

## S2 2013 Earnings Call

### Company Participants

- Esteban Tejera, First Vice Chairman
- Luigi Lubelli, Deputy GM, Finance
- Unidentified Speaker, Analyst

### Other Participants

- Andreas Van Embden, Analyst
- Atanasio Pantarrotas, Analyst
- Avinash Singh, Analyst
- Maciej Wasilewicz, Analyst
- Niccolo Dalla Palma, Analyst
- Rodrigo Vazquez, Analyst
- Sami Taipalus, Analyst
- Unidentified Participant, Analyst
- Vinit Malhotra, Analyst

### Presentation

#### **Esteban Tejera** {BIO 3910673 <GO>}

Thank you. Good afternoon, ladies and gentlemen. Welcome to MAPFRE's full-year results presentation for 2013.

As usual, I will give an overview of the results and the main business developments and later Mr. Lubelli will explain the financials in greater detail. Finally we will take your questions.

Please go to page 3. This page summarizes our business development in 2013. All our key figures grew in the year despite a strong negative impact of the appreciation of the euro and the fall in interest rates.

This was possible thanks to the sustained organic development of our foreign business activities and the maintenance of an underwriting result that remains very strong. Our profits are up nearly 19% year on year and the return on equity is back again above 10%. I would like to note that at constant exchange rate, premiums would have grown 8% and profits 26%.

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Please let's turn to the next slide. Here we highlight the main drivers of the results. First, the growth in non-life in insurance with an excellent combined ratio reflecting a significant cost-cutting effort in Spain, especially in (inaudible) in Spain in our situation of decline in the premium income, we have made a lot of efforts to reduce our structural cost and the ratio of cost has improved even in the situation in Spain on from the point of view of (inaudible) is but one year again.

There's an improvement in the underwriting and financial results in life assurance in accordance with lower business volumes (technical difficulty). As you will have the opportunity to see later, we have a significant decrease in nonrecurring items and the diversification of the balance sheet has mitigated the impact of the significant appreciation of the euro, especially against Latin American currencies and the Turkish lira.

This year the diversification has played a role that is the opposite that in the previous years because this year with the increasing price of the investments in the euro area which compensates the depreciation of the net asset due to the appreciation of the euro.

We have continued in our path of reduction of financial debt and now we have a ratio of equity to debt that shows six times the level of equity according to the debt.

From the point of view of liquidity, the situation is very comfortable. We cancelled during the year two syndicated loans that had maturity, one in 2013 and other in 2014, of EUR500 million each and we raised up to this debt and now we have revolving credit facility up to EUR750 million that is un-drawn at the moment and has a maturity in June 2018.

On page 5, we'd like to show you how the evolution of the exchange rate has impacted in our accounts. Excluding these, premiums would have grown 8.1% and results would increase 26.3%. The appreciation of the euro, especially again the Brazilian real, have a very significant impact on our figures traditionally in our premiums by EUR1.5 billion, in profit by more than EUR50 million.

Let's turn to the next slide. Here is, as is usual, our breakdown of the nonrecurring items where we can see that this effect of constant exchange rate. Without these, the recurring profit would have fallen only 1.2%, that is they would have remained virtually stable despite the falling demand with higher combined ratios in Spain, the weather-related losses we have suffered during the year, the appreciation of the euro I mentioned. And the lower recovery of financial income due to a decreased interest rates in Europe, in the USA. And negative mark-to-market adjustment in Brazil due to the evolution of the interest rate.

In page 7, you can see the proposal of the Board of Directors to the general assembly this year of increasing dividends. This is the second time we have increased dividend this year and the total increase is EURO.02, that is 28% over the dividend paid against the 2012 results.

The total amount of dividends paid in cash was EUR370 million during the year and the total amount against the results of this year will be EUR400 million.

On page 8, we try to show how the situation in Spain is changing. Now the GDP is growing after several quarters of depression and even the figures of the employment remain very tough. There are signs of a slight improvement and other economic indicators like new car registration registered a growth in the last quarter.

And it is the same for another indicator like petrol at the pump sales and sales in department stores now in Spain. So there is some kind of hope about the evolution of the Spanish economy.

On page 9, we show you how the evolution of the GDP and the demand for non-life insurance is tied as figures point to a clear correlation between GDP and non-life insurance growth and if the past is to be taken as a guide, given that GDP is where we expected to grow in the region of 1% in 2014, non-life insurance will resume its growth as well.

Although it is yet early to take it as a definitive trend, sales of MAPFRE FAMILIAR in the third and Fourth Quarter of 2013 grew slightly compared to the figures for the same periods of the last year.

On page 10, we show you the new structure of MAPFRE. Here from the beginning of 2014, we have to reorganize our business activities and strengthen our strength of services.

The new structure is much better adapted to MAPFRE's new international nature and combines a management of business activities that this growth out to the market with our strong centralized control. We just have to leave the vehicle which we will utilize to implement our new strategy.

And on slide 11, you can see how according to these new regional area organization is a split in the income and in the activity (inaudible). In the next quarters, the financial information will be adjusted business sector.

On page 12, we set out the key points of our (inaudible) in structure and in strategy that will enable us to align both of them. We are seeking to increase efficiency in the management of all our resources. We are in the chain of simplifying our corporate structure and making it more transparent.

We want to enhance our customer focus, leveraging our close business relationship and introducing a unified view of the client across the Group. And we think that this will facilitate the decision-making and bidirectional communication.

In (inaudible) in summarizing, MAPFRE supports the implementation and development of our new corporate strategy.

We are working as a global Company. As you can see on page 13, we have added two new corporate areas to support our new strategy as we have the new area of business

with clients that promotes the development of the common strategy for each type of client across the Organization and reinforces the implementation of the best practices and ideas in interchanges with the strategies in the different countries.

And the new of business so far comprises IT, processes and operations. And is a bet [ph] for specialization within the Group and for improvement our operational model and redesigning the operations to optimize our available resources.

Changing of subject on page 14, I would like to communicate to you the details of the new agreement between MAPFRE and Bankia. This allow us to become the Bankia's exclusive bancassurance provider. This agreement is an extension of the old agreement we had with Caja Madrid and cover all the insurance lines and includes a business plan that is in share with Bankia. Anyhow we have access to the whole network branches of the new Bank Bankia.

According to the new agreement, MAPFRE acquires Bankia's 51% of stake in Aseval and Laietana Vida, as well as 100% of Laietana Seguros Generales for a consideration of EUR151.7 million. The final economic value of the agreement is linked to sales targets that it will allow both parts to take advantage of the improvements in the business plan. As you can see, the amount of the price is moderate and MAPFRE will fully finance the operation with available cash.

On page 15, I would like to share with you that one year passed, the uncertainties that we did on MAPFRE stock a year ago have changed dramatically namely, in the (inaudible) on our shareholder structure due to the fact that one year ago Bankia owned 15% of our shareholders' structure were sold three months ago with a higher than expected demand from the market.

The future of our bancassurance activity with Bankia is now clear also. The outlook for the Spanish economy is improving clearly and our family structure is out of doubt due to the fact that we have reduced our debt and we have to improve our service ratios in liquidity availability.

These coupled with the efforts we are undertaking to increase our efficiency and effectiveness, as well as our rigorous approach to the valuation of our assets that we saw again this quarter in fact (inaudible) of business development in 2013.

I will now handover the call to Mr. Lubelli, who will cover our financial as usual in detail.

**Luigi Lubelli** {BIO 4108780 <GO>}

Thank you, Esteban. Good afternoon, to everyone on the line and the Internet.

I'm on slide 17, where we as usual have the breakdown of business by origin. We can see as we have been seeing for about four years that MAPFRE has firmly become a Group that derives most of its business from abroad. This trend continued in 2013 and basically

both premiums and profit, if we exclude nonrecurring items, have gone up a further 5 percentage points year on year.

So by year-end, the figures that you have in front of you, nearly three-quarters of all premiums and over half of the profits came from abroad. These are the full-year figures.

For those of you who compare them with the Third Quarter, there is another major change in the contribution to premiums. However, there isn't any contribution to profit and that is simply because in this last quarter as most of you have already noticed by now, we took some further write-downs in Spain, which reduced the profit in Spain. If we were to eliminate those, basically contribution from Spain remains the same, that is in terms of profit 32% from non-life and 15% from life.

On slide number 18, we have the breakdown by major business areas of the contribution to premiums and results. Spain continued to experience a contraction in premiums.

That is because of the low variations [ph] volume and the contraction in the economy at large which, as we just said, were expecting to change in the trend from now on. In the quarter -- in the last quarter, the contraction was amplified by comparatively lower volume of premiums in life, while it has to be said inline with the trend that Mr. Tejera was pointing to, we saw some encouraging increases, albeit small, in FAMILIAR and EMPRESAS in the last quarter.

In terms of the variation of the consolidated profit, year on year, Spain was the main contributor thanks among other elements to a remarkable reduction in fixed cost which was of nearly EUR50 million. However, the contribution fell both on a yearly and a quarterly basis due to lower business volumes, a higher combined ratio, lower recurring financial income. And worse results at affiliates.

The second largest contribution to profit growth came from the line "other." Other includes mainly Turkey and Puerto Rico. In terms of premiums, this growth went up because of the reclassification of Puerto Rico last year we had in MAPFRE AMERICA and from the very strong growth in Turkey which was about 40% in euros and 50% in local currency, in lira.

Brazil was the largest contributor to premiums growth and the third largest to profit growth and that was mainly due to business development.

In the quarter, there was an agreement with the tax authorities. It's actually a bit complex to explain. But bottom line it added EUR47 million to profit. Brazil was especially strongly affected by the depreciation of euro, the depreciation of the real, which reduced its premiums by about EUR700 million and its profits by about EUR76 million. So it was especially strong.

The fourth contributor to profit was Global Risks, thanks to a much better combined ratio as well as a one-off gain from the creation of SOLUNION, the credit insurance JV with

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Euler Hermes. MAPFRE was the fifth company in terms of profit growth. Its contribution to premiums went up basically because of a 9% increase in the business with third-party plus an operation with MAPFRE FAMILIAR.

MAPFRE USA was the sixth largest contributor to profit growth mainly because this year we had EUR30 million less in weather-related losses. The Company is developing quite well. The premiums are growing in Massachusetts and more importantly in other states where they basically are up 10% year on year, as well as thanks to tariff hikes.

MAPFRE ASISTENCIA continues to grow organically in Asia and Europe and it's benefiting in the development of the network and through the winning of large contracts in the United States. It's had a much better -- a better combined ratio that helped its profit.

Finally, the other Latin American countries, a shortfall and that's because we sold two subsidiaries in Argentina and we transferred the Puerto Rican business to MAPFRE INTERNACIONAL. It also suffers from weather-related claims and changes in the government requirements in Argentina, as well as in the last quarter the write-down of the goodwill on the investment in Central America. Growth in premiums was especially strong in Venezuela, Colombia. And Peru.

We can now go into greater detail in the non-life account, which I imagine has got some attention in terms of first reaction. In Spain and Portugal, we see a fall in premiums and the reasons I think are obvious to everyone; it's the fall in GDP and very intense price competition.

The loss ratio was higher and the -- a higher loss ratio, a higher loss experience, together with lower net premiums earned of course has led to an increase in the loss ratio. On the quarterly basis, I am sure you will have noticed it's gone up and that was due to a review we carry out every year in the quarter in which we take into account the expectations that we have for the coming year and that has led to an increase in this quarter which was basically driven by what we know of Baremo [ph] today and also to the increase in the economic development which -- in the growth of economy which has an impact of frequency, at least it's expected to have one.

Notwithstanding this, it remains exceptionally low. I think one of the most remarkable achievements of MAPFRE this year was the cost reduction in Spain. Virtually all of the EUR48 million were achieved in the non-life business and that -- it means that MAPFRE FAMILIAR reduced its expense ratio about 40 basis points year on year and MAPFRE EMPRESAS 30 basis points.

Brazil grew thanks to business development. And as you know in the Third Quarter we announced the reclassification the burial business which previously was in the life and that has an impact on the variations in figures.

Its underwriting results remain firmly positive although on both a yearly and a quarterly basis it has decreased -- increased, sorry, the loss ratio has increased in motor insurance and also we had an impact on the expense ratio of the reclassification of the burial

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business as well as of the agreement with the tax authorities which has an impact on reserving as well.

As I said on the previous slide, we have an apparent fall in North America's non-Brazilian business and that was due as I said from the sale of the Argentine-subsiaries and the transfer of the Puerto Rican business as well as the appreciation of the euro which is affecting negatively most of our businesses abroad. If we adjust for that, we had an increase in premiums thanks to growth in most countries. I should cite Venezuela in motor insurance among them especially.

We had a slight deterioration in the combined ratio in the underwriting result in the last quarter. But year on year it's virtually the same, modestly better than a year ago.

In MAPFRE, we have premium growth which reflects new third-party business, about 9% up year on year, as well as a reinsurance operation with Group companies which if my memory doesn't fail me took place in the First Quarter of the year. The combined ratio is much better than a year ago because the non-cap business has done especially well and on a quarterly basis we see a deterioration compared to September because of expenses in the proportional business.

In the case of MAPFRE USA, we have larger sales and tariff increases which contribute to offset the impact of the appreciation of the euro. As I said before, on both the yearly and the quarterly basis the loss ratio improves considerably because we had a much smaller impact of weather-related claims, about EUR33 million less year on year.

The premiums of GLOBAL RISKS slightly because as we said before this Company has spun of its credit business into SOLUNION and because of the depreciation of the US dollar as well. Conversely, the depreciation of the US dollar turns out to be beneficial on the loss ratio because the amount which we need to reserve for claims in dollars goes down in euros. And it was especially positive in the last quarter because of an improvement in the underlying loss experience.

As I said before MAPFRE ASISTENCIA is growing in Europe, Asia, the US. And it has a similar impact as MAPFRE GLOBAL Risks because of the depreciation of the US dollar which benefits its loss ratio.

Let's move on to the consolidated life account on slide 20. I think I've covered this at length. In terms of the financial income at the consolidated level, we have realization gains of EUR92 million of which EUR20 million came from the sale of the headquarters in Istanbul and EUR25.7 million from the transfer of the business in SOLUNION.

So we are comparing EUR90 million plus this year against the loss of EUR100 million a year ago. So it's a big swing year on year. Here we also have EUR34.635 million coming -- positive gain coming from the agreement with the tax authorities in Brazil.

If we take all of this into account, we see a decrease in the financial income. And that as we have already explained in previous quarters is due to the fact that yields have been falling across many countries in which we are present this year and also due to the negative mark-to-market adjustments in Brazil which were EUR54 million for the year as a whole. We also have, as you know, because of the devaluation of the (inaudible) EUR12 million gains in that country.

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On slide 21, we have the life account, we have the main drivers of the life business. If we look at Spain, we have a significant fall and that's a combination of elements which drive that. Decline in demand, of course this year we had a very prominent swing of demand towards mutual funds which happily in our case have developed very well.

We have restructuring issues which have affected some of our bancassurance partners. And in terms of comparison last year, we had EUR354 million in sales corporate (inaudible) relation accounts which were not repeated this year and clearly affects the comparison.

The technical financial results, the result is much better year on year because although we had write-downs, they were much smaller than a year ago and also because of a better loss experience. On a quarterly basis, if you compare this quarter with the previous one, the main difference is the write-downs.

Brazil fell because, as I said before, we reclassified the burial business as non-life and of course because of the depreciation of the euro. If we adjust for both, the premiums would be up 19%, reflecting business development.

The technical financial results grew considerably in the Fourth Quarter because of the agreement with the tax authorities. In this account, it led to a recognition of a EUR90 million gain which made it possible to offset the impact of the loss of the burial business in negative mark-to-market. And the appreciation of the euro.

The rest of MAPFRE AMERICA's life business developed strongly primarily in Colombia and while the technical financial result shows a fall both year on year and compared to the previous quarter because of the write-down of goodwill on the Central American operations.

In MAPFRE RE, there's an accounting element, there's a difference between the business that's actually have been underwritten and the business that has been accounted for. So because of the difference in accounting timing, we have a fall in premiums. And in the technical financial results we have a worse loss experience which was largely offset by financial income.

And finally, MIDDLESEA has done especially well in the life savings business this year.

As we didn't have much more to say on life that I've now already said. So I'll move to slide 23. We have the other business activities, major swing year on year in the bottom line result of this account which is to an overwhelming extent driven by the fact that year on



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year the write-downs and losses have fallen to EUR130 million. So that basically explains everything.

In the last quarter of the year, we see a swing into a loss of the net balance between revenues and expenses. And that is due to personnel expenses in non-insurance operations and as well as expenses related to the startup of new subsidiaries of the assistance business, MAPFRE ASISTENCIA.

On slide 24, we have the bottom line. Pre-tax profit growth increased both on a quarterly and a yearly basis because the amount of realized losses and write-downs is substantially lower in 2013 than it was in 2012. We also see a significant fall in the tax rate year on year which has a series of explanations.

A big one is the agreement with the tax authorities in Brazil. But we also have the use of tax credits at some subsidiaries and the fact that last year we recognized real estate losses which came into the accounts as equity accounted and led to an artificial increase in the rate a year ago. So all of this contributes to a strong fall in tax rate.

The growth in minorities is larger than the growth in net profits and that's because primarily of profit growth and this agreement that I cited repeatedly Brazil which benefit disproportionately the Brazilian business.

On slide 25, we have the account. The account is -- the balance sheet, sorry, the balance sheet is very largely driven by the interplay of exchange rates and the appreciation, the revaluation of financial asset, especially in Spain. And of course business growth. We have more light in there.

Mr. Tejera already talked about the reduction in debt. That was due to the fact primarily that MAPFRE USA amortized the senior bonds we had outstanding of about a EUR150 million equivalent. We issued -- I would say, we entered into a new revolving credit facility. By that year-end, it was fully un-drawn.

We also see a decrease on the quarterly basis in the reserve for risk and expenses and that is because of the agreements with the Brazilian government and the write-down -- well, as well as the write-down, de-recognition of earn-outs in Spain.

On slide 26, we have the breakdown of the investment portfolio. You have the data there, I will focus on the variations year on year. If we compare these figures with those of a year ago, we see a reduction of the exposure to fixed income issued by financial institutions which here are shown under corporate which was matched by a normal sequel increase in public debt.

We have a higher weight of European and especially Spanish paper reflecting the appreciation of the euro and the recovering market prices and for similar reasons we have a reduction in the weight of the assets located in the Americas because of the depreciation of that region's currencies.

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On slide 27, we go deeper into the fixed-income portfolio. Here you can see more clearly, if you have the previous year's data close to you, that the way the financial institutions paper has fallen and it was matched by an increase of European public debt which was mostly Spain and Italy and that was because of a rise in the market prices, the appreciation of the euro which means that the value of those investments compared to the other investments goes up and the investment of maturing corporate paper primarily (inaudible). We had some GGBs [ph], for instance, maturing this year. And Brazil fell due to the depreciation of its currency.

More on the fixed-income portfolio we find on slide 28. You will see in the breakdown by guarantee, the decrease in other guarantees. There are several reasons to explain this. Among them I would say that the larger one would -- the relatively larger one would be the maturity of the GGBs I just referred to which were reinvested in public debt which explains why ordinary, i.e., senior is going up.

The euro goes up -- it should be obvious by now, goes up because of its appreciation and the BBB paper goes up because also of the appreciation of the euro and because of the rise in the market value of funds in Italian.

On slide 29, we have the changes in equity. In qualitative terms, 2013 was a year similar to 2012. The only difference is the size of the variations. We had falling interest rates especially in Spain which generated once again very large mark-to-market gains, broadly similar to those of the previous year, 79% of which were absorbed by shadow accounting.

And on the negative side, this one was worse than the previous year, we had the appreciation of the euro especially against the Brazilian real which we used the equity by over EUR800 million. Clearly this is offset, the EUR800 million are offset by the -- partly by the appreciation of the financial assets and of course the profits. The net fall year on year is EUR240 million once we take into account the dividends paid out.

Finally, on slide 30, we have the capital structure and main debt ratios. Capital structure is basically unchanged. It's -- there is an inconsequential change of 1% of an increase in equity and equal decrease in ordinary debt. And we continue to have coverage and leverage ratios which remain among the strongest of any European insurance group and are very much consistent with a AAA rating.

That's all on my side and I will now give the call back to Mr. Tejera for the Q&A.

**Esteban Tejera** {BIO 3910673 <GO>}

Thank you, Luigi. Well we hope that these summarize our results for 2013. And now we are available for your questions as usual. Thank you.

## Questions And Answers

**Operator**

Ladies and gentleman, the Q&A session starts now. (Operator Instructions) (inaudible)  
Citigroup.

### Q - Unidentified Participant

Just one question actually. You referred to the increase in claims frequency in Spain. I was wondering if you could give us a little bit more kind of quantitative data on that, maybe to what extent you think the current claim frequency is below what you might call an average level and where you think that's going.

### A - Luigi Lubelli {BIO 4108780 <GO>}

Well it's difficult to answer your question precisely because it's just an incipient phenomenon. I mean, we don't have a -- well, firstly there is no public figure. If anything could guide you, I would say that the impact of the frequency was seen comparatively more intensely in the MAPFRE EMPRESAS, the commercial insurance business, than it was in the motor business.

Said that, I mean this is a common and I would say a welcome development. We'd rather have a developing economy with a rising frequency because it seems that things are moving on again. Prices will match that in due course. So it's just a temporary blip. But in order to -- I am unable at this moment to precisely quantify how much of the increase came from that.

### Q - Unidentified Participant

Okay. But --

### A - Luigi Lubelli {BIO 4108780 <GO>}

I have to say that the -- I mean, in all honesty, the -- it truly goes up. But I think MAPFRE EMPRESAS hasn't even reached 90% in terms of combined ratio. So it was incredibly low a year ago and now it's just low.

### Q - Unidentified Participant

Okay. So I mean basically it sounds like there might be some timing differences. But you feel confident the pricing could offset any major shift that we may have?

### A - Luigi Lubelli {BIO 4108780 <GO>}

Well if insurance is supposed to continue working as it does, yes. I mean. But clearly this is the way in which we are approach. I mean, what we have done for instance in motor, there was less evidence of that happening. But I mean we are seeing as Mr. Tejera was pointing out on the description of the economy, I mean we are seeing several we think evidence that the economy is moving again. And in those conditions frequency should pick up and so we have -- to the extent possible, we have taken that into account when reserving especially on the motor side.

### Operator

Sami Taipalus, Berenberg Bank.

**Q - Sami Taipalus** {BIO 17452234 <GO>}

Just two areas please. First of all on the new Bankia agreement, would you be able to give us any more detail about any potential changes to the commission structure there and in particular is there a profit sharing element to that structure? And second of all, are you able to give us any kind of guidance on how reserve releases have moved year on year? Is there any difference basically to the prior year?

**A - Esteban Tejera** {BIO 3910673 <GO>}

Well on Bankia agreement, we can say that this year there is a change in the commissions in order to have an approach that is homogeneous within the whole -- in the whole network. And in this sense the agreement is taking into account the possibility of MAPFRE receiving compensations for -- in the rating of the commissions in the old [ph] branches of Caja Madrid.

But it will depend on the evolution of the business. So it's too early to know. It is a scheme that allow both parts to share the profits of the increase in the business plan.

So summarizing, there is homogeneouization [ph] commissions on the whole network. In the case that this means an increase of the whole levels of commissions in the branches of the old Caja Madrid, it will imply the economic compensation for that. But it will depend on the evolution of the business. And if they're saying that in terms of the possibility of having saving profits according to the evolution of the loss ratio.

**A - Luigi Lubelli** {BIO 4108780 <GO>}

Okay. In terms of the reserving, as you know, we don't specifically provide the figure of releases. On slide 16 of the presentation, you have the development of reserves which is taken straight from the annual report. There you see the development year on year. I mean, it's similar to what we saw in 2010. There is an impact of the FX on that. So that in broad sense is kind of similar to what we saw a year ago in 2011.

**Operator**

Vinit Malhotra, Goldman Sachs.

**Q - Vinit Malhotra** {BIO 16184491 <GO>}

Just three questions please. First is on just the -- on what the competition is doing in Spain and if I just draw your attention to slide 36, we can already see that in the total non-life, the gap is narrowing between yourself and the competition excluding yourself.

And if you look at this data in the past, this gap was even more wider at four points in 2011. I didn't bother to check, I apologize. But -- so that means something -- but interestingly this gap is more in your favor in motor. So clearly it seems the competition is doing a lot more different and better things in non-motor. Is that something that you can

corroborate from your experience as well and what is your gut-feel on what's going on in the Spanish competition area from the non-life side? That's first question.

Second question is just to clarify -- I apologize if I missed it, the EUR35 million you mentioned in slide 33, is that all from MAPFRE FAMILIAR motor or most of it, because if I adjust that I still get a 100-odd combined ratio for MAPFRE motor in Fourth Quarter standalone. And is that all weather-related because usual levels seem to be much lower than that?

And just one last very minor question, this Spanish business health expense ratio was remarkably low in Fourth Quarter and in the previous quarters you mentioned that you want to expand on health. Is that something, just a scale effect that is coming in?

### **A - Luigi Lubelli {BIO 4108780 <GO>}**

Let's see, quite a few questions. Let's see if we can answer them satisfactorily. I take your point on the -- on Spain. The -- sorry, we're having a small problem here. Sorry, we're having some technical problems here in the room. One moment. Sorry for a moment. Sorry, we had some problem here in the room.

Now in terms of the -- you're right, it's difficult for me to give you a precise answer. I think in qualitative terms, it's true that let's say most of the thrust in competition is going into motor. That is one reason for which you could explain the fact that the jaw [ph] became greater in motor and less great in the rest of non-life.

I mean in motor there has been especially some fleet business in which we have not wanted to go because the prices were simply evidently non-technical. To be exactly precise of how to explain the rest because in non-life the rest of non-life is made by so many lines of businesses, a bit more difficult. I mean we can look into that and give you -- and try to give you a more legal explanation.

But motor was certainly a subject of a level of competition which many in the country now have no problem is in defining as irrational. I think generally speaking what -- something we find especially important this year in Spain, which strengthens our position. And the point is this reduction in EUR48 million in fixed expenses, fixed cost that we've scaled out this year which by and large was entirely on the non-life side.

So in that -- I mean that is a trend we have always observed in Spain. MAPFRE tends to be undercut at crisis times and tends to outperform when the economy recovers. The reality now is that our cost-base has EUR50 million less than it had a year ago which means that we can -- we have much less pressure than our competitors in order to raise prices because we already start from a low level.

So hopefully you should see the results of that in the coming months. And I don't think it's necessarily exactly the answer you were hoping for. I hope it helps what I told you, it helps and clarifies your doubts.

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**Q - Vinit Malhotra** {BIO 16184491 <GO>}

Yes. I mean, of course motor you are getting better and I can see that fleet is answering that question. But I'm happy to take offline or when we meet --

**A - Luigi Lubelli** {BIO 4108780 <GO>}

Because then we will have to dig a bit deeper. On the rest of the non-life lines we will have to dig a bit deeper.

**Q - Vinit Malhotra** {BIO 16184491 <GO>}

No. I just wanted a qualitative view, if you've noticed something. If you haven't noticed and maybe it's something else that's happening which I'd love to also explore. But thank you for trying, thank you very much.

**A - Luigi Lubelli** {BIO 4108780 <GO>}

Okay. Then you're talking about the EUR35 million. Let me see, the EUR35 million is a provision of a similar nature to the provision of EUR57 million that we appropriated a year ago. What was your question, is, whether -- I think it does affect the combined ratio, the expense ratio, yes.

**A - Esteban Tejera** {BIO 3910673 <GO>}

It's not only motor. But mainly motor.

**A - Luigi Lubelli** {BIO 4108780 <GO>}

Yes. That was the point, yes. It was -- it's not only motor, it's non-life in Spain.

**Q - Vinit Malhotra** {BIO 16184491 <GO>}

Sure. because even -- I mean, what I was trying to understand is that even when I adjust for this reserve strengthening, the motor combined ratios in Spain still looked a little high, much high. And is that all weather-related then? I think you did mention. But I --

**A - Luigi Lubelli** {BIO 4108780 <GO>}

Well it's not -- I mean, there's reserving, there's provisioning, there is more frequency as we said before. And so all of these elements go into that. The frequency was more on the commercial business than on the motor business. However, the motor business also achieved more frequency. We're for instance seeing that in Spain the consumption of petrol is going up. And so people are moving around more than before.

And the last one, I -- on health was --

**Q - Vinit Malhotra** {BIO 16184491 <GO>}

Expense ratios.

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**A - Luigi Lubelli** {BIO 4108780 <GO>}

The expense ratio.

**Q - Vinit Malhotra** {BIO 16184491 <GO>}

Was rather low, I mean, remarkably low. It suddenly fell in the Fourth Quarter. Is it just volume pick up or is it just some accounting effect something. And so nothing really to note?

**A - Luigi Lubelli** {BIO 4108780 <GO>}

Just give me a moment.

**Q - Vinit Malhotra** {BIO 16184491 <GO>}

I only ask because you have been more bullish on health in the last few quarters --

**A - Luigi Lubelli** {BIO 4108780 <GO>}

Okay. In health, what we have is an improvement in the loss ratio in the Fourth Quarter rather than the expense ratio. This -- when we had it at the very beginning of the year we announced a change in the accrual of the provisions and also that we had brought forward the cancellation of policies to the First Quarter.

So that caused a spike if you remember the loss ratio at the beginning of the year which has been slightly diluted down towards the year. And the impact of that was especially strong in the Fourth Quarter. I have no data for the expense ratio. If you're talking the combined ratio in health fell for this region?

**Q - Vinit Malhotra** {BIO 16184491 <GO>}

I was just referring to slide 35. Again happy to take offline. But if you see the slide 35, you see a 16.4% for health versus 18.2% last year and just if compare it to this nine months are also in the 18% [ph]. So I just -- maybe it's just some other accounting.

**A - Luigi Lubelli** {BIO 4108780 <GO>}

Yes. We will look into that because I cannot recall now if a year ago it was especially high due for some other reasons. So yes, we'll take it offline if you don't mind.

**Q - Vinit Malhotra** {BIO 16184491 <GO>}

That's fine, I don't mind. Thank you very much.

**Operator**

Niccolo Dalla Palma, Exane BNP Paribas.

**Q - Niccolo Dalla Palma** {BIO 16052945 <GO>}

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So my first question is still on Spain and clearly on the reserve review and the potential impact of Baremo, I just was curious if you could elaborate a little bit on how you did the calculation given there is no tables available yet, I mean, how you quantified that risk and when you think in your view this could come through?

If I look at the nine months combined ratio in motor insurance was 92%. On that basis in Q4, there was probably EUR70 million more claims than on a run-rate basis, EUR35 million is probably related to the general expenses and provisions. But the remaining EUR35 million I guess is related to this Baremo. Is that a fair way of thinking of it in order just to have an idea of the magnitude of the impact?

Secondly, if you could elaborate a bit more on the general provision for risk and expenses because there is EUR35 million this year, EUR57 million last year, which are supposedly nonrecurring, just trying to understand how I should look at it for next year. So will it definitely be a zero, what kind of expenses are these provisions set aside for exactly?

Then thirdly on Brazil, I noted that the slight deterioration in the combined ratio (inaudible) seems to be driven by the expense ratio side. Is that just quarterly volatility or was there some specific element in that? And that's all, thank you.

#### **A - Luigi Lubelli** {BIO 4108780 <GO>}

Okay, Niccolo, fine. Let's see, Baremo. We don't know exactly what it's going to be eventually. But there is more information about that. So I mean, as we have and I'm very happy to explain at every results presentation, whenever we appropriate our reserves, we do so by taking into account all available information. So now there is more available information about that. It's not fully available. But there's more available and that is going into that.

Precisely I cannot tell you also because it's an undisclosed figure, how much of that. But I wouldn't ascribe entirely all the appropriation to Baremo. The appropriation was due to Baremo, it was due to frequency, it was due to many elements that go into the setting of the reserves.

Baremo is now, if I'm not wrong, in a testing phase. It has been somehow revised technically now. According to what the director general of the insurance supervisor in Spain said recently, it should come into force towards the end of this year and most likely with actual effect in 2015. That's kind of when we expect it to come into force.

So the EUR35 million, you're right, I mean, is it recurring, is it non-recurring. I mean, as you know, I would say that the short answer is that to the extent that we recover from the economic crisis, it will stop becoming recurring essentially because it has several elements. We have sales expenses, launched two campaigns, new products. And we also have adjustments in the structure of the distribution network. So possibly the flatter part will become less relevant as the economy progresses.

#### **Q - Niccolo Dalla Palma** {BIO 16052945 <GO>}



Okay. But am I right in saying that basically just EUR57 million of last year got -- were used during 2012 --

**A - Luigi Lubelli** {BIO 4108780 <GO>}

Yes.

**Q - Niccolo Dalla Palma** {BIO 16052945 <GO>}

-- 2013, sorry. And this ones will probably be used in 2014, right?

**A - Luigi Lubelli** {BIO 4108780 <GO>}

Indeed, yes. Then in the expense ratio in Brazil, there is basically two elements. One is the burial business. The burial business adds about 0.2percentage points. So 20 basis points to the expense ratio. Then we also have the impact of the tax agreement because surprisingly it does have an impact on reserving because you have to take into account some, let's say, additional expenses in underwriting, somehow some payments that you have to make every time you underwrite a premium. So it has an impact on the underwriting as well.

**Operator**

Rodrigo Vazquez, N+1 Equities.

**Q - Rodrigo Vazquez** {BIO 17490418 <GO>}

A couple of questions from my side. First one on the impairment of goodwill on CatalunyaCaixa, could you provide the exact figure? Another question I have is on the LatAm results excluding Brazil. You mentioned the combined ratio was around 100% in the quarter. Could you provide a little bit more light on the performance in those regions? And finally on the Bankia JV, do you have a figure of a net profit of Laietana and Aseval in 2013?

**A - Luigi Lubelli** {BIO 4108780 <GO>}

Okay. Let's see, in terms of the -- I believe we gave it on some slide. But otherwise the write-down in the goodwill of CatalunyaCaixa shouldn't (inaudible) --

**A - Esteban Tejera** {BIO 3910673 <GO>}

In the annual accounts.

**A - Luigi Lubelli** {BIO 4108780 <GO>}

It's in the annual accounts. It's about EUR200 million roughly. No?

**A - Esteban Tejera** {BIO 3910673 <GO>}

The net, yes.

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**A - Luigi Lubelli** {BIO 4108780 <GO>}

Sorry, that's the gross. That's the gross. That's the gross. Then you have to take out EUR70 million of de-recognition of earn-outs.

**A - Esteban Tejera** {BIO 3910673 <GO>}

And in addition --

**A - Luigi Lubelli** {BIO 4108780 <GO>}

(inaudible) speaking about that.

**A - Unidentified Speaker**

Hi to everybody. And basically -- so the net effect pre-tax is after, let's say, the write-down and the earn-outs is around EUR95 million. But then when you take into account taxes on minorities, it's roughly in the region of EUR50 million.

**Q - Rodrigo Vazquez** {BIO 17490418 <GO>}

EUR50 million, okay.

**A - Luigi Lubelli** {BIO 4108780 <GO>}

Bottom line. What I was telling you was the pre-tax impact. That was actually what is taken away from the balance sheet figures.

**Q - Rodrigo Vazquez** {BIO 17490418 <GO>}

So you have EUR50 million from the impairment on CatalunyaCaixa, around EUR50 million from another impairment in LatAm, another EUR50 million from real estate. What's less until 112 [ph]?

**A - Luigi Lubelli** {BIO 4108780 <GO>}

I'm not sure, I -- so you said EUR50 million from -- you understood the question?

**A - Esteban Tejera** {BIO 3910673 <GO>}

Yes, I think you're talking about the life account, right?

**Q - Rodrigo Vazquez** {BIO 17490418 <GO>}

No. I'm thinking this, the EUR112 million you have on the base of nonrecurring results.

**A - Esteban Tejera** {BIO 3910673 <GO>}

Yes. Okay. Yes, basically it's roughly EUR50 million of CatalunyaCaixa, then you have the Latin American -- Latin American. And then you --

**A - Luigi Lubelli** {BIO 4108780 <GO>}

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The EUR18 million [ph] pre-tax, it's Latin American, yes.

### A - Unidentified Speaker

Then we have real estate duration as well. So it's the tune of EUR25 million roughly speaking. Then (inaudible) the funding finance is other durations. You can see once we release the annual accounts for the --

### A - Luigi Lubelli {BIO 4108780 <GO>}

You will see all the figures, yes.

### A - Unidentified Speaker

-- you will see all of them entity by entity. But basically those are the largest ones.

### A - Luigi Lubelli {BIO 4108780 <GO>}

Then you said the combined ratio of Latin America without Brazil. Latin America without Brazil, the combined ratio has fallen slightly, 10 basis points year on year. However, you have to bear in mind that there we have a -- as Argentina goes, you can consider it to be a one-off, we'll see. There was a change in the requirements by the supervisor on the appropriation of reserves and that has an impact of EUR17.2 million before tax.

That is equal to roughly 40 basis points of the combined ratio. So the combined ratio, excluding Argentina, would be able 99.5%, 99.6%. So it would have decreased year on year.

### Q - Rodrigo Vazquez {BIO 17490418 <GO>}

Okay. But I mean, in the --

### A - Luigi Lubelli {BIO 4108780 <GO>}

Latin America without Brazil.

### Q - Rodrigo Vazquez {BIO 17490418 <GO>}

But in the Fourth Quarter, only LatAm excluding Brazil, it shows an increase compared to the Third Quarter. Is there any change there in the competition or something?

### A - Luigi Lubelli {BIO 4108780 <GO>}

This is LatAm without Brazil, sorry, because Brazil would have an increase because of motor. Let's see, just a moment. Yes. Okay, yes. Once again Argentina, we had about EUR5 million extra expenses in Argentina in the quarter alone restructuring expenses.

### Q - Rodrigo Vazquez {BIO 17490418 <GO>}

Restructuring expenses. Okay. Understood.

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**A - Luigi Lubelli** {BIO 4108780 <GO>}

Argentina, EUR5 million in the quarter, yes. And you had one question on Bankia if I remember well.

**Q - Rodrigo Vazquez** {BIO 17490418 <GO>}

Yes. What net profit did --

**A - Luigi Lubelli** {BIO 4108780 <GO>}

(inaudible) Well we cannot give you -- I don't think they have prepared yet their accounts. I don't think they themselves know the profits of 2013.

**Operator**

Maciej Wasilewicz, Morgan Stanley.

**Q - Maciej Wasilewicz** {BIO 16462204 <GO>}

It's Maciej from Morgan Stanley. Actually most of my questions have already been asked. Thanks everyone else. But I wanted to ask one final question on the S&P rating that you have.

If we look at your balance sheet now, you've done a little bit more cleaning up. Your debt ratio is even lower. Solvency is down marginally. But overall your business as well as Spain generally seems to be in better position than it was a while ago.

Do you have any expectations that you might get some benefit in that -- in your S&P rating from the recent developments in your business, or do you think it's going to be a slow grind and potentially we should expect nothing this year?

**A - Esteban Tejera** {BIO 3910673 <GO>}

I mean this is a question that you should ask S&P, not me. I mean, if you ask me what I think our rating should be, my answer is clearly well above what it is today. I don't know. I think -- I mean really this is a question for S&P to take and to answer.

I think taken from their standpoint, I mean what I can see and I can say after many years at MAPFRE that year-in, year-out there is some element in the accounts of our Company, some Company somewhere in our Group which somehow contributes to us growing up in either premiums or profits of both every year and that's called diversification in plain English. And that is proved year-in, year-out.

So I think it is evident, I mean after the crisis we have gone through in Spain, what is MAPFRE's strengths compared to other companies that are solely exposed to Spain I think it is evidenced that we have more than a certain degree of the coupling from the Spanish economy.

That is already recognized in S&P's rating of MAPFRE. We just have to wait and see what they finally conclude based on their newly revised methodology on sovereign seating. But I'm afraid there is an answer that they should give. Of course I think that our ratings should be way higher than it is today. So that is my official stance.

## Operator

Andreas Van Embden, JPMorgan.

### Q - Andreas Van Embden {BIO 1795530 <GO>}

Andreas Van Embden from JPMorgan. Just two questions. One on Spain, could you may be comment on the recent developments around your verity [ph] direct channel, how that business is growing? And I think some time ago you mentioned that you were planning for this business to breakeven in 2015. Is that still on track for that?

And my second question is on LatAm. Is there any risk of reserve additions in the high-inflation countries or have you already added to reserves in Q4?

### A - Esteban Tejera {BIO 3910673 <GO>}

In relation with the direct channel, I can say that the reason it's going well, premiums are up 26%, not that obviously the evolution of the business has suffered in the impact of the crisis in the Spanish economy. So I think that there will be a delay in the breakeven achievement.

But the good news is that the evolution of the Company is as I said 26% (inaudible) in relation with the figures of last year and the number is promising. So it is really not only in motor insurance. But also in common insurance.

So summarizing, the business is doing well. But there is a delay in the business plan due to the impact of the Spanish crisis.

### A - Luigi Lubelli {BIO 4108780 <GO>}

Your second question was regarding reserve strengthening in Latin America, is it so, in Latin America excluding Brazil or that was --

### Q - Andreas Van Embden {BIO 1795530 <GO>}

Yes, particularly in the high-inflation countries, Argentina or Venezuela, is there any risk of reserve additions, what is your reserve position there, are you comfortable with your reserving or is there a risk you would need to add to reserves if inflation continues to spike?

### A - Luigi Lubelli {BIO 4108780 <GO>}

Well Andreas, we are comfortable with our reserving in Spain and in Latin America. What has happened, I mean, there are as once they put it there, they are the unknown

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unknowns. I mean, what we have witnessed in 2013 was that, let's say, the regulator in Argentina has become especially zealous, let's say, in reviewing the reserve appropriation by the companies and basically they have taken the interpretation of the law to the extremist [ph] extreme.

So that's the regulators, they ask you to set appropriate reserves and you have to obey. So I don't know to what extent a similar development can happen elsewhere.

I mean, if that is a source of comfort for you, I think if there is a company in the world that has a very long experience when dealing with reserving in highly inflationary economies, that is MAPFRE. And certainly in Venezuela we have no shortage of skills in that respect. And so what I can tell you is the reserves are appropriated to the extent possible taking that into account.

But what I cannot tell you is whether there's going to be some external development which forces us, as was the case in Argentina in 2013 to strengthen reserves. That's an unknown-unknown.

**Q - Andreas Van Embden** {BIO 1795530 <GO>}

Okay. There was no major reserve strengthening at the end of last year as far as you know?

**A - Esteban Tejera** {BIO 3910673 <GO>}

In any case I would like to say that this is not only a problem of appropriating reserving. This is also a problem of the management of these kind of situations. In this sense, our managers have the skills in underwriting to fight against inflation by shorting the period of coverage of premiums.

So instead of having premiums for a period of a year, now we are issuing premiums and policies with a coverage period that -- month to month there is a reduction of the length of the coverage in order to offset the effects in the terms, shorten the terms and offset the impact of inflation. It is not only a problem of the (inaudible), it's a problem of the proper underwriting.

**Operator**

Avinash Singh, Nomura.

**Q - Avinash Singh** {BIO 17348287 <GO>}

Most of the questions have been answered. Just two quick questions. One on your adjusted currency versus your underlying net income, still it's down kind of 2%-3% in 2013. So going into 2014 when you see increasing competition in Spain and claim inflation there as well as the Latin American currency pressure is there, how do you think that you can reverse the trend and you can enter into a growth territory?

And second thing regarding that EUR194 million gross impairment, goodwill impairment or intangible impairment just Spain, I mean do you see as such possibility going forward in 2014 or should we consider it just one-off for 2013?

**A - Luigi Lubelli** {BIO 4108780 <GO>}

Right. Good afternoon, Avinash. If I understood well your first question, you are asking whether we are anticipating the combination of higher frequency in Spain in 2014 and further devaluation in Latin America. Is it so, is it what you are asking?

**Q - Avinash Singh** {BIO 17348287 <GO>}

Yes, my question was, these are the two headwind going in 2014. In 2013, on adjusted basis, adjusted for currency effect and one-offs, your profit is still down 2% as given on slide six or 7, if I am not wrong.

**A - Luigi Lubelli** {BIO 4108780 <GO>}

Yes.

**Q - Avinash Singh** {BIO 17348287 <GO>}

So I mean, my question to you how this 2014 going to turn this around. And I mean, from where do you expect a profit growth to come from because your profit has, I mean, is broadly flat on a underlying basis for many years.

**A - Luigi Lubelli** {BIO 4108780 <GO>}

Well I mean, in every year -- and it's actually possibly a question even more for Mr. Tejera - in every year, there is positives and negatives, I mean, I think and I understand why people are becoming concerned with the negative impact of the Spanish recovery. But the Spanish recovery also has a positive impact.

I mean, to the extent that the premium sales pick up and generally speaking the economy stabilizes and people become more confident, that means business. And business is good for us. So the fact that Spain recovers is in itself a positive element.

The depreciations, frankly it's unfathomable for me. One would think that Brazil has undergone already quite a big one. So we will have to see whether we have a comparable depreciation in the year. But let's say the business continues to grow, it actually is growing extremely well, the business with Banco do Brasil. So that is bringing in good news.

Commerce has, well, what is now called MAPFRE SA has shown a quite material improvement in its ROE this year compared to the previous year. So there's bad things and good things. It's difficult how to tell you how they would interplay. Mr. Tejera wants to add something.

**A - Esteban Tejera** {BIO 3910673 <GO>}

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Yes, relating to Spain, according to our experience, what has happened always again of the economic cycle is that MAPFRE has gained always market share in motor insurance, in home loan insurance and general. And this is due to the fact that as we have showed in our figures, we have improved our efficiency during the tough period. We have suffered in the price war more than our competitors and we remain with a combined ratio that is by far the best in the market.

So usually what would happen in past periods of crisis is that we are in a better position for competition in a growing market and we have this strong brand that allows us to grow more than our competitors when the economic situation improves. And this is a reality that we -- we have explained part of this provisions that are as general provisions for financial instability that appear less dear in this year are programs for improving loyalty among our insurers, our policyholders. So usually in a situation of the new growth, we will take advantage of this better than our competitors. I don't know if --

**A - Luigi Lubelli** {BIO 4108780 <GO>}

Does that answer your question, Avinash?

**Q - Avinash Singh** {BIO 17348287 <GO>}

Yes. That broadly answers my question. And my second question is more or less that, I mean, should we expect 2014 to be a normal year for a Spanish business because in Spain you had, I mean, a lot of impairment? Even this year you had a significant goodwill impairment and then you had --

**A - Luigi Lubelli** {BIO 4108780 <GO>}

(inaudible).

**Q - Avinash Singh** {BIO 17348287 <GO>}

Yes. Also you had this provisioning, additional provisioning. So in all probability, should we expect 2014 to be normal in Spain?

**A - Luigi Lubelli** {BIO 4108780 <GO>}

That's a very good question. I mean, you are going a bit into astrology. I mean we can answer what we know, let's say, the jokes aside. The write-down of the goodwill of CatalunyaCaixa like all write-downs is a reflection of the expectations of business compared to the initial expectation when the Company was put in the books.

So it has been written down to what the expectations are presently. In a year's time, we will see if the expectation are where they are now or they better, or they are worse. Credit economy improves, it helps in one way. What we do not know is what will become of this bank, that is without our control. That depends on how the sale by the government of this bank will develop, which is completely unknown to everyone I would say in Spain. So that is something very difficult to answer.



But of course to the extent that the economy improves, obviously there are going to be less and less reasons for impairments.

**Q - Avinash Singh** {BIO 17348287 <GO>}

Okay. Can you please give a number for your goodwill in Spain out of -- I mean, you have close to EUR1.9 billion goodwill on your balance sheet. How much of that you think is Spain?

**A - Luigi Lubelli** {BIO 4108780 <GO>}

If you bear with me for a moment, I can try to answer your question on the spot. If I cannot, then we may have to take it offline. But EUR800 million roughly in goodwill.

**Q - Avinash Singh** {BIO 17348287 <GO>}

Pardon?

**A - Luigi Lubelli** {BIO 4108780 <GO>}

EUR800 million in goodwill and then I'm calculating the value of business acquired. Roughly, I mean, it's really rough calculation on the back of an envelope.

**Q - Avinash Singh** {BIO 17348287 <GO>}

Okay. So these are the number for Spain only?

**A - Luigi Lubelli** {BIO 4108780 <GO>}

And let's say EUR400 million more in value of business acquired roughly.

**Q - Avinash Singh** {BIO 17348287 <GO>}

Okay. So that it then.

**A - Luigi Lubelli** {BIO 4108780 <GO>}

It's EUR1.2 billion roughly.

**Operator**

Atanasio Pantarrotas, Kepler Cheuvreux.

**Q - Atanasio Pantarrotas** {BIO 5933123 <GO>}

I have just one question left. Regarding the agreement with the fiscal authority in Brazil, my understanding is that the positive impact of more than EUR50 million affected the earnings before taxes. However, I noted also a very low tax rate in the quarter, below 10%, especially Brazil again. So I would like to have some more color on this, if there is any other fiscal impact which positively affected your net profit during the last quarter?

## **A - Luigi Lubelli {BIO 4108780 <GO>}**

Atanasio, before I answer your question, I just have to say to everyone that unfortunately this is the last question we can take because we actually have to catch a plane to London. I believe Atanasio, you will find the answer to your question on slide 40 where we have broken out the various impacts of the agreements with the tax authorities on MAPFRE BRASIL itself, on MAPFRE AMERICA. And the MAPFRE SA. If you can see that slide, I think it possibly has the answer you are looking for.

## **A - Esteban Tejera {BIO 3910673 <GO>}**

Well thank you for your attendance. Unfortunately, we are now in a hurry to catch the plane. And I think that we will have the opportunity to see several of you in the near days. And thank you again for attending our presentation. And for those that we don't need to (inaudible) we will hope to be with you in our next presentation. Thank you.

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