*Excluding Venezuela, as the strong volatility in its currency distorts comparison.

# International

<b>Premiums</b>	<b>2015</b>	<b>%</b>
NORTH AMERICA	<b>2,777</b>	<b>+31.9</b>
EMEA	<b>1,982</b>	<b>+53.9</b>
APAC	<b>115</b>	<b>+13.2</b>

- Premium volume in local currency rose by 8.7 percent in the USA, by 4.4 percent in Puerto Rico, by 41 percent in Turkey and by 43 percent in Malta
- Direct Line Italy and Germany produced 374 million euros in premiums since June



# MAPFRE in 2015

ASSESSMENT AND

STRATEGY

Presentation of Annual Results

February 10, 2016

**Antonio Huertas**

Chairman and CEO of  
MAPFRE



## Pillars of our growth strategy

The  
economic  
context

Our global  
presence

Focus on  
profitable  
growth

Growth  
objectives

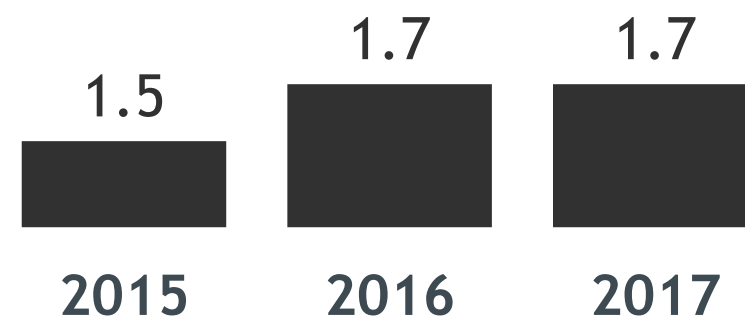
# The world economy at a crossroads: Global relapse or growth consolidation?

- Europe. Financial and immigration tensions.
- Deficit goals at risk.
- Recovery still weak

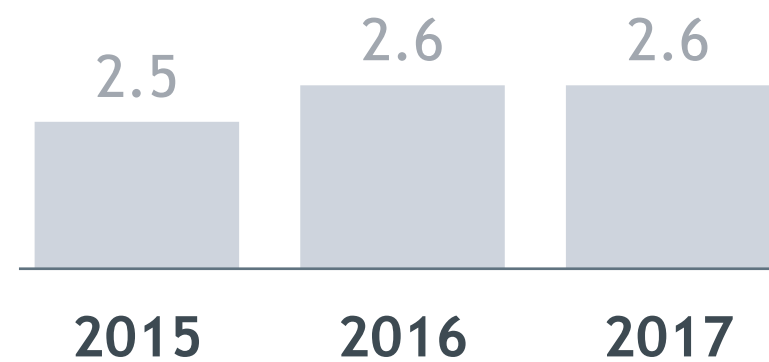
- USA maintains momentum. Change in monetary policy.
- Historical worst annual start for stock exchanges

- Emerging markets suffering a sharp slowdown.
- China: GDP +6.9 percent, lowest growth in 25 years.
- Collapse in the price of oil and other raw materials

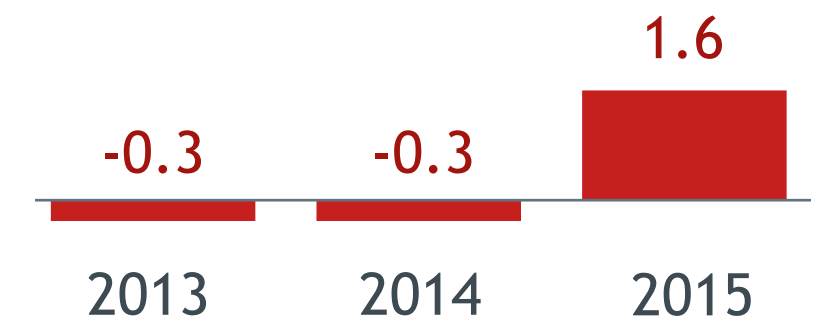
## Eurozone



## USA



## LATAM



# Spain

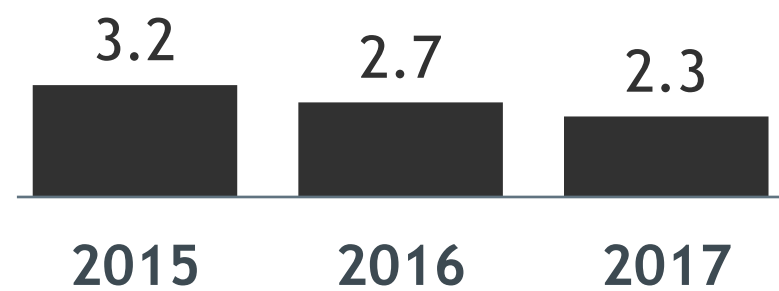
## Economic momentum, institutional uncertainty

Economic activity gathering momentum, consumption and investment improving

The absence of inflation benefits the income of citizens

Unemployment falling, though still very slowly

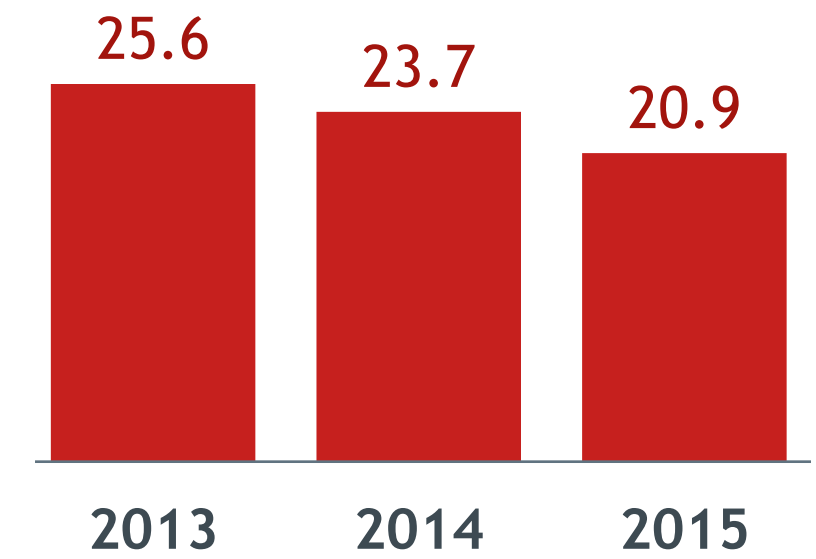
### GDP



### CPI



### Unemployment





# Global insurance company: 5 continents

Among the  
**Top 15 reinsurance companies**  
worldwide

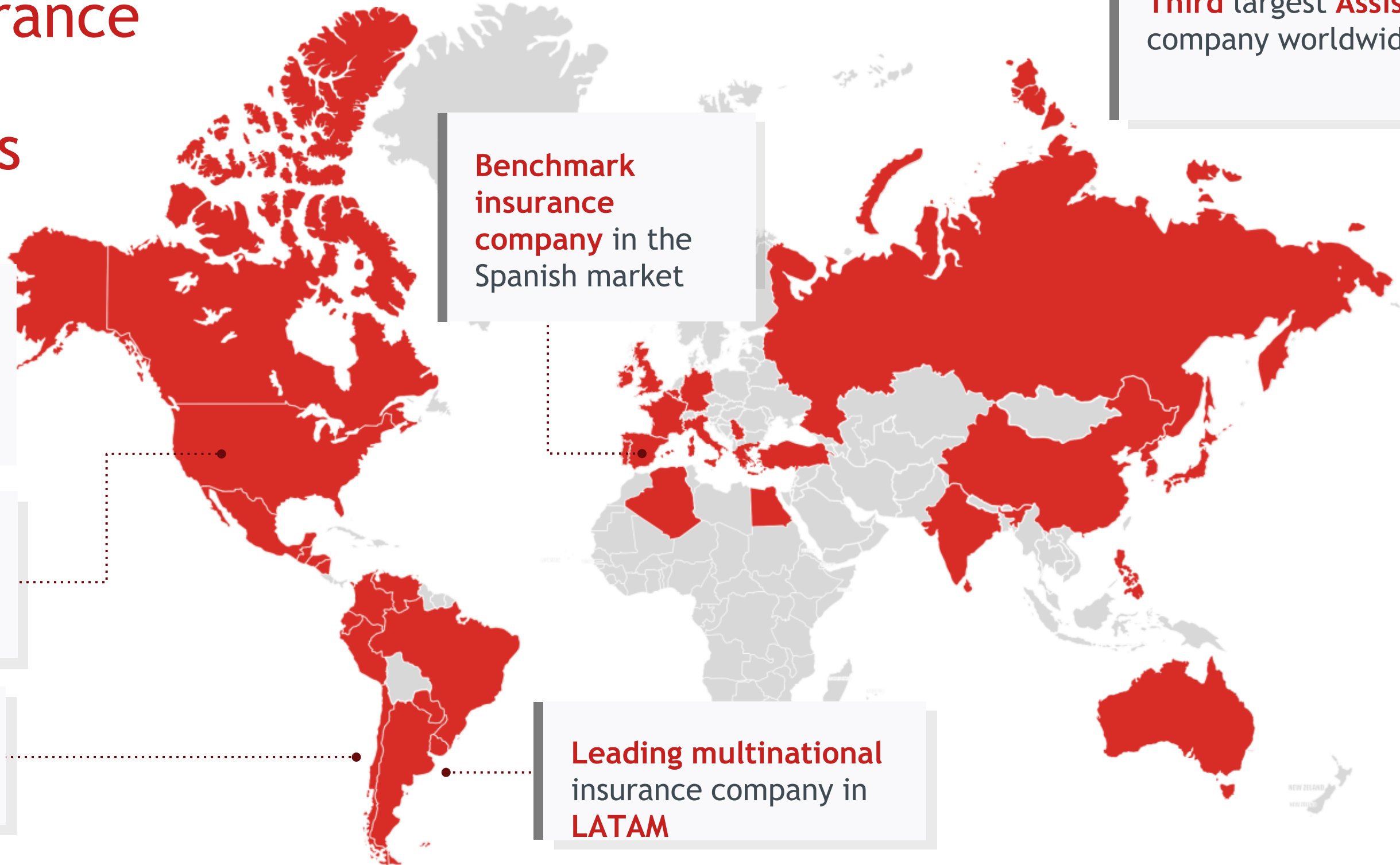
**Top 20 in U.S.**  
Automobile  
insurance sector

**No. 1 in Non-Life**  
Insurance in  
**LATAM**

**Benchmark insurance company** in the Spanish market

**Third largest Assistance company** worldwide

**Leading multinational insurance company** in **LATAM**





# MAPFRE IBERIA

6,697 million euros in premiums

1

**Leader in Non-Life** | We insure one out of every 5 cars, one out of every 6 households

We are double the no. 2 Multi-peril operator

2

**NPS** | Preferred company by consumers in Motor and Home. 6.8 million clients

3

**Life:** New Savings Insurance products to compete in a low interest-rate market.

Portugal: Purchase of Barclays Life and Pensions business with Bankinter

4

**Verti** | Leader in online motor insurance in Spain. +300,000 clients



# MAPFRE LATAM

8,037 million euros in premiums

## BRAZIL

1

Leadership position with solid growth. BB MAPFRE is the market leader.

Results grew 11.6% in a context of economic recession.

2

Continued improvement in ROE: 15.5% in 2015

Exceptional operational efficiency

3

Growth forecast of +4.8% in Life, +3.7% in Motor in 2016



# MAPFRE LATAM

8,037 million euros in premiums

## LATAM NORTH

**1** | **Mexico** | Pemex policy. Growth of 61%, above the market. No. 6 Non-Life company.

**2** | **Central America** | Excellent development, consolidating leadership in the region.

## LATAM SOUTH

**3** | Progressive development in digital business, emphasis on multichannel, strengthening of own networks, regional leadership consolidation.





# MAPFRE INTERNATIONAL

## 3,855 million euros in premiums

# 1

**USA** | Reorganization of the business into four major regional divisions. Development of digital business. Good technical profitability without extraordinary atmospheric phenomena.

# 2

**EMEA** | Integration of Direct Line Germany and Italy. Business growth in Turkey

# 3

**APAC** | Waiting to obtain digital business license in China. CESVI China Opening. Opening of MAPFRE RE offices in Malaysia and Singapore





# 2013-2025 Strategic Plan: Definition of the Roadmap for the company

Mission, Vision and Values

**New organizational and corporate structure:**  
Global and Regional Corporate Areas

Start-up of **Strategic Global Models** (Providers,  
Client Experience, Operational Efficiency, etc.)

## 2013-2015: Creation of sustainable value for shareholders 1,232 million euros in dividends in three years

..... Earnings per share .....

2012  
€0.22



2015  
€0.23

..... Average listed value of share .....

2010-2012  
€2.30



2013-2015  
€2.80

..... Net earnings .....

2010-2012  
€666M



2013-2015  
€782M

- **Pay-out** above **50%** during the period
- **Average annual yield** (including dividends): **+12%**
- **Total proposed dividend against 2015 results: €0.13/share**

## 2016-2018: Focus on profitable growth



**We are prioritizing our growth**  
in order to reach our objectives  
over the next three years



We are focusing solely on  
**growth opportunities** that  
bring **profitability**





Our Strategy for the next three years will be based on four strategic lines...



**Client**  
orientation



**Digital**  
transformation

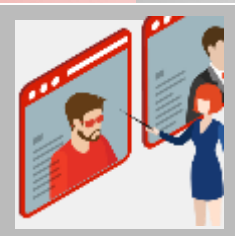


Excellence in  
**technical**  
management



**Culture and**  
internal **talent**





## Client orientation

### Project for **Client Segmentation.**

2015: MAPFRE Client Model

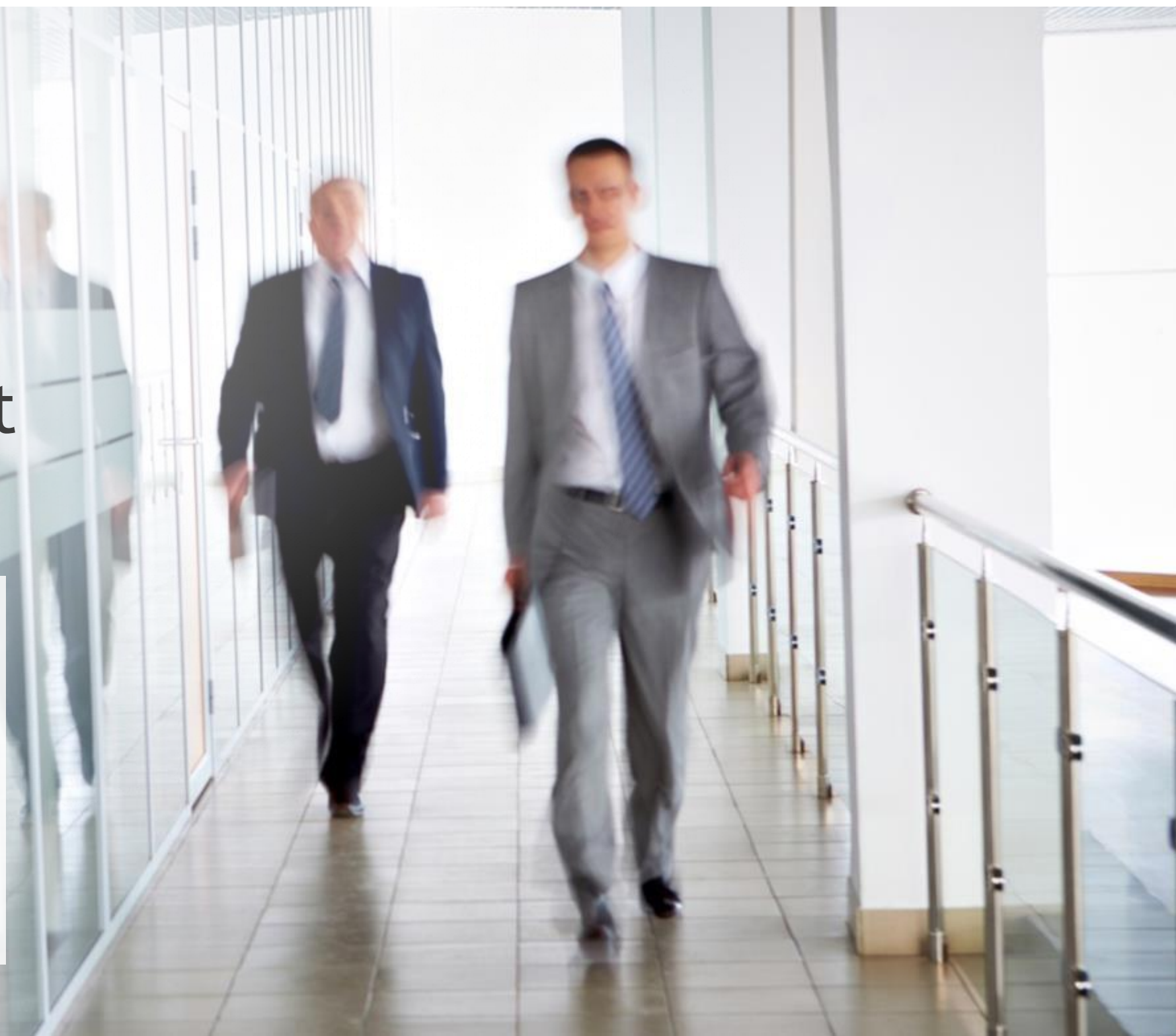
2016: Spain, Mexico, USA, Brazil, Peru and Portugal

### **Client Experience** development project.

2015: Brazil, Colombia, Spain, Italy, Mexico, Peru, Turkey and the USA, and the automobile, home and health lines.

#### **NPS Results**

Ranked among the top three in most countries and lines as regards client experience.





# MAPFRE **digital** transformation project

**Simplification and streamlining** of internal processes

Improvement in **productivity and efficiency** in launching products and services

Greater capacity for **action and decision on the part of the client**, (Social Networks and mobile devices)

**2015** +200 projects to advance digital transformation

- New pricing generators and new monitoring systems
- New mobility apps
- Digitization of processes, offices and agents





## Development of **digital business**

# Verti

will be our  
digital  
insurance brand  
worldwide



**Italy and Germany** - the first countries where the VERTI brand will be used.

In Spain VERTI will maintain its complementary offering to that of MAPFRE online

Digital business accounts for **4 percent of the total** MAPFRE portfolio.





## Development of **digital business**

Agreement with  
**Admiral**

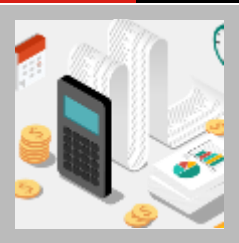
to develop  
online insurance comparison  
tools in several countries,  
such as the one operating in  
Spain with the brand

**Rastreator.com**



Via a 50/50 joint  
venture: **Preminen**





## Excellence in **technical management**

- Process improvement
- Corporate Technology Platform
- MAPFRE Service Providers Model

**Underwriting**

**Pricing**

**Services**



## Culture and human talent

### Developing **People** = Developing **Talent**

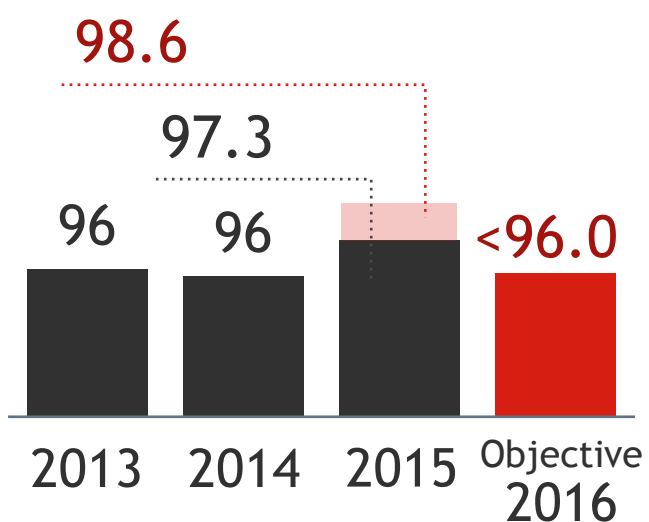
- **Global Talent Management Project**
- **More than 500 collaboration agreements** with some of the best universities and business schools in the world.
- More than **1,000 scholarships** in 2015



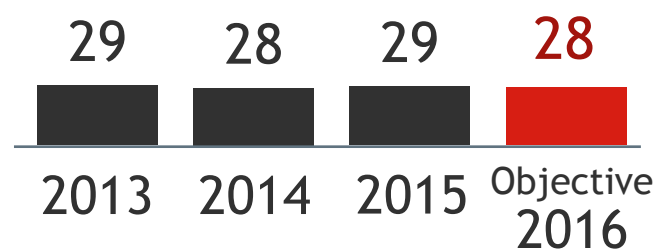


# MAPFRE is committed to achieving its principal strategic objectives

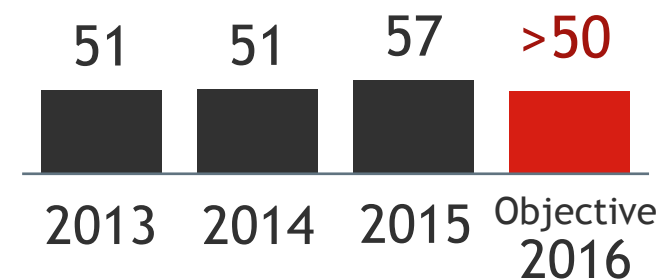
## Combined Ratio (%)



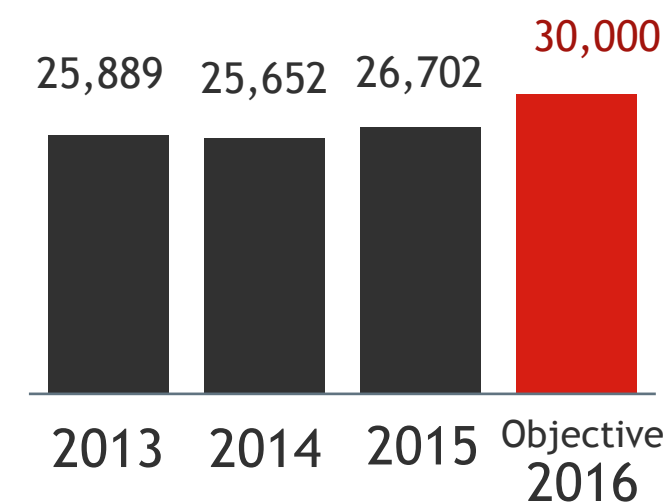
## Expense Ratio (%)



## Payout (%)



## Revenue (million euros)



 Extraordinary effect on MAPFRE USA of US storms

(\*) The income statement for 12M 2014 has been restated, classifying the CATALUNYACAIXA business as discontinued. 12M 2013 has not been restated.



Your most trusted global insurance company