



EDIFÍCIO MAPFRE

11711

**9M 2019 Results**  
Analyst & Investor  
presentation  
October 31<sup>st</sup>, 2019



# Key Figures > 9M 2019

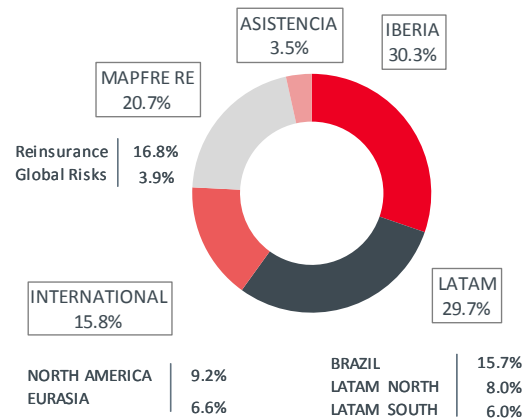
	9M 2019	Δ	Δ at constant exchange rates	
<b>Revenue</b>	<b>21,619</b>	<b>6.5%</b>	<b>6.0%</b>	
Total written and accepted premiums	17,647	2.5%	2.0%	
- Non-Life	13,568	3.7%	2.9%	
- Life	4,080	-1.3%	-1.3%	
<b>Non-Life Combined Ratio</b>	<b>96.4%</b>	<b>-1.7 p.p</b>		
Non-Life Loss Ratio	67.9%	-1.7 p.p		
Non-Life Expense Ratio	28.4%	0.0 p.p		
<b>Result before tax and non-controlling interests</b>	<b>994</b>	<b>-13.6%</b>		
of which:				
Result of Non Life business	798	24.5%		
Result of Life business	409	-27.8%		
<b>Attributable result</b>	<b>462.9</b>	<b>-12.5%</b>		
<b>ROE<sup>(1)</sup></b>	<b>5.4%</b>	<b>-1.0 p.p</b>		
<b>Balance sheet<sup>(1)</sup></b>				
Assets under management	64,577	10.4%		
Shareholders' equity	8,984	12.4%		
	<b>6M 2019</b>	<b>Δ</b>		
<b>Solvency ratio<sup>(1)</sup></b>	<b>198.0%</b>	<b>8.5 p.p</b>		
			<b>excluding goodwill writedowns<sup>(2)</sup></b>	
			<b>528.5</b>	<b>-0.1%</b>
			<b>8.1%</b>	<b>-0.3 p.p</b>

(1) Variation calculated against data at December 31<sup>st</sup>, 2018

(2) Excluding December 2018 and September 2019 goodwill writedowns

# Key figures > by business unit

## Premiums – Breakdown by business unit



	Attributable result			Premiums		Combined ratio		ROE	
	9M 2019	Δ mn	Δ %	9M 2019	Δ %	9M 2019	Δ p.p.	9M 2019	Δ p.p. <sup>(2)</sup>
<b>IBERIA</b>	<b>349.3</b>	<b>(4.7)</b>	<b>-1.3%</b>	<b>5,963</b>	<b>0.4%</b>	<b>93.8%</b>	<b>0.1 p.p</b>	<b>11.8%</b>	<b>-0.6 p.p</b>
<b>LATAM</b>	<b>150.4</b>	<b>15.7</b>	<b>11.7%</b>	<b>5,861</b>	<b>13.3%</b>	<b>93.4%</b>	<b>-7.2 p.p</b>	--	--
BRAZIL	70.4	31.2	79.7%	3,100	3.8%	91.1%	-12.1 p.p	8.9%	3.6 p.p
LATAM NORTH	41.9	6.6	18.6%	1,571	59.8%	95.8%	-0.7 p.p	11.7%	0.3 p.p
LATAM SOUTH	38.1	(22.1)	-36.6%	1,190	-1.3%	97.4%	0.4 p.p	6.8%	-3.7 p.p
<b>INTERNATIONAL</b>	<b>67.8</b>	<b>30.2</b>	<b>80.3%</b>	<b>3,119</b>	<b>-3.8%</b>	<b>102.2%</b>	<b>-1.6 p.p</b>	--	--
NORTH AMERICA	64.6	43.6	--	1,818	-3.6%	99.7%	-2.6 p.p	5.9%	3.1 p.p
EURASIA	3.2	(13.4)	-80.7%	1,301	-4.0%	106.9%	0.2 p.p	-0.1%	-2.1 p.p
<b>TOTAL INSURANCE</b>	<b>567.6</b>	<b>41.2</b>	<b>7.8%</b>	<b>14,943</b>	<b>4.1%</b>	<b>95.9%</b>	<b>-2.7 p.p</b>	--	--
Reinsurance	106.2	(7.1)	-6.3%	3,306	11.2%	95.2%	0.7 p.p	--	--
Global Risks	(4.1)	(14.7)	-139.2%	777	-5.7%	111.6%	15.9 p.p	--	--
ASISTENCIA	(85.5)	(78.1)	--	684	-3.6%	104.3%	0.9 p.p	-47.4%	-43.1 p.p
OTHER <sup>(1)</sup>	(121.2)	(7.1)	-6.3%	-2,063	-25.6%	--	--	--	--
<b>TOTAL</b>	<b>462.9</b>	<b>(65.9)</b>	<b>-12.5%</b>	<b>17,647</b>	<b>2.5%</b>	<b>96.4%</b>	<b>-1.7 p.p</b>	<b>5.4%</b>	<b>-1.0 p.p</b>
<b>Ex goodwill writedowns</b>	<b>528.5</b>	<b>(0.3)</b>	<b>-0.1%</b>	--	--	--	--	<b>8.1%</b>	<b>-0.3 p.p</b>

(1) "Other" includes Corporate Areas and consolidation adjustments

(2) Variation calculated against data at 12M 2018

# Adjusted attributable result

	9M 2018	9M 2019	Δ (mn)	Δ (%)
<b>Attributable result</b>	<b>528.8</b>	<b>462.9</b>	<b>(65.9)</b>	<b>-12.5%</b>
<b>Weather related and NatCat claims</b>	<b>(58.1)</b>	<b>(39.7)</b>	<b>18.4</b>	
<i>Direct insurance operations <sup>(1)</sup></i>	<i>(11.5)</i>	<i>(9.8)</i>	<i>1.8</i>	
<i>MAPFRE RE <sup>(2)</sup></i>	<i>(46.6)</i>	<i>(30.0)</i>	<i>16.6</i>	
<b>Reorganization of operations &amp; other corporate transactions <sup>(3)</sup></b>	<b>(11.5)</b>	<b>(5.8)</b>	<b>5.7</b>	
<b>Goodwill writedowns <sup>(4)</sup></b>		<b>(65.6)</b>	<b>(65.6)</b>	
<b>Financial Gains &amp; Losses <sup>(5)</sup></b>	<b>90.6</b>	<b>61.9</b>	<b>(28.7)</b>	
<i>Real estate</i>	<i>30.5</i>		<b>(30.5)</b>	
<i>Financial investments</i>	<i>60.1</i>	<i>61.9</i>	<b>1.8</b>	
<b>Attributable result (adjusted)</b>	<b>507.8</b>	<b>512.1</b>	<b>4.2</b>	<b>0.9%</b>

(1) 2018 includes winter storms at MAPFRE USA; 2019 includes the impact in IBERIA from severe rain and storms in Spain in the third quarter

(2) 2018 includes winter storms in the US as well as Typhoon Jebi; 2019 includes impact from Typhoon Faxai, after non-controlling interests

(3) 2018 includes cost of US exit plan (-€7.2mn) and cancellation of tax credit at Global Risks (-€4.3mn); 2019 includes organizational structure re-alignment (-€14.8 mn) and sale of related financial assets (€19.9 mn) at MAPFRE USA, as well as geographic reorganization at MAPFRE ASISTENCIA (-€10.9 mn)

(4) At MAPFRE ASISTENCIA from entities in the United Kingdom (-€48.4 mn) and in the United States & Canada (-€17.2 mn)

(5) Financial gains & losses include actively managed portfolios and real estate (across MAPFRE Group), net of writedowns; 2018 figures include the sale of real estate in Chile (€22 mn) and Portugal (€8.5mn)

# Evolution of Life business

## Result of Life business

	Result of Life business			
	9M 2018	9M 2019	Δ mn	Δ %
IBERIA	174.1	195.7	21.6	12.4%
BRAZIL	338.7	173.7	(165.0)	-48.7%
LATAM NORTH	19.7	18.7	(1.1)	-5.4%
LATAM SOUTH	13.2	0.4	(12.8)	-97.3%
MAPFRE RE	10.4	9.9	(0.5)	-4.7%
OTHER <sup>(1)</sup>	10.4	10.8	0.4	3.8%
<b>TOTAL</b>	<b>566.5</b>	<b>409.1</b>	<b>(157.4)</b>	<b>-27.8%</b>
Reversal of provision - Brazil	130.0		(130.0)	
Realized gains <sup>(2)</sup>	28.2	28.1	(0.1)	
<b>TOTAL - adjusted</b>	<b>408.3</b>	<b>381.0</b>	<b>(27.3)</b>	<b>-6.7%</b>

(1) Other includes NORTH AMERICA, EURASIA, and Consolidation Adjustments

(2) Includes realized gains from actively managed Life portfolios in IBERIA and MAPFRE RE, as well as realized gains from the sale of a property in Chile (€10 mn pre-tax)

## Highlights

### IBERIA:

- › Strong profitability in the Life-Protection business, with volumes growing (+8%) and combined ratios improving
- › Increase in Life-Savings result, due to higher realized gains (€24.4 mn in 9M 2019 vs. €14.7 mn in 9M 2018), driven by asset sales from surrenders
- › Impact of Life actuarial table updating

### BRAZIL:

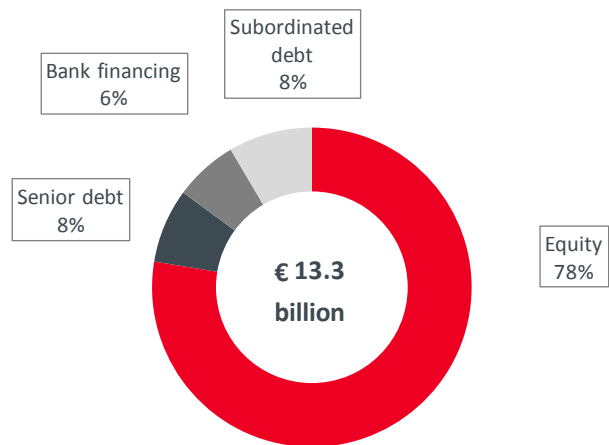
- › Non-recurring reversal of unexpired risk provision in 2018 due to a change in accounting regulation (€130 mn)
- › Increase in acquisition expenses for Life-Protection in bancassurance channel to boost business volumes

### LATAM SOUTH:

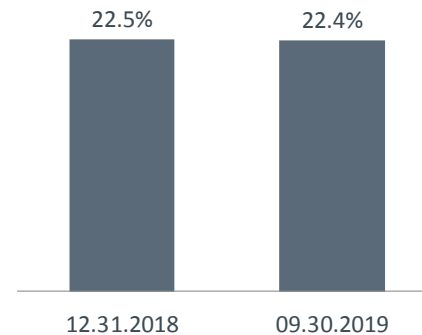
- › Chile: realized gains in 9M 2018 from real estate (€10 mn)
- › Strong results in Peru and Uruguay, offsetting negative adjustments in annuity run-off portfolios in Colombia, as a result of updating long-term financial assumptions

# Capital structure & credit metrics

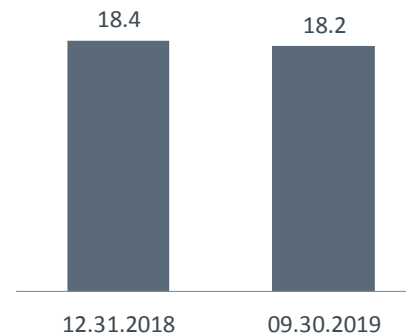
## Capital structure



## Leverage (%)



## Interest coverage (x)



# Shareholders' equity

## Change in shareholders' equity (€ mn)

<b>Balance at 12/31 previous year</b>	<b>7,994</b>
Result for the period	463
Dividends	-447
Net unrealized capital gains of AFS portfolio*	891
Currency conversion differences	118
Others	-35
<b>Balance at period end</b>	<b>8,984</b>

\*Net of shadow accounting adjustments

## Net unrealized capital gains - AFS portfolio (€bn)

	12.31.2018	09.30.2019
<b>Net unrealized gains</b>	<b>0.3</b>	<b>1.2</b>
Unrealized gains	2.1	4.2
Shadow accounting adjustments	-1.8	-3.0

## Currency conversion differences (€ mn)

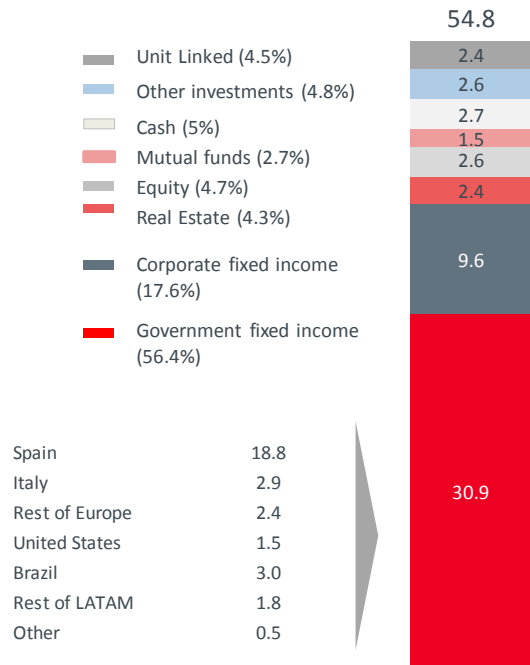
	09.30.2019	Δ YTD	% Δ currency YTD
<b>Total</b>	<b>-620</b>	<b>118</b>	<b>-</b>
<i>of which:</i>			
US dollar	553	110	5.1%
Brazilian real	-649	-20	-1.8%
Turkish lira	-298	-3	-1.4%
Mexican peso	-108	13	4.7%

## AFS portfolio – IBERIA – breakdown by portfolio type (€bn)

	Immunized	Actively managed		Total
		Free	Conditioned	
<b>Net unrealized gains</b>	<b>0.0</b>	<b>0.8</b>	<b>0.2</b>	<b>1.0</b>
Unrealized gains	2.2	0.8	1.1	4.0
Shadow accounting adjustments	-2.2	0.0	-0.9	-3.0
<b>Market Value</b>	<b>14.3</b>	<b>7.2</b>	<b>6.9</b>	<b>28.3</b>

# Investment portfolio & Assets under management

## Investment portfolio – Breakdown by asset class



## Assets under management

	12.31.2018	09.30.2019	% Δ
<b>Assets under management</b>	<b>58.5</b>	<b>64.6</b>	<b>10.4%</b>
<i>of which:</i>			
Investment portfolio	49.3	54.8	11.1%
Pension funds	4.9	5.2	7.4%
Mutual funds & other	4.3	4.6	5.9%



# Fixed income portfolios and financial gains & losses

## Fixed income portfolios – Euro area - actively managed

Non Life (IBERIA + MAPFRE RE) (€7.5 bn market value)

	12.31.2018	03.31.2019	06.30.2019	09.30.2019
Accounting Yield (%)	2.11	1.99	2.02	1.89
Market Yield (%)	1.42	1.09	0.74	0.50
Modified duration (%)	6.8	7.1	8.1	8.2

Life (IBERIA) (€6.9 bn market value)

	12.31.2018	03.31.2019	06.30.2019	09.30.2019
Accounting Yield (%)	3.91	3.72	3.69	3.64
Market Yield (%)	1.05	0.74	0.32	0.14
Modified duration (%)	6.6	6.7	7.0	7.0

## Fixed income portfolios – Other main regions & units

Total - €6.8 bn market value

	Modified duration (%)	Accounting yield (%)
BRAZIL - MAPFRE SEGUROS	1.1	5.80
LATAM NORTH	3.0	6.52
LATAM SOUTH	7.0	8.26
NORTH AMERICA	5.1	2.90

## Financial gains & losses (€ mn)<sup>1</sup>

	Non-Life		Life		Total	
	9M 2018	9M 2019	9M 2018	9M 2019	9M 2018	9M 2019
IBERIA	58.5	36.2	14.7	24.4	73.2	60.6
MAPFRE RE*	14.8	20.0	3.5	3.7	18.3	23.6
<b>TOTAL</b>	<b>73.3</b>	<b>56.1</b>	<b>18.2</b>	<b>28.1</b>	<b>91.5</b>	<b>84.2</b>

1) Includes only actively managed financial investment portfolios and real estate in the Euro area, net of writedowns, before taxes and non-controlling interests

\*2018 figures include financial gains and losses for GLOBAL RISKS

## Key figures – by line of business

	Premiums		Attributable result		Combined ratio	
	9M 2019	Δ	9M 2019	Δ	9M 2019	Δ
<b>Total</b>	<b>5,962.6</b>	<b>0.4%</b>	<b>349.3</b>	<b>-1.3%</b>	<b>--</b>	<b>--</b>
<b>Non-Life<sup>(1)</sup></b>	<b>4,114.4</b>	<b>4.1%</b>	<b>200.7</b>	<b>-6.7%</b>	<b>93.8%</b>	<b>0.1 p.p</b>
<i>of which:</i>						
Motor	1,723.4	1.7%	115.1	-26.9%	93.3%	2.6 p.p
General P&C	1,539.4	7.7%	69.7	25.3%	96.1%	-2.0 p.p
Health & Accident	663.1	4.3%	26.3	-19.1%	94.9%	1.5 p.p
<b>Life</b>	<b>1,848.2</b>	<b>-7.0%</b>	<b>97.1</b>	<b>23.7%</b>	<b>--</b>	<b>--</b>
<i>of which:</i>						
Life-Protection	358.7	8.3%	49.9	4.2%	71.7%	-2.6 p.p
Life-Savings	1,489.5	-10.1%	46.4	46.4%	--	--

(1) Total Non-Life includes consolidation adjustments

## Key figures – by entities

	Premiums		Attributable result		ROE	
	9M 2019	Δ	9M 2019	Δ	9M 2019	Δ <sup>(1)</sup>
MAPFRE ESPAÑA	4,074.6	4.1%	210.3	-4.9%	12.0%	-1.6 p.p
MAPFRE VIDA	1,888.2	-6.7%	139.3	5.0%	11.6%	0.9 p.p
<b>Total</b>	<b>5,962.6</b>	<b>0.4%</b>	<b>349.3</b>	<b>-1.3%</b>	<b>11.8%</b>	<b>-0.6 p.p</b>
<i>of which:</i>						
Spain	5,862.2	0.3%	342.8	0.6%	12.0%	-0.3 p.p
Portugal	100.3	3.0%	6.5	-51.0%	6.4%	-8.9 p.p

(1) Variation calculated against data at December 31<sup>st</sup>, 2018

## Key highlights

- › Excellent premium growth:
  - › Motor: positive developments in Spain, both in retail (+1.4%), as well as in fleets (+4%)
  - › General P&C: driven by Homeowners (+4.9%) and Condominiums (+9%)
  - › Life: solid growth in Life-Protection (+8%), offset by lower sales of Savings products due to interest rate environment
- › Motor combined ratio:
  - › Excellent level in a competitive market
  - › Rising material damage claims costs and frequency, but in line with expectations
- › General P&C: solid improvement in combined ratio thanks to Homeowner and Commercial lines, despite severe rain and storms in 3Q (€13 mn pre-tax impact)
- › Result of Other Business Activities: strong result in asset management business, helping offset expenses from launch of digital health initiative
- › Portugal: 9 p.p. reduction in combined ratio. Fall in attributable result due to lower realized gains (€8.5 mn net impact in 9M 2018 from sale of real estate)
- › Lower pre-tax realized gains (€60.6 mn at 9M 2019 vs. €73.2 mn at 9M 2018)

# BRAZIL

## Key figures

	Premiums		Attributable result		Combined Ratio	
	9M 2019	Δ	9M 2019	Δ	9M 2019	Δ
<b>Total</b>	<b>3,100.3</b>	<b>3.8%</b>	<b>70.4</b>	<b>79.7%</b>	<b>--</b>	<b>--</b>
<b>Non-Life</b> <sup>(1)</sup>	<b>1,941.6</b>	<b>-2.7%</b>	<b>46.1</b>	<b>--</b>	<b>91.1%</b>	<b>-12.1 p.p</b>
<i>of which:</i>						
Motor	669.5	-15.7%	-12.1	65.4%	107.4%	-14.3 p.p
General P&C	1,269.9	6.0%	54.9	103.4%	75.5%	-7.0 p.p
<b>Life</b>	<b>1,158.8</b>	<b>16.9%</b>	<b>32.0</b>	<b>-21.2%</b>	<b>--</b>	<b>--</b>

(1) Total Non-Life includes consolidation adjustments

## Key highlights

- › Fall in Brazilian real average exchange rates (-1.1%)
- › Strong growth in the Life-Protection business, driven by the bancassurance channel, with solid trends in the agent channel as well
- › Positive premium developments in Agricultural and Industrial Risks segments, helping to offset the fall in Motor, as a result of greater underwriting discipline and cancellation of loss making contracts

## Key highlights (continued)

- › Non-Life: increase in the attributable result (+€52.4 mn)
  - › Absence of extraordinary negative adjustments (-€48.6 mn net impact in 9M 2018)
  - › Improving trends in General P&C (+€27.9 mn) in several lines of business, including Agricultural
  - › Lower losses in Motor with a 14.3 p.p. reduction in combined ratio, thanks to technical measures, portfolio cleanup and cost containment
- › Life: fall in attributable result (-€8.6 mn)
  - › Non-recurring reversal of unexpired risk provision in 2018 due to a change in accounting regulation (€17.8 mn net impact in 9M 2018)
  - › Higher acquisitions expenses in Life-Protection to boost growth
- › Higher financial income, due to opportunistic realized gains during the 1Q 2019, as well as resilient portfolio yields

# LATAM NORTH

## Key figures

	Premiums		Attributable result		Combined ratio	
	9M 2019	Δ	9M 2019	Δ	9M 2019	Δ
<b>LATAM NORTH</b>	<b>1,570.5</b>	<b>59.8%</b>	<b>41.9</b>	<b>18.6%</b>	<b>95.8%</b>	<b>-0.7 p.p</b>
<i>of which:</i>						
Mexico	1,099.1	97.6%	19.5	23.4%	97.4%	-1.2 p.p
Central America	362.3	7.9%	16.5	15.8%	96.5%	1.1 p.p
Dominican Rep.	109.1	19.9%	5.9	11.8%	95.4%	-0.4 p.p

## Key highlights

- › Tailwinds from currency movements (Mexican peso + 4.3%, Panamanian balboa +6.6%, Dominican peso +3.7%)
- › Mexico:
  - › Issuance of a multi-year PEMEX policy for €449 mn
  - › Solid local currency growth (+12.1%, excluding multi-year PEMEX policy), driven by Motor and Life
  - › Significant reduction of Motor combined ratio (93.5% at 9M 2019 vs. 100.9% at 9M 2018), thanks to tariff and risk selection measures
- › Central America:
  - › Panama: increase in the loss ratio in Motor and General P&C, partially offset by improvements in Health, driven by tariff increases, while technical measures have also been implemented in Motor
  - › Solid growth and profitability trends in Honduras, Guatemala and El Salvador
- › Dominican Republic: good local currency growth (+15.6%) with excellent technical performance

# LATAM SOUTH

## Key figures

	Premiums		Attributable result		Combined ratio	
	9M 2019	Δ	9M 2019	Δ	9M 2019	Δ
<b>LATAM SOUTH</b>	<b>1,190.3</b>	<b>-1.3%</b>	<b>38.1</b>	<b>-36.6%</b>	<b>97.4%</b>	<b>0.4 p.p</b>
<i>of which:</i>						
Peru	429.1	12.2%	19.8	-2.0%	92.2%	0.7 p.p
Colombia	290.3	-4.0%	1.3	133.5%	100.5%	2.1 p.p
Chile	182.7	5.3%	6.2	-77.8%	98.8%	2.2 p.p
Argentina	126.0	-27.8%	3.5	-71.3%	105.6%	0.0 p.p

## Key highlights

- › Excellent local currency trends in main markets, with volatility from exchange rate movements
- › Continuing development of bancassurance operations as well as agreements with car manufacturers across the region
- › Peru: premiums up +7.5% in local currency, with noteworthy growth in Life-Savings. Strong technical performance in Motor, helping to offset the uptick in combined ratio in Non Motor lines and Life-Protection
- › Colombia: negative adjustments in annuity run-off portfolio, as a result of updating long-term financial assumptions, as well as a higher combined ratio in Motor
- › Chile: solid local currency growth (+8.4%). Stable underlying results, considering realized gains in 9M 2018 from the sale of a property (€22 mn post-tax) and despite higher combined ratio in Motor
- › Argentina: premiums impacted by average exchange rates (-52.4%). Fall in result due to the impact of the application of hyperinflation adjustments in 2019

# NORTH AMERICA

## Key figures – by business unit

	Premiums		Attributable result		Combined ratio	
	9M 2019	Δ	9M 2019	Δ	9M 2019	Δ
<b>United States</b>	<b>1,505.8</b>	<b>-4.4%</b>	<b>49.6</b>	<b>--</b>	<b>100.9%</b>	<b>-2.6 p.p</b>
<i>of which:</i>						
Northeast	1,296.2	3.5%	65.7	70.8%	98.1%	-1.7 p.p
East Central	102.9	-21.9%	-4.8	46.1%	114.2%	-0.7 p.p
West	105.7	-23.7%	0.0	99.2%	107.9%	-2.5 p.p
Exit states	--	--	-0.9	83.2%	--	--
Verti	2.4	--	-10.4	-11.9%	--	--
<b>Puerto Rico</b>	<b>311.9</b>	<b>0.5%</b>	<b>15.0</b>	<b>38.7%</b>	<b>91.8%</b>	<b>-2.3 p.p</b>
<b>NORTH AMERICA</b>	<b>1,817.7</b>	<b>-3.6%</b>	<b>64.6</b>	<b>--</b>	<b>99.7%</b>	<b>-2.6 p.p</b>

## Key figures – by lines of business

	Premiums		Attributable result		Combined ratio	
	9M 2019	Δ	9M 2019	Δ	9M 2019	Δ
<b>NORTH AMERICA</b>	<b>1,817.7</b>	<b>-3.6%</b>	<b>64.6</b>	<b>--</b>	<b>99.7%</b>	<b>-2.6 p.p</b>
<i>of which:</i>						
Motor	1,205.7	-4.4%	35.2	--	102.8%	-1.3 p.p
General P&C	556.7	-2.7%	27.9	76.4%	77.4%	-15.7 p.p
Other <sup>(1)</sup>	55.4	8.4%	1.5	--	--	--

(1) Includes Health & Accident & Life, as well as consolidation adjustments

(2) Exit from five states in 2018; Extraordinary net financial gains in 2Q 2019 (€19.9 mn) and restructuring expenses and exit from Commercial lines outside of Massachusetts (-€14.8 mn)

## Key highlights

- › Impact of dollar appreciation on average exchange rates (+6.3%)
- › Fall in premiums in local currency (-9.3%) in North America as a result of the exit from five states, as well as the cancellation of non-performing business and underwriting measures applied in the Non-Northeast states
- › Increase in attributable result (+€39.4 mn) in the United States, due to:
  - › measures implemented in Personal Motor, including tariff increases & cancellation of non-performing business
  - › lower weather related losses, mainly in Homeowners (-€11.5 mn)
  - › extraordinary impacts from reorganization of operations<sup>(2)</sup> (-€7.2 mn in 9M 2018 vs. €5.1 mn in 9M 2019)
- › Positive profitability trends in Puerto Rico

## Key figures

	Premiums		Attributable result		Combined ratio	
	9M 2019	Δ	9M 2019	Δ	9M 2019	Δ
<b>EURASIA</b>	<b>1,301.5</b>	<b>-4.0%</b>	<b>3.2</b>	<b>-80.7%</b>	<b>106.9%</b>	<b>0.2 p.p</b>
<i>of which:</i>						
Italy	365.4	3.2%	-3.5	38.6%	106.3%	-5.5 p.p
Turkey	332.8	-7.5%	0.6	-96.9%	115.4%	4.7 p.p
Germany	276.8	3.1%	3.2	--	99.7%	-0.1 p.p
Malta	271.7	-11.2%	3.0	14.0%	91.1%	-3.6 p.p

## Key highlights

- › Italy: positive premium evolution and strong improvement in the combined ratio
- › Turkey:
  - › Fall in Turkish lira average exchange rates (-15.5%)
  - › Local currency premium growth (+9.4%) below current inflation levels due to strict underwriting policy in MTPL
  - › Fall in attributable result to €0.6 mn vs. €20.7 mn at 9M 2018:
    - › Deterioration of the combined ratio driven by the impact of MTPL regulation on Turkish Motor tariffs as well as higher claims from the compulsory “High Risk MTPL Pool” with a net impact of -€5.1 mn
    - › Negative impact of inflation and currency depreciation on spare parts and other claim costs
- › Germany: positive premium trends and resilient combined ratio
- › Malta: strong improvement in combined ratio

## Key figures \* - by business unit

	9M 2019	Δ
<b>Total Premiums</b>	<b>4,083.1</b>	<b>7.6%</b>
<i>of which:</i>		
<i>Non-Life</i>	3,738.2	11.1%
<i>Life</i>	344.9	-20.0%
Reinsurance	3,306.1	11.2%
Global Risks	777.0	-5.7%
<b>Attributable result</b>	<b>102.1</b>	<b>-17.6%</b>
Reinsurance	106.2	-6.3%
Global Risks	-4.1	-139.2%
<b>Combined ratio</b>	<b>96.4%</b>	<b>1.8 p.p</b>
Reinsurance	95.2%	0.7 p.p
Global Risks	111.6%	15.9 p.p

\*2018 figures have been restated on a like for like basis, including the information for GLOBAL RISKS

## Key highlights

- › Premiums benefitting from currency movements, especially the US dollar
- › Lower issuance in global risks segment due to non-renewal of unprofitable business
- › Resilient combined ratio, especially in the reinsurance segment, despite year on year increase in large losses
- › Breakdown large claims:
  - › Two large industrial claims: -€29.9 mn net impact, of which -€21.4 mn from the global risks business
  - › Typhoon Faxai: -€32.3 mn net impact
  - › Impact of Brazilian drought: -€10.4 mn net impact
- › Pre-tax net financial gains of €23.6 mn (€18.3 mn at 9M 2018)



# MAPFRE ASISTENCIA

## Gross operating result \*

	Total		Assistance	Travel Insurance	Special Risks
	2018	2019			
<b>Total impact</b>	<b>-3.8</b>	<b>-4.2</b>	<b>2.1</b>	<b>-7.4</b>	<b>1.2</b>
UK & France	-13.2	-14.3	0.0	-13.0	-1.3
Rest of Eurasia	2.4	5.7	0.1	4.8	0.8
LATAM	6.8	3.9	2.0	0.8	1.1
NORTH AMERICA	0.1	0.5	-0.1	0.0	0.6

\*Excluding writedowns and restructuring costs

## Breakdown extraordinary impacts

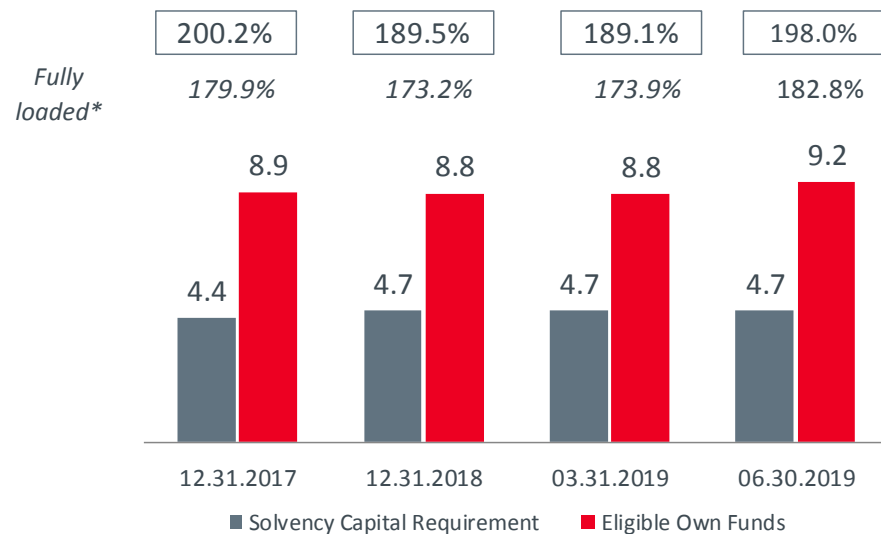
	9M 2019
<b>Attributable result</b>	<b>-85.5</b>
<b>Total goodwill writedowns</b>	<b>-65.6</b>
InsureandGo (U.K.)	-35.6
MAPFRE Abraxas (U.K.)	-12.8
Brickell Financial Services Motor Club (U.S.A)	-16.6
Norassist (Canada)	-0.6
<b>Restructuring costs</b>	<b>-10.9</b>
<b>Total extraordinary impacts</b>	<b>-76.5</b>
<b>Attributable result - adjusted</b>	<b>-9.0</b>

## Key highlights

- › Updating of business forecasts for the assistance and special risks business in the United Kingdom and North America, due to:
  - › Socioeconomic backdrop and uncertainty in the United Kingdom
  - › New business scenario in North America, with a lack of scale in roadside assistance, while streamlining operations
- › Provision for geographic reorganization in several countries (-€10.9 mn net impact)
- › Good performance of InsureandGo in Australia and Ireland
- › Good result of operations in LATAM

# Solvency II

## Solvency II ratio



\*Excluding impacts of transitional measures for technical provisions and equity

## Highlights

> High quality capital base:

> 87% Tier 1

> Evolution 06.30.2019 vs. 03.31.2019

> Increase in ratio: +8.9 p.p.

*of which:*

> Change in IFRS equity: +12.7 p.p.

> Goodwill & Other Intangibles: -3.5 p.p.

> Other: -0.3 p.p.

## Wrap up

➤ **Turnaround Brazil & USA** > successful strategy implementation and improving results, on the right path to meeting targets

➤ **IBERIA** > positive premium and profitability trends, in a very competitive market environment

➤ **MAPFRE RE** > important profit contributor, with a focus on reducing exposures in the global risks segment in order to lower volatility

➤ **LATAM NORTH & SOUTH** > profitable growth, with outstanding performance in Mexico and Peru

➤ **Solid capital position, financial flexibility and dividend payment capacity** > unchanged after goodwill writedowns

Q&A

Revenue	Top line figure which includes premiums, financial income, and revenue from non-insurance entities and other revenue
Combined ratio – Non-Life	Expense ratio + Loss ratio
Expense ratio – Non-Life	(Operating expenses, net of reinsurance – other technical revenue + other technical expenses) / Net premiums earned
Loss ratio – Non-Life	(Net claims incurred + variation in other technical reserves + profit sharing and returned premiums) / Net premiums earned
Result of Non-Life business	Includes technical result, financial result and other non-technical result of the Non-Life business
Result of Life business	Includes technical result, financial result and other non-technical result of the Life business
Corporate Areas and Consolidation Adjustments	Includes expenses from Corporate Areas, consolidation adjustments, as well the result attributable to MAPFRE RE and MAPFRE INTERNACIONAL's non-controlling interests and other concepts
Other business activities	Includes the Group's non-insurance activities undertaken by the insurance subsidiaries, as well as by other subsidiaries, including activities of the holding companies of MAPFRE S.A. and MAPFRE INTERNACIONAL
Solvency II ratio	Eligible Own Funds (EOF) / Solvency Capital Requirement (SCR)
Interest Coverage	Earnings before tax & financial expenses (EBIT) / financial expenses
Leverage	Total Debt/ (Total Equity + Total Debt)
ROE (Return on Equity)	(Attributable result for the last twelve months) / (Arithmetic mean of equity attributable to the controlling company at the beginning and closing of the period (twelve months))
Other investments	Includes interest rate swaps, investments in associates, accepted reinsurance deposits and others

Alternative Performance Measures (APM) used in this report correspond to those financial measures that are not defined or detailed within the framework of the applicable financial information. Their definition and calculation can be consulted at the following link:

<https://www.mapfre.com/corporate/institutional-investors/financial-information/alternative-performance-measures/>



**Natalia Núñez**

Investor Relations and Capital Markets Director  
[natalia.n@mapfre.com](mailto:natalia.n@mapfre.com)



**Leandra Clark**  
[clarkle@mapfre.com](mailto:clarkle@mapfre.com)



**Marta Sanchidrián**  
[sanchim@mapfre.com](mailto:sanchim@mapfre.com)



**Raquel Alfonso**  
[asraque@mapfre.com](mailto:asraque@mapfre.com)



**Leslie Hoffman**  
[lhoffma@mapfre.com](mailto:lhoffma@mapfre.com)



**Fernando García de la Santa**  
[gsmfern@mapfre.com](mailto:gsmfern@mapfre.com)

If you are an investor or shareholder and would like to receive more information regarding the MAPFRE share or have questions regarding MAPFRE's results and strategy, please find our contact information below:

Investor Relations  
MAPFRE S.A.



Carretera de Pozuelo-  
Majadahonda 52  
28222

Majadahonda, SPAIN

## Shareholders



900 10 35 33 (Spain)  
(+34) 91 581 23 18 (Abroad)



[oficinadelaccionista@mapfre.com](mailto:oficinadelaccionista@mapfre.com)

## Investors



(+34) 91 581 23 18



[relacionesconinversores@mapfre.com](mailto:relacionesconinversores@mapfre.com)

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