FERNANDO MATA SPEECH

Good morning shareholders, and a very warm welcome.

As Vice Chairman Ignacio Baeza explained, MAPFRE's 2019 annual accounts have once again demonstrated the ability of our business model to continue growing with sustainable profitability, even in uncertain and volatile situations such as those we have experienced over the last few years.

As in recent years, two external factors have constrained the development of our most significant projects to some degree.

Firstly, I will refer to climatic events.

We are no longer talking about isolated or concentrated events in more exposed areas. Instead we are seeing it on every continent, with out-of-control fires, floods and droughts, hurricanes and typhoons, and so on. The increased frequency and intensity of such events are undeniable and have direct consequences on the insurance and reinsurance industry. In Spain, you yourselves have witnessed the heavy rainfall and storms that have affected various parts of the Mediterranean region since September last year.

And secondly, we are in an economic context marked by an economic slowdown and a low interest rate environment, and this is impacting the financial returns of our investments.

Facing these challenges, MAPFRE has a number of strengths it can call on, which are the fruit of our business model. Among these I would highlight the following:

- The first is geographic and business diversification.
- The second is profitable growth in practically all insurance operations worldwide, in particular in the group's main markets of Brazil, Spain and the USA.
- The final one is the complementarity and resilience of our global risk and reinsurance business.

The strength of our business model is demonstrated through the financial indicators shown here.

Thus, Standard and Poor's raised our financial strength rating to A+ at the end of last year, a rating we also hold with Fitch.

Our solvency position is very close to 200 percent, which is almost twice that required by regulations and in line with the large European insurers. In addition, 87 percent of our solvency capital is of the highest quality or Tier 1, a level that few European companies reach.

The debt ratio remains at a very comfortable 22.7 percent.

We are protecting our future profits, increasing unrealized gains to record levels, which, net of taxes, already exceed 1 billion euros. This guarantees the future of sustainable financial performance.

And finally, the combined ratio of the insurance business, despite the catastrophic loss ratio, remains at 96.5 percent.

We'll now look at the change in revenue in more detail.

The main element is premiums, which for the Non-Life business grew 3 percent, driven by solid business growth in Latin America.

Life insurance premiums grew 0.2 percent. This low growth has its origin in the Life Savings modality, given the difficulty of marketing attractive products in the current interest rate situation. However, Life Protection grew 8 percent, due, fundamentally, to the satisfactory double-digit growth of this business in Brazil and Spain.

Financial income grew substantially over the past fiscal year, owing to higher valuation of investments, due to lower interest rates and improved stock markets. A high percentage of these investments correspond to long-term Life Savings operations. Therefore, the increase in revenue was mostly transferred to Life insurance policyholders, with a residual impact on MAPFRE's results.

Lastly, other income, earned mainly from non-insurance activities and non-technical income, increased by 45 percent, which was mainly due to positive foreign exchange differences.

Here we see the breakdown of premiums and earnings by business unit. The Insurance unit encompassing the Iberia, LATAM and International regions stands out here due to its premiums and earnings contribution. The insurance business grew solidly by 3 percent, as did reinsurance. MAPFRE RE, which includes Global Risks, exceeded 5.5 billion euros in premiums, with growth of 13 percent. Asistencia premiums are down 5 percent, which is due, as you know, to the restructuring process this unit has been undergoing for several years.

Profits at the Insurance Unit stand out, exceeding 800 million, growing nearly 18 percent. Results for Iberia reached almost 500 million while other significant countries, such as Brazil, the USA and Mexico, showed very significant increases in their results. Reinsurance earnings were affected by catastrophic events, while the negative result for Global Risks reflects the highly competitive rates in this business in 2019. Finally, the negative numbers at Asistencia correspond mainly to the goodwill impairment and restructuring expenses recorded in the third quarter.

This next slide shows the breakdown of our earnings.

In order to reflect the development of the business more accurately, the percentage changes exclude the impacts of the 174-million goodwill impairment in Non-Life in 2018, and 66 million in "Other Items" in 2019.

Thus, the Non-Life result shows moderate growth, despite the catastrophic claim experience.

Life earnings exceeded 600 million, declining primarily due to the lack of extraordinary results. I would remind you that there was a positive impact in Brazil in 2018 due to a regulatory change in the valuation of certain provisions.

Other items, including "Other Holdings Activities and Expenses," grew due to Asistencia losses and restructuring costs, as well as the costs of strategic initiatives, related to digitization of operations and innovation.

You can also see the Group's tax rate here, with an effective rate of 25 percent. The lowest tax expenses occur mainly in Brazil and Spain. The tax rate in Brazil fell from 45 to 40 percent, while the importance of agricultural insurance to the results grew, which carries a reduced tax rate. In Spain, corporation tax fell mainly due to tax deductions that were not considered in previous years and formalized this past fiscal year.

"Non-controlling interests" picks up the share of the result corresponding to our partners in bancassurance subsidiaries. All of this generated net profits of 609 million euros, with growth of 15 percent.

If we strip out catastrophic events and goodwill impairment, the adjusted earnings would stand at 822 million euros, approximately 1 percent better compared to the previous year, calculated on a uniform basis.

Return on equity (ROE) was 8 percent, slightly lower than in the previous year. This was impacted by the large increase in shareholders' equity, which I will comment on later.

The Iberia ROE stands out here - it is has consistently shown ratios of over 12 percent. Likewise, LATAM North, which exceeded 15 percent in ROE and ranks as the Group's most profitable region for 2019.

In strategic markets such as Brazil and North America, the improvement in ROE is accelerating, boosted by a significant increase in earnings.

The Group's combined ratio was 97.6 percent, which is the same as the previous year. Meanwhile, the ratio for the insurance business was 96.5 percent, with a 1.3-point decrease compared to the previous year.

Brazil stands out with an improvement of over 6 points, making it the Group's best region, with a combined ratio of 92 percent. Iberia also stands out, and again returned an excellent ratio, along with LATAM North, where an improvement in 2019 led to a ratio of under 95 percent.

Looking at the balance sheet now, total assets grew substantially compared to the previous year, by almost 8 percent, exceeding 72.5 billion euros. Shareholders' equity improved almost 11 percent, up to 8.85 billion. Beyond retained earnings, this increase in shareholders' equity occurred because of two factors that I would like to highlight:

- Firstly, the 715 million increase due to greater unrealized gains in our investment portfolio, which is the result of prudent management and falling interest rates.
- Secondly, the positive impact of currency conversion differences, driven mainly by US dollar appreciation.

At this point I would like to comment on the topic of unrealized gains in our investments. As on December 31, 2019 and always net of taxes, MAPFRE had 3.57 billion in accumulated capital gains, of which 2.56 billion corresponds to our policyholders, mainly in Life Savings policies in Spain. The net amount, 1.01 billion, represents the unrealized gains attributable to the Group.

Investments also made considerable progress, exceeding 53.5 billion euros. Fixed income and other similar assets comprise 82 percent of this number. We also told you that we would make progress in alternative investments. At the close of 2019, 1.06 billion euros had been committed to alternative investments, of which 320 million has already been disbursed.

MAPFRE's sovereign debt position is shown on the right, with more than 18 billion invested in Spanish public debt, as our Vice Chairman mentioned.

As far as corporate debt goes, nearly 90 percent of these investments have high or very high sustainability valuations.

Further, I would like to highlight another fact that we find significant: assets under management grew almost 9 percent, exceeding 63.6 billion.

This slide here shows our capital structure, which is similar to that of previous periods. The debt ratio remains very comfortable for the Group, with an average debt cost of 2.6 percent. We expect the debt level to remain along these lines in the coming years.

During the 2019 fiscal year, bank debt increased by approximately 300 million, allocated to financing acquisitions and distribution agreements, mainly in Spain. The conditions of this debt are extraordinarily attractive and will improve the expected profitability of these projects.

As I mentioned earlier, Solvency II is 195 percent, based on third quarter data, within the band that MAPFRE is targeting. You are aware that our target is 200 percent with a margin of around 25 tolerance points, and that we expect this to remain similar in coming years.

Next, I will speak about MAPFRE's shareholder structure, dividend policy, and stock information.

As on December 31, 2019, MAPFRE had 177,843 shareholder accounts, which owned the 3.08 billion shares in circulation. Of these shares, MAPFRE had treasury stock of 30.5 million shares at fiscal year-end, equivalent to 0.99 percent of capital.

With regard to financial indicators, earnings per share were 20 cents. The ratio between price and book value stood at 0.82. This means that MAPFRE's market capitalization at 2019 year-end was 82 percent of its shareholders' equity.

As you know, Fundación MAPFRE is MAPFRE's majority shareholder, holding 67.7 percent of its capital. Of the rest, approximately 3.8 percent belongs to Spanish shareholders, and 19.5 percent to foreign shareholders. Spanish shareholders are mainly in the retail bracket, while the vast majority of foreign shareholders are institutional investors.

I would now like to talk about the progress in dividends. If the Board's proposal of 14.5 cents per share is approved, the 2019 dividend amount will be a repeat of the previous three years, with a disbursement of 447 million euros. The payout, that is, the percentage of the profits going toward dividends, will be 73 percent.

The dividend yield stood at about 6 percent in 2019, remarkable in the current rate situation.

I will now refer to market performance.

In 2019, the share rose by 1.7 percent, a lower figure than the change in the IBEX 35, as you can see on the graph. The first two months of 2020 show adverse behavior, due to the uncertainties caused by the coronavirus, which are affecting all global stock markets.

The market is significantly weighing up the risks arising from the global economic slowdown, as well as the impact of interest rates on our business model. However, MAPFRE is an insurance company. Our strength is risk management. The main profit source is technical management, with financial returns being but a supplement to the insurance result. We expect the market to recognize the potential of

MAPFRE and place value on our technical excellence and ability to generate recurring earnings.

Regardless of changes to the stock price, we reiterate our commitment to shareholders based on a sustainable dividend, as we have done in recent years.

To sum up: We currently have a strong, very well diversified balance sheet, with a stable and adequate capital and solvency ratio for our business. We have a very low-cost financing structure and a diversified business model, which year after year has confirmed its ability to generate recurring profits, and which underpins a solid guarantee in terms of future dividends.

That is all from me.

Thank you very much for your attention and for placing your trust in MAPFRE.