

**MAPFRE'S REVENUE EXCEEDS 7.2 BILLION EUROS IN THE FIRST QUARTER,  
WITH EARNINGS OF 187 MILLION EUROS**

**KEY POINTS OF THE FIRST QUARTER**

- **Group earnings up 4 percent, excluding last year's extraordinary items.**
- **Premiums total almost 6.2 billion euros, in a quarter marked by currency depreciation and low interest rates**
- **Reinsurance earnings grow 22.2 percent to 63 million euros.**
- **Combined ratio improves by one percentage point, to 96.5 percent, and the solvency ratio stands at 200 percent.**
- **Shareholders to receive a final dividend of 0.085 euros per share on June 14.**

MAPFRE's revenue between January and March this year totaled almost 7.3 billion euros, 7.6 percent less than the same period the previous year, and premiums were just under 6.2 billion euros (-7.2 percent). The first quarter was heavily influenced by the absence of extraordinary results, the depreciation of the main currencies (the U.S. dollar, Brazilian real and Turkish lira), which in this period lost between 13 and 16 percent of their value, as well as low interest rates, which lead to a drop in financial income.

Net earnings came to 187 million euros (-9.3 percent). Excluding the impact of last year's extraordinary items (the cancellation of a net provision of 27 million euros in the Spain bancassurance channel) the Group's net earnings would have grown by 4 percent.

In this context, it is important to highlight the good earnings of the Iberia Regional Area which, discounting the impact of extraordinary items, would have grown 17.2 percent, the reinsurance business, which was up 22.2 percent, and the numbers from the LATAM North Regional Area, where profits doubled in this quarter. The combined ratio improved by one percentage point to 96.5 percent, and all business lines in Spain developed positively. The Group's solvency ratio stood at 200 percent, in line with the target range set down by the company.

Equity came to 10.3 billion euros, while shareholders' equity at the end of March totaled 8.47 billion euros. Total assets were 69.3 billion, 2.5 percent more than at the close of 2017.

Group investments broke through the 50 billion euro barrier and at the close of the first quarter of this year, came to 50.6 billion euros. Of these investments, 56 percent corresponds to sovereign debt, while 19 percent is in corporate fixed income, and 8 percent in variable income and mutual funds. The quality of these investments is also worthy of mention, with 67 percent enjoying a credit rating of A or better.

### **1.- Business performance:**

The Insurance Unit produced premiums of just under 5.3 billion euros (-7.2 percent) between January and March of this year.

→ Premiums for the Iberia Regional Area (Spain and Portugal) came in at more than 2.3 billion (-1.9 percent). In Spain, where the sector contracted by 4.6 percent due to the drop in the Life business as a result of low interest rates, MAPFRE posted premiums of 2.3 billion euros (-1.5 percent). The Automobile business stands out (534 million euros, 3.2 percent more than the same quarter last year, with over 5.6 million vehicles insured), General P&C (619 million, 5.8 percent better) and Health and Accident (558 million euros, up 6 percent, with health business growth of 6 percent, half a percentage point more than the market). It is also important to underline the positive performance of the combined ratio in Spain, which improved by 2.4 points to 91.9 percent, with the Automobile business standing out, coming in at 90.3 percent - an improvement of 1.7 percentage points.

MAPFRE VIDA generated business volume of 553 million euros, down 18.2 percent. Mutual funds closed out the quarter at 3.6 billion euros, 7.2 percent better, while pension funds rose 4.8 percent to more than 5 billion euros.

→ The Brazil Regional Area finished the first quarter of this year with premium volume of more than 1 billion euros (-15.8 percent). This decline is due to the drop in value of the Brazilian real, which depreciated 16.3 percent over the last year. In local currency, however, premiums grew by 1 percent. By lines, general P&C recorded volume of 393 million euros, while Life business premiums totaled 324 million euros and Automobiles stood at almost 300 million euros, with an improved combined ratio of 98.3 percent.

→ The LATAM North Regional Area remained stable with recorded premiums of 365 million euros. Mexico's performance stood out in particular, growing by 4.6 percent (12 percent in local currency) to 211 million euros, boosted by the Automobile, Life and Health

businesses. The subregion of Central America booked premiums of 154 million euros (-7 percent), with Panama's contribution (50 million euros) being particularly relevant, followed by that of the Dominican Republic (32 million euros) and Honduras (25 million euros). It is also important to highlight the strong combined ratio, 2.5 points better at 96.6 percent.

→ LATAM South Regional Area premiums for the first quarter of the year totaled 395 million euros (-7.7 percent). Peru's contribution of 124 million euros (up 20 percent in local currency) stands out, as do the figures from Colombia, (87 million euros, up 1 percent in local currency), and Argentina (74 million euros, 23 percent better in local currency). This Regional Area's combined ratio also improved by 2.2 points to 97 percent.

→ First quarter business volume in the North America Regional Area came in at 562 million euros (-14.1 percent). In the United States, premiums were 486 million euros (-14.6 percent), due to the cancelation of unprofitable business. It is also important to note the impact of various storms on the east coast, which brought about a net reinsurance cost of 13.5 million euros.

→ The Eurasia Regional Area produced premiums of 541 million euros (-7.8 percent) in the first quarter, affected by the strong depreciation of the Turkish lira, which has fallen by 16.1 percent over the last year. Turkey contributed 151 million euros, followed by Germany with 146 million euros and Italy with 115 million euros.

The Reinsurance Unit's premiums exceeded 1.1 billion euros (-3.4 percent) and net earnings for the quarter rose 22.2 percent to 63 million euros, accompanied by a strongly improved combined ratio of 91.1 percent.

The Global Risks Unit registered premium volume of 267 million euros (-16.3 percent), with net earnings of 8 million euros. The combined ratio performed particularly well, dropping from 109.5 to 92 percent.

Lastly, the Assistance, Services and Specialty Risks Unit delivered premiums totaling 244 million euros (-19.7 percent) for the first quarter of the year.

## **2.- Dividend**

The Board of Directors has ratified the payment of the final dividend against the 2017 results of 0.085 euros gross per share on June 14 next. The total dividend charged against the result for the period comes to 0.145 euros per share, meaning the company will pay out 447 million euros, setting aside 63.7 percent of earnings for dividends.

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**MAIN CONSOLIDATED FIGURES**

Results	Million €		% Var. 2018 / 2017
	3M 2017	3M 2018	
<b>GROSS WRITTEN AND ACCEPTED PREMIUMS</b>	<b>6,674.6</b>	<b>6,197.2</b>	<b>-7.2%</b>
Non-Life	5,217.9	4,965.9	-4.8%
Life	1,456.7	1,231.3	-15.5%
<b>TOTAL CONSOLIDATED REVENUES</b>	<b>7,854.9</b>	<b>7,257.0</b>	<b>-7.6%</b>
<b>RESULTS BEFORE TAX AND NON-CONTROLLING INTERESTS</b>	<b>448.4</b>	<b>370.0</b>	<b>-17.5%</b>
<b>RESULTS AFTER TAX AND NON-CONTROLLING INTERESTS</b>	<b>206.2</b>	<b>187.0</b>	<b>-9.3%</b>
<b>EARNINGS PER SHARE (euro cents)</b>	<b>6.69</b>	<b>6.07</b>	<b>-9.3%</b>

Balance Sheet	Million €		% Var. 2018 / 2017
	3M 2017	3M 2018	
<b>TOTAL ASSETS</b>	<b>69,731.6</b>	<b>69,256.9</b>	<b>-0.7%</b>
<b>ASSETS UNDER MANAGEMENT (1)</b>	<b>60,521.1</b>	<b>60,812.7</b>	<b>0.5%</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>9,052.6</b>	<b>8,465.8</b>	<b>-6.5%</b>

Premiums	Million €		% Var. 2018 / 2017
	3M 2017	3M 2018	
IBERIA	2,386.9	2,342.4	-1.9%
LATAM	1,998.5	1,773.6	-11.3%
INTERNATIONAL	1,240.9	1,103.1	-11.1%
<b>TOTAL INSURANCE</b>	<b>5,626.3</b>	<b>5,219.0</b>	<b>-7.2%</b>
RE	1,165.7	1,126.4	-3.4%
ASISTENCIA	276.1	226.9	-17.8%
GLOBAL RISKS	318.6	266.7	-16.3%
Holdings, eliminations and other	(712.2)	(641.9)	9.9%
<b>MAPFRE S.A.</b>	<b>6,674.6</b>	<b>6,197.2</b>	<b>-7.2%</b>

Attributable Result	Million €		% Var. 2018 / 2017
	3M 2017	3M 2018	
IBERIA	127.6	117.9	-7.6%
LATAM	46.5	38.2	-17.8%
INTERNATIONAL	24.4	0.1	-99.5%
<b>TOTAL INSURANCE</b>	<b>198.4</b>	<b>156.2</b>	<b>-21.3%</b>
RE	51.3	62.7	22.2%
ASISTENCIA	(9.1)	(2.7)	69.9%
GLOBAL RISKS	0.2	8.1	--
Holdings, eliminations and other	(34.6)	(37.2)	-7.5%
<b>MAPFRE S.A.</b>	<b>206.2</b>	<b>187.0</b>	<b>-9.3%</b>

The Alternative Performance Measures (APM) used in the Report, which refer to financial measures that are neither defined nor included in the applicable financial reporting framework, can be accessed on the following website: <https://www.mapfre.com/corporate/institutional-investors/investors/financial-information/alternative-performance-measures.jsp>