

IGNACIO BAEZA PRESENTATION

Good morning shareholders, and a very warm welcome.

I would like to begin my speech by reporting on the most significant aspects of MAPFRE management in 2019.

The company closed a very complex fiscal year with profits of over 609 million euros, 15 percent higher than the previous year. This figure comes into its own when we consider that during 2019 we bore an extraordinary cost of 147 million due to catastrophic events and allocated another 66 million to Asistencia goodwill impairment. Excluding these, adjusted profits would have risen to 822 million euros.

MAPFRE's strength and resilience in the face of all kinds of risks are what have allowed us to celebrate another year with you and to express our gratitude for your trust with a dividend that matches what we achieved in the previous three years, 447 million euros, which is, as always, in cash.

After my speech, CFO and Board Director Fernando Mata will provide you with more detailed information on the company's financial developments, but allow me to share some relevant figures first.

The first is the strength of our core business, which comes from insurance activities, which as I said, has generated profits of 806 million and growth of 18 percent.

As you know, there are three main drivers of MAPFRE's insurance business: Spain, Brazil and the US. All three performed very well in 2019. Spain has been recording magnificent numbers for several years, and the last fiscal year was no exception. **We are growing faster than the market. We maintain our leadership in the major lines and, above all, we continue to enjoy the best client valuations in health, automobile and homeowners (NPS®).**

Brazil and the USÃ are two strategic markets that have undergone restructuring in recent years. In 2019, the company began to see the results of that. Net profits in the USA were up by a factor of 7, and in Brazil, they rose more than 70 percent. In other words, in **MAPFRE's core business, insurance, our three major markets, representing about 60 percent of the business, behaved very positively.**

Reinsurance, through MAPFRE RE, is our fourth driver as a global insurance company, and was affected by the catastrophic loss experience that I have referred to. However, it was still able to close the year with 77 million euros in profits. This demonstrates the enormous technical and underwriting capabilities of the MAPFRE RE teams in such a difficult environment.

The Group's combined Non-Life ratio remained unchanged from the previous year at 97.6 percent. As you can see, ROE remains at 8 percent, logically excluding the goodwill impairment in the Asistencia business.

September 2019 figures for the Solvency II ratio stand at a very strong and comfortable 195 percent.

I would now like to refer to the 2019 Integrated Report, where the company explains in detail not only its business model but also its social commitments and how they are implemented. It is an extensive report, around 200 pages, which has been published and which, of course, is available to you if you wish to consult it. This publication complies with all relevant international guidelines, and with the information framework recommendations published by the International Integrated Reporting Council.

In addition, you will find a summary document with the main points on your seats. As you can see, **MAPFRE is a solid and solvent company, with sufficient financial capacity to meet its commitments, and with a business model that is strongly committed to society.**

It is precisely to the latter, our commitment to society, that I would like to devote the next few minutes.

Point 6 of the Integrated Report defines our intentions very well. It is titled "Creation of shared value: we are sustainable." In it are gathered together all the dimensions of the company that make MAPFRE a group that you can and should be proud of: the financial dimension, the productive dimension, the human dimension, the intellectual dimension, the company's environmental commitments and, above all, the social dimension. That's why MAPFRE talks about shared value, shared with society.

As you know, MAPFRE is a global company that is very active in meeting the UN Development Goals, the SDGs. This is an agenda to reach by 2030, with 17 demanding global commitments that seek to improve the world in which we live and change people's lives, especially of those who need it most. **As a committed global company,**

MAPFRE is working on each and every SDG from its own activity, but is focused on the nine where it has the greatest ability to impact. These are the SDGs you see on the screen, and I will refer to them during my presentation.

I would like to start with the **financial dimension**, which I referred to in part at the outset when highlighting the company's main numbers. In particular, I would like to cover our role as investors. **MAPFRE manages more than 53.5 billion euros**. Of this, just over half, 30 billion, is in sovereign debt investments. These are investments that allow states to be financed and governments to act and, therefore, help develop societies. In fact, let me specify that more than 60 percent of this sovereign investment is in Spanish debt.

In addition, in 2017, the group signed up to the UN Principles for Responsible Investment (PRI) and established the framework for action on Socially Responsible Investment (SRI). In line with its commitment to the UN 2030 Agenda, MAPFRE has incorporated a methodology for measuring portfolio impact on the Sustainable Development Goals, which has been created in collaboration with the University of Sienna. The company is working to ensure that social, environmental and governance analysis is taken into account throughout the investment process, not only in relation to pension funds and plans, but also to the group's balance sheet (about 90 percent of all private issuers in the MAPFRE portfolio have high and very high valuations in their ESG measurements). Ladies and gentlemen, MAPFRE always tries to go beyond pure financial returns, seeking social profitability as well. Now, we can also measure it. You have it on your screen.

As an investor, MAPFRE is contributing to most of the United Nations goals, but with more intensity in bringing about an end to poverty, promoting the health and

well-being of all people around the world, fostering more sustainable communities and cities, and supporting climate action. This is without doubt part of the company's social legacy.

But we also want to be the benchmark for socially responsible investments for all citizens, because **MAPFRE invests by principle and convinces by profitability.**

Currently, three funds and a pension plan are marketed within the ESG product range through MAPFRE AM. In other words, they meet environmental, social and governance criteria. Moreover, **the company is the only manager with a product for each category, following the launch at the end of last year of the MAPFRE Responsible Inclusion fund. This fund, which has been recognized by the United Nations as an example of best practice,** invests in companies that promote the inclusion of people with disabilities because, **companies that protect diversity and promote inclusion are more profitable in the medium- and long-term.**

As well as the Inclusion Fund we have Capital Responsible, a fund that seeks to preserve capital without giving up long-term growth, and thus, has a balanced portfolio of fixed income assets and European shares (about 70 percent bonds and 25 percent equities). The objective is to favor companies and entities that have a strategy committed to monitoring the ESG criteria, under the assumption that these entities provide a more appropriate risk-return profile. And the ESG catalog is completed with MAPFRE Good Governance, a global variable income fund whose portfolio includes companies with good corporate governance in which the assets are temporarily undervalued by the market.

Let me now change tack and move on to aspects related to the **productive dimension**, we continue to make improvements in the client experience. In 2019, the company developed **101 projects in the Group's main markets, which seek to improve the relationship the company's 26 million clients worldwide have with their insurance**. That's right – we have 26 million clients around the world. (With your permission, I am going to repeat some of the most relevant figures in today's presentation as I go through it.) We distribute our products and services through a multi-channel mix that is also growing, with new agreements that guarantee greater capillarization of the company in all countries and across all channels.

The company's digital business is growing because digital clients are growing. MAPFRE is improving its digital communication channels and the various company sites, raising the value proposition we offer, introducing better data intelligence, and strengthening the company's digital reputation.

There is also an extensive network of more than 177,000 providers around the world - yes, more than 177,000 - especially service providers, who are closer to the company's clients when a need arises. **With them, we have created a sustainable management model and an ESG approval process with commitments from both sides**.

We also protect another of our identifying hallmarks: **MAPFRE quality**. The company measures client satisfaction and the results show that MAPFRE satisfaction levels exceed those of our competitors.

Let me now talk about something we are particularly proud of: the **human dimension**, which includes the way that MAPFRE employees act and how that translates to the business and society at large. I'll start with the latter. Last year, 10,400 MAPFRE

volunteers — employees and their families — contributed their efforts to improving the lives of more than 125,000 people in difficulty. Let's have a look how...

This, ladies and gentlemen, **is also MAPFRE and says a lot about the company.** **With my most heartfelt thanks, I join in acknowledging the thousands of employees who participate in the corporate volunteering program.**

We know that things don't happen by chance. **If MAPFRE wasn't a committed company, its employees would struggle to be committed too.**

We're a company that unites:

We unite inclusion: the company is moving toward a figure of 1,000 employees with disabilities.

We unite diversity: 34,300 employees, of 84 nationalities, with 80 percent of C-Suite executives being native to the country. Five generations working together, feeding knowledge reciprocally, creating value for MAPFRE.

We unite gender diversity: **we are meeting our public objectives in this area,** as the Chairman and CEO will discuss later. **In 2019, women made up 6 out of 10 new hires by the Group.** Unfortunately, there is still an adjusted pay gap of 3 percent, which is low, **but we're not satisfied with it and we are going to continue tackling it with an Action Plan to reach total equality across the Group.**

And finally, we unite because we **protect talent**. We are helping every MAPFRE employee to transition to a connected, digital society. Strategies are being developed to improve the employee experience and make the company more attractive to external talent. We also seek to retain staff and increase their value to MAPFRE, while looking after their professional development. In 2019, 5,000 employees, equating to 15 percent of the Group's professionals, changed job position, role, area or country, while the Corporate University offered the entire workforce more than 1.5 million hours of training.

Ladies and gentlemen, I would now like to offer a couple of reflections on MAPFRE's **intellectual dimension**, through which we are accelerating the transformation of the company and strengthening our leadership positions with both new business models and innovative solutions that the digital society is demanding.

The company is also developing a cyber risk strategy, in terms of both our client offering and the protection of MAPFRE itself. **We are boosting the company's cyber resilience**, protecting client and company information with the highest standards of data protection compliance, and thereby protecting the company's digital and social reputation.

I started by saying that **MAPFRE is a sustainable company across all its dimensions**, and this includes the environmental dimension. We are developing a **climate change action strategy with four lines of action**.

The first is to reduce the company's own environmental footprint, and we're doing with actions such as the recent installation of solar panels at company headquarters in Majadahonda, which will deliver 15 percent of annual consumption and an equally significant savings from lower emissions.

The second is integrating the climate change variable into the business, incorporating the recommendations of the Task Force on Climate-Related Financial Disclosures in financial planning. We are also including environmental, social and governance (ESG) factors in investment, as I said earlier, and in the underwriting and definition of low-carbon products.

The third is the promotion of the circular economy, as we do with CESVI RECAMBIOS, for example. Each year this center decontaminates more than 2,500 vehicles, removing more than 71,000 parts, which results in significant CO2 emission reductions.

Lastly, the **fourth is our commitment to preserving diversity.** This is promoted through internal actions and, above all, with external actions, such as the recent sponsorship of the COP25 Climate Change Conference in Madrid. **MAPFRE was one of the leading supporters of the summit and participated in advancing its principles and recounting many of the actions I am discussing at this Annual General Meeting.**

I conclude this discussion of MAPFRE as I started it: **we are a transparent, committed, sustainable company developing inclusive strategies for society, relating equally to all interest groups, and promoting social, economic and human development.** Throughout my presentation, I have referred to the United Nations goals to which the company is contributing the most with its activities. This commitment is especially valuable because **MAPFRE is the only Spanish insurer that can implement this contribution worldwide.**

We have begun to deploy the Sustainability Plan 2019–2021, which is based on three pillars: environmental, social and corporate governance.

We have action lines to combat climate change, cut emissions, promote the circular economy and, in general, to improve people's environment and quality of life. We are a company that acts against inequalities, promotes inclusion and talent, fulfills and helps meet the UN's 2030 Development Goals — as I have already pointed out — and promotes relevant social debates to anticipate the future, such as preparing for the challenge of an aging population. Elsewhere, the company has already started with a plan to help further the development of the most rural and depopulated parts of Spain. As always, this is done within an ethical framework of compliance and transparency that drives investment: the socially responsible investment to which I have also referred.

"Playing our part" is the rallying cry of this video, and will underpin the company's communication on sustainability. What we mean here is that each one of us has to play our part, making those thousands of small gestures that add up to the shared goal of protecting people and the environment.

Finally, I would like to highlight another institution, namely Fundación MAPFRE.

Many of you, dear shareholders, have been part of MAPFRE for many years and therefore know very well that the company's social footprint goes far beyond its ability to impact positively through business: we also have Fundación MAPFRE to help us do even more in this respect.

The Fundación continues going from strength to strength, growing its capacity to transform the world with inclusive programs in all its territories, giving second and third opportunities to those who need them most. It has developed **more than 100**

international projects that open the door to education for more than 110,000 children in 30 countries, (I repeat, more than 110,000 children in 30 countries), promotes health and road safety, where MAPFRE is a frequently-cited benchmark for institutions such as the United Nations.

We have been sharing culture and an appreciation of art for more than 40 years. In addition to the hundreds of thousands of people who visit the company's exhibitions, **in 2019 alone, more than 500 workshops for schools and families** were organized around these exhibitions, as an add-on to the enjoyment of art itself.

The company also facilitates scientific research. **Over the past 10 years, MAPFRE has allocated more than 14 million euros to enhancing scientific knowledge**, accelerating solutions to societal problems.

Thanks to Fundación MAPFRE, 550 more people are in jobs because we financed their return to the labor market in 2019. This may not seem like a lot of people but these are the two groups that are hardest hit by unemployment: young people and those over 55. We also take great pride in having established job opportunities for 500 other people with mental disabilities, whose work offers them the opportunity to fully integrate, which they are fully entitled to do. We're very pleased with all of that, but there's still a lot to be done.

We also promote financial education. More than 25,000 students have participated in one of the 1,100 sessions on financial and insurance knowledge, and now they are better able to make their own saving, protection and investment decisions.

Last year, the foundation held over 6,000 transformative events across the globe. These activities **have made it possible to reach 4 million people directly, and another 10 million through technology.** We can feel very proud of this social work and we believe that we should also share it with society more intensely.

It would be remiss of me not to mention the Canary Islands organization, **Fundación MAPFRE Guanarteme**, which is also of vital importance in the social and cultural fabric of a territory that is particularly close to MAPFRE, and myself as a Canarian.

Allow me to present to you for the first time the spot that we are going to broadcast, starting in April, where Fundación MAPFRE reminds us that the digital revolution that is transforming the world must be designed by people and for people, and must also have a **HUMAN VALLEY.**

I have left the two star Fundación MAPFRE projects for the end, which are truly international in scope, and allow Fundación MAPFRE to help transform the world: the **Social Outreach Awards and the Social Innovation Awards.** The first, the Social Outreach Awards, is where we showcase those people or institutions most committed to society, and especially to those most in need. The second is the Awards for Social Innovation, where we promote **innovation with commitment** to three fields with a strong social impact: **mobility and road safety, health and the insurance industry itself.** Most of the projects awarded in previous editions of these Innovation Awards are now market realities, and because they were also built around a social premise, we can say that they are already responding to certain personal and/or social problems.

Leaving the Fundación, I want to return now to MAPFRE.

Ladies and gentlemen shareholders, you can feel very proud of this company and its social commitment, which we have converted into a differentiating element that sets us apart from the competition. Something, by the way, that we are also recognized for:

The MAPFRE brand is the ninth most valuable in Spain in any sector and clearly leads the insurance industry in 2019, according to the ranking drawn up by the international consulting firm, Brand Finance.

In addition, the Corporate Reputation Business Monitor (the well-known MERCO index) certifies us as the number one insurer in terms of best reputation in Spain and, furthermore, we are in the Top 10 for any activity, taking into account any sector of the economy.

And finally, we are considered the most successful and reputable insurance brand in Spain by the economic consultants, Advice Strategic Consultant.

I conclude by thanking you for your attention and the trust you place in MAPFRE by investing in the company.

Ladies and gentlemen, thank you very much.