S&P Global
Ratings

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# Mapfre Group


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# Mapfre Group

| SACP* Assessments | | | | SACP* | | Support | | Ratings |
|---|---|---|---|---|---|---|---|---|
| Anchor | a | Modifiers | 0 | a | | 0 | | Financial Strength Rating: A/Stable/-- |
| Business Risk | | ERM and Management | 0 | Liquidity | 0 | Group Support | 0 | Holding Company Rating: BBB+/Stable/-- |
| Strong | | | | | | | | |
| Financial Risk | | Holistic Analysis | 0 | Sovereign Risk | 0 | Gov't Support | 0 | |
| Strong | | | | | | | | |

*Stand-alone credit profile.
See Ratings Detail for a complete list of rated entities and ratings covered by this report.

## Rationale

### Business Risk Profile: Strong

- Strong brand recognition and leading, profitable positions in Spain and Brazil, as well as in reinsurance.
- Broad, successful diversification by business line and geography.
- Heightened business risks linked to presence in vulnerable countries and weak performance in countries of recent growth.

### Financial Risk Profile: Strong

- Capital and earning position expected to be maintained at moderately strong levels, supported by slowing growth and rising earnings.
- Higher credit risk than peers', owing to significant exposure to Spanish and Brazilian investments.
- Strong financial flexibility, with demonstrated access to capital markets through multiple sources.

### Other Factors

- Resilience of Spanish, Brazilian, and reinsurance profitability to financial turmoil. This provides stability to the group's performance, and therefore we use the higher 'a' anchor for Mapfre (our strong business and financial risk profile assessments lead to an anchor of 'a' or 'a-').
- We can rate core operating entities of the Spain-based insurance group Mapfre up to three notches above Spain. This reflects our view of Mapfre's ability to withstand a hypothetical Spanish sovereign default, and its moderate-to-high sensitivity to country risk.

### Factors Specific to the Holding Company

- Since 2006, Mapfre S.A. has been the group's non-operating holding and listed company controlling all group operating entities. The issuer credit rating on Mapfre S.A. reflects our standard two-notch downward adjustment from the insurer financial strength rating on the core group entities, and the subordination of Mapfre S.A. creditors to the core entities' policyholders.

### Outlook: Stable

S&P Global Ratings' stable outlook on the group reflects our view that Mapfre's diversified geographic and business mix and its prudent capital management will shelter it from volatile markets and weak conditions in Brazil, and that its exposure to Spanish assets will remain under the threshold to pass our sovereign stress test.

#### Upside scenario

We could raise the ratings on Mapfre's core entities if we saw the group durably improve its performance in countries where it recently expanded and that profitability in Brazil was proving resilient. We would notably expect profit contributions of key major markets outside Spain--such as Latin America (excluding Brazil), the U.S., and Europe--to converge toward the group's return on equity (ROE) target. At the same time, we would expect to see that the group had recovered its net combined (loss and expense) ratio to 96% or below, and its ROE closer to 10%.

#### Downside scenario

We could lower the rating on Mapfre's core entities if:

- Capital adequacy unexpectedly dropped materially to significantly below the 'A' threshold. This could result from a severe combined global and domestic financial market stress; or
- We did not expect Mapfre to pass the sovereign default test, which could result from an unexpected drop in regulatory capital or an increase in Spanish assets relative to regulatory capital.

## Base-Case Scenario

### Macroeconomic Assumptions

- Average GDP growth for Spain at 3.0% for 2017 and 2.3% for the following two years.
- Average yield on Spanish 10-year government bonds to gradually increase from end-2016 levels in 2017-2018.

## Company-Specific Assumptions

- We estimate consolidated gross premiums written (GPW) will increase by about 3%-4% annually over the next three years. In particular, we expect strong growth in life premiums from Spain because of launch of new products, and 2%-3% growth from property/casualty (P/C).
- Our base case includes an average net combined (loss and expense) ratio of below 98% in 2017-2019. We forecast year-end annual net earnings (after minorities) of about €800 million-€900 million over the same period.
- We expect Mapfre to maintain its capital adequacy near the 'A' level of confidence in 2017-2019 as internal capital generation should cover growth in capital requirements.

## Key Metrics

| (Mil. €) | 2018f | 2017f | 2016 | 2015 | 2014 | 2013 |
|---|---|---|---|---|---|---|
| Gross premiums written | >24,000 | >23,000 | 22,813 | 22,312 | 22,401 | 21,836 |
| Net income (after minorities) | >850 | 800 | 775 | 709 | 845 | 791 |
| Reported total equity | >11,000 | >11,000 | 11,443 | 10,408 | 11,469 | 9,894 |
| P/C net combined ratio (%) | <98 | <98 | 97.8 | 98.9 | 96.7 | 96.9 |
| S&P Global Ratings' capital adequacy | Strong | Strong | Strong | Strong | Moderately strong | Moderately strong |

e--Expected. f--Forecast.

# Company Description

Established in 1933 in Spain as a mutual, Mapfre is a multinational insurance group, listed since 2006 on the Madrid and Barcelona stock exchanges. Mapfre S.A. is ultimately 67.7%-owned by Cartera Mapfre, S.L., which is fully owned by Fundación Mapfre, a charitable foundation. Since the disposal of Bankia's 12% participation in Mapfre in 2013, the remaining stock not owned by Cartera Mapfre is widely distributed.

***Iberia***. This division includes the Spanish and Portuguese business, accounting for around 30% of GPW in 2016. Mapfre is the leading insurer in its domestic market with 14.5% market share in P/C and 6.3% market share in life.

***Latin America***. This division accounts for about 32% of consolidated GPW and includes Mapfre's operations in 17 countries in Latin America and those of Mapfre Global Risks and Mapfre Assistance in the region. Overall, Mapfre is the third largest insurer in the region and leading multiline non-life insurer in the region. Over half of the Latin American business is generated in Brazil, where Mapfre has signed a major bancassurance agreement with Banco do Brazil.

***International***. This division includes Mapfre's operations in EMEA (Europe, the Middle East, and Africa), the U.S., and APAC (Asia-Pacific), accounting for some 22% of the total business. The U.S. accounts for over 10% of the total premiums, representing Mapfre's third-largest single market after Spain and Brazil. Mapfre's subsidiary in Turkey has grown rapidly in recent years, and now contributes close to 4% of group premium.

***Mapfre Re***. This division operates as the group entities' sole reinsurer as well as a separate entity selling reinsurance globally. In 2016, Mapfre Re generated €2.3 billion from external reinsurance (55% of its gross premiums), accounting for about 10% of the group business.

## Business Risk Profile: Strong

Our view of Mapfre's business risk profile reflects the group's very strong competitive position and intermediate industry and country risks. These strengths are mitigated by disappointing profit contributions in countries where Mapfre has expanded in past few years (Turkey, Italy, and some Latam countries). In addition, Mapfre's material exposure to countries with a negative rating trend (Brazil, Colombia, Turkey) could weigh on the growth of group premium and profitability.

### Insurance industry and country risk: Intermediate

We assess Mapfre's industry and country risk as intermediate. Our view is based on the mix of non-life and life insurance sectors from which Mapfre derives its business.

We assess industry risk for the Spanish life and property/casualty (P/C) sectors as intermediate. We expect the Spanish P/C insurance market will continue to show sound technical performance despite increasing claims frequency, driven by the improving economic activity, and ongoing price-based competition. The life insurance industry's hitherto strong profitability is eroding as prolonged low interest rates increasingly constrain investment margins. Life insurers have historically had closely matched assets and liabilities, supported by the regulatory framework. We consider that this mitigates the risks associated with low interest rates.

**Table 1**

**Mapfre Group -- Insurance Industry And Country Risk**

| Business Segment (% of GPW) | IICRA | Business mix (%) |
|---|---|---|
| Spain P/C | Intermediate | 22 |
| Spain life | Intermediate | 9 |
| Brazil life | Intermediate | 6 |
| Brazil P/C | Moderate | 12 |
| United States P/C | Intermediate | 12 |
| Global P/C reinsurance | Intermediate | 8 |
| Global life reinsurance | Low | 3 |
| Turkey P/C | Moderate | 4 |
| Mexico P/C | Intermediate | 7 |
| Other Europe | Intermediate | 8 |
| Other (mostly Other South America) | Moderate | 9 |
| Weighted Average IICRA | Intermediate | 100 |

P/C--Property and casualty.

### Competitive position: Successful geographic diversification and ambitious growth plans

We regard the group's overall competitive position as very strong. The group benefits from increasing geographic diversification, enhanced by leading and profitable positions in its larger markets of Spain and Brazil, which have together consistently represented over 60% of net group profits. Underpinning Mapfre's leading positions are diversified and sizable distribution networks, a client-service focus, and successful sharing of best practices.

We also view positively Mapfre's business diversification outside primary P/C business into life insurance and reinsurance. Both businesses have demonstrated stable and strong profitability.

In recent years, Mapfre has undertaken a number of growth initiatives:

- Acquisition of Direct Line business in Italy and Germany;
- Growth of its P/C U.S. subsidiary outside its home state of Massachusetts;
- Strong organic growth drive in Mexico;
- Strong organic growth of its Turkish subsidiary, which is the No. 3 foreign operator in the country after the subsidiaries of AXA and Allianz; and
- Strong growth in the activity of Mapfre's assistance subsidiary.

We consider that growth in P/C has weighed negatively on Mapfre's profitability ratios, as the performance of some of the growth initiatives, particularly in Italy and in the assistance activity, have generated losses for the group. In addition, a number of Latin American countries have seen profitability eroded by relatively difficult market conditions in local markets.

We therefore consider positively Mapfre's focus on its strategic plan for cost control and enhancing claims management, with a target to operate with a combined ratio of 96%.

**Table 2**

**Mapfre Group -- Competitive Position**

| | --Year-ended Dec. 31-- | | | | |
|---|---|---|---|---|---|
| **(Mil. €)** | **2016** | **2015** | **2014** | **2013** | **2012** |
| Gross premiums written (GPW) | 22,813 | 22,312 | 22,401 | 21,836 | 21,580 |
| Change in GPW (%) | 2.3 | (0.4) | 2.6 | 1.2 | 10.1 |
| P/C GPW | 17,700 | 17,441 | 16,932 | 16,704 | 15,940 |
| Change in P/C GPW (%) | 1.5 | 3 | 1.4 | 4.8 | 7.4 |
| Life GPW | 5,113 | 4,871 | 5,469 | 5,132 | 5,640 |
| Change in Life GPW (%) | 5.0 | (10.9) | 6.6 | (9.0) | 18.5 |
| Net premiums written (NPW) | 19,219 | 18,671 | 19,534 | 18,789 | 18,944 |
| Change in NPW (%) | 2.9 | (4.4) | 4.0 | (0.8) | 8.5 |
| P/C Reinsurance utilization (%) | 19.2 | 19.7 | 15.7 | 16.6 | 14.8 |

P/C--Property and casualty. Note: Data are calculated according to our criteria and may differ from those reported by Mapfre group.

## Financial Risk Profile: Strong

### Capital and earnings: Strong capital adequacy mitigated by a reliance on soft forms of capital and high dividend pay-out

We forecast Mapfre's consolidated capital adequacy will remain near the 'A' level of confidence over 2017-2019.

We expect net profit (after minorities) will be about €800 million-€900 million over the next three years. We also forecast net retained earnings to compensate growth in capital requirements, after accounting for a dividend payout of about 60%. We believe Mapfre's strategic focus on more prudent organic growth will lead to slower growth in the next two to three years.

In our view, Mapfre is less sensitive to the very low interest rate environment in Europe than some eurozone peers thanks to its significant share of U.S. dollar-related activities and investments. The low sensitivities of Mapfre's Solvency II ratio (210% at end-2016 under the standard formula) to financial market shocks also support our view of the group's expected earnings resilience in the current volatile environment.

With regards to P/C, our base-case assumptions include an average net combined ratio of below 98% in 2017-2019. We expect the results contribution from the U.S. to gradually grow and avoid weather-related losses as in 2015, thanks to enhanced reinsurance coverage against natural events in the U.S.

We believe Mapfre's life business will also continue to generate strong new business margins on present value of new business premium (PVNBP), as we estimate a large share of the margins are generated by term life products with limited sensitivity to interest rates. We still expect overall VIF to remain stable because the outlook for traditional life savings volumes is subdued.

These elements more than offset the expected drag from Mapfre's Brazilian operations, which are forecast to remain profitable, but less so than in the past, given the feeble recovery in the country. We also believe Mapfre is relatively protected against volatility in the Brazilian life business, as it holds only a minority stake (25%) in the company.

We continue to view the significant share of soft forms of capital (minority interests, value-in-force, and unrealized gains) as a relative weakness of Mapfre's overall capitalization, according to our criteria.

**Table 3**

**Mapfre Group -- Earnings Statistics**

| | --Year-ended Dec. 31-- | | | | |
|---|---|---|---|---|---|
| **(Mil. €)** | **2016** | **2015** | **2014** | **2013** | **2012** |
| **Consolidated** | | | | | |
| Total revenue | 21,306 | 20,353 | 20,867 | 20,437 | 20,540 |
| Gross income (attribuable to all shareholders) | 1,805 | 1,476 | 1,824 | 1,564 | 1,372 |
| Net income (attributable to all shareholders) | 1,245 | 1,199 | 1,324 | 1,190 | 963 |
| Net Income (after minorities) | 775 | 709 | 845 | 791 | 666 |
| Return on total reported capital (%) | 9.9 | 10.0 | 11.3 | 10.8 | 8.7 |
| Net expense ratio (%) | 26.9 | 28.1 | 26.0 | 27.1 | 26.2 |
| **P/C** | | | | | |
| Net expense ratio (%) | 27.8 | 28.9 | 27.9 | 29.3 | 28.3 |
| Net loss ratio (%) | 69.9 | 70.0 | 68.8 | 67.5 | 67.6 |
| Net combined ratio (%) | 97.8 | 98.9 | 96.7 | 96.9 | 95.9 |
| Return on revenue (%) | 8.3 | 6.3 | 9.0 | 8.3 | 8.9 |
| **Life** | | | | | |
| Net expense ratio (%) | 24.2 | 24.0 | 19.3 | 18.7 | 19.3 |
| prebonus pretax earnings/total assets (%) | 3.1 | 3.0 | 3.5 | 3.3 | 3.3 |
| New business margins (NBV/PVNBP Mapfre Vida) (%) | 3.2 | 3.8 | 4.0 | 4.1 | 5.3 |

P/C--Property and casualty. NOTE: Data are calculated according to our criteria and may differ from those reported by Mapfre group.

**Table 4**

| Mapfre Group -- Capitalization Statistics | | | | | |
|---|---|---|---|---|---|
| | --Year-ended Dec. 31-- | | | | |
| **(Mil. €)** | **2016** | **2015** | **2014** | **2013** | **2012** |
| Total assets | 63,947 | 59,620 | 63,865 | 53,779 | 53,707 |
| Reported total equity | 11,443 | 10,408 | 11,469 | 9,894 | 10,136 |
| Change in total equity (reported) (%) | 10.0 | (9.3) | 15.9 | (2.4) | 4.2 |
| Intangibles/reported total equity (%) | 33.2 | 35.5 | 35.5 | 39.4 | 43.5 |
| Minorities/reported total equity (%) | 20.2 | 17.6 | 20.2 | 20.8 | 22.9 |
| Hybrid debt | 594 | 595 | 596 | 596 | 606 |
| Value of In-Force (Mapfre Vida only including minorities) | 2,996 | 1,823 | 1,811 | 1,656 | 1,713 |

Note: Data are calculated according to our criteria and may differ from those reported by Mapfre group.

## Risk position: A liquid portfolio, though concentrated in Spain, and 'BBB' rated investments

In our opinion, Mapfre has an intermediate risk position. Mapfre's investment portfolio is consistent with a strategy of closely managing asset-liability mismatches in its Spanish life business and limiting the regulatory charge of its investments in light of the Solvency 2 regulatory requirements. As with most other large multi-line European insurers, bonds--mostly government and financials--accounted for over 80% of Mapfre's invested non-linked assets. Close to 60% of Mapfre's portfolio is concentrated in 'BBB' rated investments, of which investments in Spanish assets alone represent about 50% of the investment portfolio. We consider this a relative constraint as it limits our financial risk profile assessment at the current strong level.

Speculative-grade fixed-income investments are mainly concentrated on the Brazilian government and represent about 10% of fixed-income investments. Investments in other speculative grade countries are modest, given the short-tail P/C lines of business Mapfre conducts in these countries and recourse to U.S. dollar investments in these countries due to the lack of developed local bond markets.

**Table 5**

| Mapfre Group -- Risk Position | | | | | |
|---|---|---|---|---|---|
| | --Year-ended Dec. 31-- | | | | |
| **(Mil. €)** | **2016** | **2015** | **2014** | **2013** | **2012** |
| Total invested assets | 48,414 | 45,236 | 47,771 | 39,790 | 39,120 |
| Change in invested assets (%) | 7.0 | -5.3 | 20.1 | 1.7 | 4.0 |
| Separate accounts/unit linked assets | 2,014 | 1,799 | 2,087 | 2,225 | 2,045 |
| Net investment income | 1,760 | 1,810 | 1,829 | 1,753 | 1,672 |
| Net investment yield including investment gains/(losses) (%) | 5.3 | 4.9 | 5.8 | 4.9 | 4.8 |
| **Portfolio composition (% of General account invested assets)** | | | | | |
| Cash and short-term investments (%) | 3.1 | 2.3 | 2.6 | 3.1 | 2.7 |
| Bonds (%) | 82.8 | 84.8 | 85.4 | 83.1 | 84.3 |
| Equity investments (%) | 7.0 | 6.4 | 5.3 | 5.8 | 5.1 |
| Real estate (%) | 4.9 | 5.2 | 5.2 | 6.2 | 6.5 |
| Other investments (%) | 2.2 | 1.4 | 1.4 | 1.9 | 1.4 |

Note: Data are calculated according to our criteria and may differ from those reported by Mapfre group.

### Financial flexibility: Proven ability to access capital markets

We regard Mapfre's financial flexibility as strong. In recent years, the insurer has demonstrated its ability to raise both equity and debt capital via its listed entity, Mapfre S.A., more effectively than under its previous mutual-based structure. We expect the group's financial leverage to stabilize below 15% of the ECA (economic capital available: our economic view of shareholders' capital) and we anticipate that it will continue to comfortably cover financial interests by more than 20x.

**Table 6**

| Mapfre Group -- Financial Flexibility | | | | | |
|---|---|---|---|---|---|
| | --Year-ended Dec. 31-- | | | | |
| | **2016** | **2015** | **2014** | **2013** | **2012** |
| Fixed-charge coverage (x) | 29.2 | 14.7 | 16.3 | 14.3 | 15.1 |
| Financial leverage (%) | 15.0 | 13.0 | 13.3 | 15.3 | 15.9 |
| Common shares dividend payout ratio (%) | 57.6 | 56.5 | 51.0 | 50.6 | 50.9 |

Note: Data are calculated according to our criteria and may differ from those reported by Mapfre group.

## Other Assessments

We regard Mapfre's enterprise risk management (ERM) and management and governance practices as neutral for the ratings.

### Enterprise risk management: Adequate with strong risk controls, particularly for underwriting

The importance of ERM to the ratings is high, owing to the group's active capital management strategy, complex and diversified business risk profile, and relatively high asset-risk exposure. Insurance risks are the most important risk exposure for the group and we view Mapfre as benefitting from strong and well-developed risk controls. We also view positively Mapfre's improvements in investment and ALM risk controls. While we view Mapfre's risk culture as robust, we consider that the group is still refining its risk appetite in a fully comprehensive framework. We see ERM as increasingly embedded in the strategic decision-making process.

### Management and Governance: Proven ability to grow profitably

We view Mapfre's management and governance as satisfactory. It has demonstrated its ability to grow, both organically and through acquisitions, without losing its focus on profitability, underwriting discipline, and customer service. However, management has pursued growth that has weighted on profitability ratios. This reflects an opportunistic approach and does not benefit from well-embedded internal models, in our view.

### Liquidity: High share of liquid assets and strong cash flows

Liquidity is exceptional, given the high percentage of readily realizable assets and strong operating cash flows. Concentration in Spanish bonds could weaken the ability and willingness of Mapfre to freely dispose of bonds to raise cash during times of highly volatile yields.

### Sovereign risk: Rated three notches higher than the long-term rating on Spain

We estimate that, excluding unit-linked investments, Spanish sovereign and corporate bonds, bank deposits, real estate, and equities represented about 50% of Mapfre's total investments and 2x its Solvency II regulatory solvency capital at end-2016.

Under our criteria for ratings above the sovereign, we estimate that the haircuts associated with the capital test would not fully deplete Mapfre's regulatory Solvency II own funds. This reflects the exclusion of eligible own funds of goodwill and excess regulatory capital at subsidiaries that are viewed as equivalent (the U.S., Mexico, Brazil) from Solvency II. Our estimate of Mapfre's Solvency II regulatory capital in a stress scenario would benefit from the characteristics of Mapfre's Spanish life liabilities--that is, mainly terminal guarantee and payout of the market value of assets to policyholders in case of surrender. Consequently, we consider that Mapfre passes the stress test and is eligible to be rated above the sovereign. In addition, we consider that the liquidity test would result in a liquidity ratio of more than 100%.

We cap the ratings at three notches above those on the sovereign, reflecting our view of Mapfre's moderate-to-high sensitivity to country risk. In our view, Mapfre has a substantial non-life focus (75% of total premiums and close to 40% of total technical reserves) but with significant Spanish life reserves (about 50% of technical reserves). This leads us to consider that its sensitivity to country risk is higher than a purely non-life insurer but less significant than peers that focus on life insurance.

## Factors Specific To The Holding Company

The issuer credit rating of the group's top non-operating holding company (NOHC), Mapfre S.A., reflects our standard two-notch differential with the insurer financial strength rating on group core entities, and the subordination of Mapfre S.A. creditors to the core entities' policyholders.

The stable outlook on Mapfre S.A. mirrors that on the group's core operating entities. Mapfre S.A. owns, directly or indirectly, all operating and service entities of the group. It is the debt-issuing vehicle of the group and is listed on the Madrid and Barcelona stock exchanges.

Mapfre S.A. is the central body with regard to corporate management, and capital and debt management, and plays a major role in capital fungibility. We view Mapfre S.A.'s liquidity as adequate, which is the highest assessment possible for an NOHC under our criteria.

## Accounting Considerations

Mapfre reports under International Financial Reporting Standards (IFRS), which since 2016 also forms the basis for regulatory Solvency 2 reporting.

Our combined ratio calculation differs from that which Mapfre publishes: Mapfre excludes some revenues and costs allocated to other business activities. We consider these activities (such as investment management costs, medical services, assistance, funeral services, technology services) to be part of insurance operating expenses and so we include them in the combined ratio.

In calculating our measure of total-adjusted capital, our most material adjustments to the 2016 reported shareholders' funds were:

- Partial equity credit given to the off-balance-sheet value in-force of the life portfolio;
- Credit for off-balance-sheet unrealized gains on real estate investments, net of corporate taxes;
- Partial credit for discounted non-life claims and unearned premiums reserves; and
- Deduction of intangible assets included in the balance sheet, gross of taxes.

## Related Criteria

- General Criteria: Principles For Rating Debt Issues Based On Imputed Promises, Dec. 19, 2014
- General Criteria: Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- Criteria - Insurance - General: Enterprise Risk Management, May 7, 2013
- Criteria - Insurance - General: Insurers: Rating Methodology, May 7, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- General Criteria: Criteria Clarification On Hybrid Capital Step-Ups, Call Options, And Replacement Provisions, Oct. 22, 2012
- Criteria - Insurance - General: Refined Methodology And Assumptions For Analyzing Insurer Capital Adequacy Using The Risk-Based Insurance Capital Model, June 7, 2010
- Criteria - Financial Institutions - General: Methodology: Hybrid Capital Issue Features: Update On Dividend Stoppers, Look-Backs, And Pushers, Feb. 10, 2010
- Criteria - Financial Institutions - Banks: Assumptions: Clarification Of The Equity Content Categories Used For Bank And Insurance Hybrid Instruments With Restricted Ability To Defer Payments, Feb. 9, 2010
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Criteria - Insurance - General: Hybrid Capital Handbook: September 2008 Edition, Sept. 15, 2008

| Ratings Detail (As Of August 11, 2017) | |
|---|---|
| **Holding Company: Mapfre S.A.** | |
| Issuer Credit Rating | |
| *Local Currency* | BBB+/Stable/-- |
| Senior Unsecured | BBB+ |
| Subordinated | BBB- |
| **Operating Company Covered By This Report** | |
| **Mapfre Global Risks, Compania Internacional de Seguros y Reaseguros S.A.** | |
| Financial Strength Rating | |
| *Local Currency* | A/Stable/-- |
| Counterparty Credit Rating | |
| *Local Currency* | A/Stable/-- |
| **Related Entities** | |
| **Mapfre Re, Compania de Reaseguros, S.A.** | |
| Financial Strength Rating | |
| *Local Currency* | A/Stable/-- |

| Ratings Detail (As Of August 11, 2017) (cont.) | |
|---|---|
| Issuer Credit Rating | |
| *Local Currency* | A/Stable/-- |
| **Domicile** | Spain |

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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