

2017

Financial Report

June



 **MAPFRE**

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1. Key Figures

ITEM	JUNE 2016	JUNE 2017	Δ %
Results			
Revenue	14,640.8	15,438.3	5.4%
Total written and accepted premiums	12,079.5	13,073.1	8.2%
- Non-Life	9,510.7	10,256.1	7.8%
- Life	2,568.8	2,817.1	9.7%
Attributable net result	380.4	415.1	9.1%
Earnings per share (euros)	0.12	0.13	9.1%
Balance sheet			
Total assets	69,088.7	68,127.0	-1.4%
Assets under management	58,281.8	59,322.7	1.8%
Shareholders' equity	8,946.1	8,859.6	-1.0%
Debt	2,312.1	2,643.9	14.4%
Ratios			
Non-Life Loss Ratio	69.9%	69.7%	-0.2 p.p
Non-Life Expense Ratio	27.6%	27.4%	-0.2 p.p
Non-Life Combined Ratio	97.5%	97.2%	-0.4 p.p
ROE	8.8%	9.1%	0.3 p.p
Employees at the close of the period			
Total	37,877	37,076	-2.1%
- Spain	10,706	10,839	1.2%
- Other countries	27,171	26,237	-3.4%
MAPFRE share			
Market capitalization (million euros)	6,029.8	9,417.3	56.2%
Share price (euros)	1.958	3.058	56.2%
Share price variation in the year (%)	-15.3%	5.4%	--
ITEM			
	DECEMBER 2016	MARCH 2017	Δ %
Solvency			
Solvency ratio	210.0%	211.5%	1.5 p.p

Figures in millions of euros

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The English version is only a translation of the original in Spanish for information purposes. In case of discrepancy, the Spanish version shall prevail.

2. Significant Corporate Events

Sale Agreement of Duero Vida and Duero Pensiones Shares

On June 8, 2017, MAPFRE VIDA and Banco CEISS entered into a contract, by virtue of which MAPFRE transferred to Banco CEISS the whole of the shares owned by its subsidiary MAPFRE VIDA in the companies Unión del Duero Vida and Duero Pensiones, which represent 50 percent of the share capital, for a total of 141.7 million euros. Final confirmation of the transaction is pending approval from the regulatory and supervisory authorities.

As a consequence of the loss of control of both undertakings in June, their value was registered at fair value, and its net worth is included in the balance sheet as assets held for sale, which has led to a positive net accounting result of 5.8 million euros at the close of June.

Acquisition of 31 percent of ABDA

On June 12, 2017, MAPFRE acquired an additional 31 percent of the share capital of the Indonesian insurance company PT Asuransi Bina Dana Arta Tbk (ABDA). The acquisition, which represents an investment of 90.3 million euros, was carried out through MAPFRE INTERNACIONAL, S.A. Thanks to this acquisition, MAPFRE, which already owned 20 percent of ABDA's share capital, holds a majority interest in the Company, and takes management control. In accordance with Indonesian regulations, MAPFRE must launch a public offer for the acquisition of a maximum of 29 percent of the remaining shares of the Company.

As a result of the take-over of ABDA, MAPFRE has consolidated the company by global integration method, incorporating into its consolidated balance sheet all the company's assets and liabilities, and June's income statement.

From this, MAPFRE has registered the original 20 percent participation it held in the aforementioned company at fair value, and recorded a positive effect of 13.5 million euros, net of taxes, in the Group consolidated income statement at the close of June 2017.

Early Redemption of the July 2007 Subordinated Notes

The Board of MAPFRE S.A. approved on June 29 that, in line with the Securities Note for the issuance of subordinated notes, it is going to redeem in advance the total amount of the "First Issue of Subordinated Notes of MAPFRE S.A." on July 24, 2017, which is the first call date set out in the Securities Note.

Capital Increase in Group Companies

In the first half of 2017, the following capital increases were completed:

MAPFRE INTERNACIONAL, S.A.: In March, a 135 million-euro capital increase was completed and fully paid, which was allocated to the acquisition of 31 percent of ABDA's shares and to the first stage of the DIRECT LINE Italy capital increase.

DIRECT LINE Italy: A 25 million-euro capital increase was completed in March, and another 65 million-euro capital increase was completed in June, reaching a total of 90 million euros, fully paid, allocated to cover losses from previous periods and raise the company's solvency level.

3. Macroeconomic Overview and Financial Markets

Overview

Global activity continued to accelerate at a rate of close to 1 percent in the second quarter of 2017, though it presented recent signs of stabilization. This information ratifies the previous forecasts of global growth slightly above 3.1 percent for 2017, with growth in contributions from developed markets (approximately 2 percent), while the forecast for emerging markets remains stable (4.5 percent). In general, expectation indicators continue to be more benign than actual indicators, as substantial improvements are perceived in world trade, in property and plant investment, and, in some countries, residential investment. It is expected that these improvements will be reflected in national accounts in the second half of the year.

A certain moderation in activity in the United States contrasts that of a more dynamic Eurozone. China maintains its activity in line with its soft landing policy, and the panorama remains moderate and mixed in emerging countries, which are very dependent on a combination of factors: cyclical recoveries in Brazil and Russia; the effect of the United States' economic policies on Mexico; resilience despite political heterodoxy in Turkey and the Philippines; and the review of the credit rating of Indonesia.

The pick-up in inflation in developed markets in the first quarter of the year seems to be losing traction, especially due to the temporary loss of dynamism in energy prices. Global inflation stood at close to 3 percent in the second quarter of 2017, registering below 2 percent in developed markets and 4 percent in emerging markets. Implicit inflation expectations for bonds indexed to inflation have also been reduced, and underlying inflation remains stable.

The U.S. Federal Reserve Bank raised interest rates in June (+25 basis points) despite price moderation, though it maintains its gradual rate. At least one new interest rate hike is expected before the end of the year, though it will be, according to J. Yellen, "data-driven" and conditioned by inflation. On the other hand, the European Central Bank (ECB) is maintaining its monetary policy intact for the moment. Knowing the sequence of monetary normalization, the balance sheet adjustment could take place in the second half of 2019 (only after eliminating negative rates and the beginning of interest rate rises, which are not expected until the second half of 2018).

In emerging markets, monetary divergences between countries continue to stand out. In Mexico, after the last rate hike (+25 basis points), a less restrictive bias in the Central Bank's monetary policy is expected in the future, given the improved inflation panorama and the stabilization of the peso at levels prior to the new administration in the United States. In Brazil, monetary relaxation continues with additional interest rate cuts, and this is expected to continue in the coming year. Turkey raised the marginal lending facility interest rate again.

The following sections give a more detailed analysis of the most relevant geographic markets MAPFRE operates in:

Eurozone

The Eurozone GDP shows signs of gaining traction, growing at a rate of 0.6 percent in the first quarter of 2017, which revises expected overall annual growth to just below 2 percent, with Spain and Germany leading growth but, even so, with France and even Italy registering better metrics. Contributions from exportation and investment are clear, and compensate for certain consumer lethargy. Price expectations are maintained throughout 2017 (1.5 percent), despite the recent recession in the general index (from the drop in fuel prices at the beginning of the year), given that underlying inflation remains stable. Despite the upward activity trends, the Euro Stoxx 50 Index contracted -1.7 percent, reaching 3,440 points in the second quarter of 2017.

The ECB is maintaining its monetary policy, without touching interest rates or the asset purchasing program (60 billion euros to December 2017, carefully following inflation and activity in the south of Europe). No changes are expected in the monetary policy items until 2018 (deposit rates, LTROs, balance sheet, and Refi rates). The key risks that still weigh over the Economic and Monetary Union (EMU) are those coming from a poorly-negotiated Brexit, renewal of the currency convertibility risk with the Italian elections, and Greek debt deal negotiation outcomes.

Spain

In Spain, the anticipated slow-down of economic activity seems to be delayed, with a bias toward growth in the first quarter of 2017. Consumer confidence, lax monetary conditions and job creation (+500,000 so far this year) will continue driving growth close to the 0.9 percent in the second quarter of the year, which points toward expectations for the whole year of around 2.7-3 percent (the highest in the European Union). However, though it is still robust, indications of consumption fatigue anticipate a slow-down with respect to the previous year, especially given the increase in inflation, which limits real salary growth. Exports and investment partially compensate this dynamic. It is worth pointing out that residential real estate investment is beginning to pick up thanks to the reactivation of mortgage loan financing, as well as institutional investments in real estate. Though inflation is predicted to stand at around 1.4 percent at the end of 2017, there are upside risks. The IBEX 35 Index remained stable in the second quarter.

United States

GDP information for the first quarter surprised with a moderate drop, and everything indicates this gradual decline will continue in the second quarter of the year. Though employment data continued improving in May (+248,000) and the broader unemployment metrics are positive (unemployment rate of 4 percent and marginally attached workers below 8 percent), the moderation in both real and nominal salary growth stands out. Once again, the relative standstill of industrial production contrasts the very positive purchasing managers' indexes (PMIs), which continue to hold out for the materialization of the government's reflation policy. Though inflation remained relatively stable compared to the previous quarter, the continued moderation of underlying inflation is noticeable, indicating that salary expectations are tied. The data for rental inflation is worrisome, getting close to 1 percent and showing revived signs of low inflation, which could affect the guidance of the Federal Reserve. GDP growth is expected to be approximately 0.6 percent in the second quarter of 2017, which forces us to maintain our current GDP forecast of 2.2 percent overall for the year.

Monetary policy is gaining traction but showing caution regarding low inflation. The second rate hike in June 2017 by the Federal Reserve's Federal Open Market Committee (FOMC) places the interest rate at 1.25 percent. Another hike is expected between September and December, placing the rates at 1.5 percent in December 2017. The 10-year Treasury Note is below 2.4 percent, and the interest rate curve seems to be flattening due to certain duration risk and fear regarding the speed of implementation of economic stimuli. The dollar has moderately depreciated versus the euro, faced with signs of moderation and the ECB's incipient change of tone. At the end of June, the exchange rate stood at approximately 1.11 USD/EUR. The S&P 500 Index increased by 2.6 percent (2,423 points) in the second quarter of 2017.

Brazil

In Brazil, GDP information for the first quarter of 2017 was -0.4 percent and, despite being negative, shows a softer rate of economic contraction than the previous quarter, thanks especially to improved investment and consumer behavior. This confirms our view of coming out of the recession in 2017, though with growth close to zero. On the other hand, the drop in inflation helps eliminate pressure on monetary policy, and therefore the Central Bank is expected to cut interest rates between two and four times throughout the rest of 2017 and 2018, bringing the SELIC (the overnight interest rate) to approximately 300 bps below where it currently is, close to 8 percent. Monetary support will depend on the viability of the fiscal policy and, to a great extent, on the development of the country's political environment. Willingness to make reforms that maintain institutional credibility will be even more important. The most important reform will be the pension system, which is key to reducing the deficit and therefore to improving the sustainability of sovereign debt.

Regarding the stock market, the BOVESPA Index lost 2.7 percent in the second quarter of 2017, reaching 62,900 points, as a result of recent political events.

Turkey

In a challenging political and economic environment, Turkey's economic activity in the first quarter of 2017 registered growth of 5 percent in the adjusted year-on-year rate. The surprising pick-up was backed by public policies. The second quarter of 2017 still anticipates resistance to growth, in light of the industrial production and electricity consumption data. The foreseeable adjustment will bring the GDP up beyond our initial expectation of 2.3 percent throughout 2017. Inflation continued to grow in April to 11.9 percent (11.3 percent prior), driven by food and beverages. Inflation is expected to stand well above the Central Bank's objective at the end of the year (10 percent vs the 5 percent objective), which anticipates that monetary policy tightening will continue. The Central Bank raised marginal lending facility rates in the second quarter of the year to 9 percent, tightening the accumulated average cost of financing by more than 300 bps (8.5 percent) so far this year. This strategy is expected to be maintained until reaching an average financing cost of 9 percent. The Turkish lira (3.3 TL/USD in 2016) is expected to depreciate approximately 3.8 percent by the end of the year. On the other hand, the BIST 100 Index increased by 13 percent in the second quarter of 2017, reaching 100,440 points.

Mexico

Uncertainty regarding the US government's drastic measures regarding NAFTA (renegotiation of which should begin in mid-August) has grown more moderate, which has fostered the appreciation of the Mexican peso in the first half of the year from 22 MXN/USD in January to the current 18.5 MXN/USD. The exchange rate, excluding new shocks, is expected to hold at (or even below) approximately 19-20 MXN/USD until the end of 2017. In the first quarter, economic growth picked up 2.8 percent compared to the previous year, driven by industrial production (+16 percent v. previous year). The rise in inflation in April was surprising, reaching 5.82 percent (from 5.35 percent in March), still suffering the impact of local adjustments in the price of gasoline and the materialization of second-round salary effects. The Bank of Mexico raised the interest rate 50 bps to 7 percent in the second quarter of the year, and another rate hike is expected in September in line with those in the United States, in order to maintain the exchange rate. Finally, the CPI on the Mexican Stock Exchange (BMV) increased by 2.7 percent in the second quarter of 2017, reaching 49,857 points.

Main currencies compared to the euro

ITEM	Average Exchange Rate	Closing Exchange Rate	
	Var. JUNE 2017 vs. JUNE 2016	Var. JUNE 2017 vs. JUNE 2016	Var. JUNE 2017 vs. DECEMBER 2016
US dollar	2.1%	-3.2%	-7.9%
Brazilian real	16.1%	-6.6%	-9.5%
Turkish lira	-18.2%	-20.6%	-7.7%
Mexican peso	-4.4%	-1.5%	5.3%
Colombian peso	6.6%	-7.5%	-9.1%
Chilean peso	5.1%	-3.7%	-7.0%
Peruvian sol	5.7%	-2.0%	-4.8%
Argentinian peso	-6.2%	-12.9%	-12.0%
Panamanian balboa	2.1%	-3.2%	-7.9%
Dominican peso	-0.7%	-5.9%	-9.2%
Honduran lempira	-1.9%	-5.9%	-7.7%

4. Consolidated Result

Consolidated revenue

ITEM	JUNE 2016	JUNE 2017	Δ %
Total written and accepted premiums	12,079.5	13,073.1	8.2%
Financial income	2,311.9	2,084.4	-9.8%
Revenue from non-insurance entities and other	249.4	280.8	12.6%
Total consolidated revenue	14,640.8	15,438.3	5.4%

Figures in millions of euros

The Group's consolidated revenue reached 15.4 billion euros, with growth of 5.4 percent, which strengthened the upward trend of the last few years.

Premiums from direct insurance and accepted reinsurance, which represent a fundamental part of revenue, reached 13.1 billion euros, with significant growth of 8.2 percent, primarily backed by the increase in premiums in Spain, Mexico and the Global Risks Business Unit, as well as by the appreciation of certain currencies, mainly the Brazilian real.

This increase in premium growth is framed in the Group's strategic line of "profitable growth", which aims to improve profitability mainly in Non-Life insurance. As a result, in the first half of 2017, the cancellation of unprofitable policies has continued, mainly in Motor and General P&C, which partially conditions growth. It is worth highlighting the growth in sales in Life Savings products in IBERIA, among which the unit-linked products stand out. In summary, Non-Life premiums rose by 7.8 percent, while Life premiums reached relevant growth of 9.7 percent.

By Non-Life business type, Automobile is the most important line, with 3.8 billion euros in premiums and growth of 1.5 percent. General P&C holds second place, with 3.7 billion euros and growth of 23.7 percent; and Health and Accidents is in third place with 901 million euros in premiums and 1.1 percent growth.

Gross financial income reached 2.1 billion euros, below the previous period, due to the recurrent low-interest rate environment in Europe and lower financial gains.

Finally, other revenue, which mainly includes non-insurance activity and non-technical revenue, reflects an increase primarily from the cancellation of a reserve for contingent payments in the bancassurance channel totaling 29 million euros, as certain long-term objectives were not reached.

Income Statement

ITEM	JUNE 2016	JUNE 2017	Δ %
NON-LIFE BUSINESS			
Gross written and accepted premiums	9,510.7	10,256.1	7.8%
Net premiums earned	7,090.8	7,145.4	0.8%
Technical result	174.8	202.7	16.0%
Net financial income	455.3	373.6	-17.9%
Other non-technical revenue and expenses	(42.1)	(11.3)	73.3%
Result of Non-Life business	588.0	565.1	-3.9%
LIFE BUSINESS			
Gross written and accepted premiums	2,568.8	2,817.1	9.7%
Net premiums earned	2,396.3	2,730.0	13.9%
Technical result	(313.3)	(295.7)	5.6%
Financial result and other non-technical revenue	690.2	722.7	4.7%
Result of Life business	376.9	427.0	13.3%
OTHER ACTIVITIES			
Net operating revenues and expenses	(43.7)	(48.0)	-9.7%
Net financial income and other	0.6	(13.7)	--
Result from other business activities	(43.1)	(61.7)	-43.1%
Hyperinflation adjustments	(17.1)	4.1	123.9%
Result before tax	904.7	934.5	3.3%
Tax on profits	(306.5)	(281.0)	-8.3%
Result after tax from discontinued operations	0.0	0.0	--
Result for the period	598.2	653.5	9.2%
Result attributable to non-controlling interests	217.8	238.4	9.5%
Result attributable to the controlling Company	380.4	415.1	9.1%

Figures in millions of euros

The attributable result reached 415 million euros, with growth of 9.1 percent. The chart included gives a summary of the consolidated income statement for the first half of 2017, showing the various components of MAPFRE's earnings and the comparison with the same period of the previous year.

Non-Life

Non-Life results rose to 565 million euros, with a 3.9 percent decrease compared to the previous year. The results from IBERIA and MAPFRE RE continue to be very significant, and are based on solid contributions from the key lines and businesses, as well as improvements in IBERIA's expense ratio. These positive results are a consequence of the initiatives included in the strategic framework for profitable growth. The loss ratio evolved positively, standing at 69.7 percent (0.2 percentage points less than the same period the previous year), despite the following events that occurred in the first half of 2017:

1. Adverse weather conditions with torrential rain in the south of Spain, wildfires in Chile and floods in Peru, affected by the “Coastal El Niño” phenomenon. The negative impact, net of taxes, of the weather condition called “Coastal El Niño” on MAPFRE Group results rose to 43 million euros at June 2017.
2. Several large claims in the MAPFRE GLOBAL RISKS portfolio in the first half of the year.
3. Deterioration of the Automobile line result in the United States and Brazil, mainly due to the increase in claims frequency.

With regard to operating expenses, the expense ratio stands at 27.4 percent, slightly better than the previous period.

The result includes gains from the sale of real estate on Calle Luchana in Madrid. With regards to MAPFRE Group consolidated result, once taxes are deducted and consolidation adjustments are eliminated, the net gain stands at 29 million euros.

Life

Life results grew to 427 million euros, with growth above 13.3 percent and surpassing the previous year by 50 million euros. IBERIA’s contribution to earnings stand out, both for its improvement in margins as well as for the effect of the cancellation of a reserve for contingent payments in the bancassurance channel totaling 29 million euros. It is worth highlighting the improvement in margins in protection products sold through the bank channel in Brazil, despite the difficult context our companies operate in, in this country.

On the other hand, the end of the alliance between MAPFRE and Banco CEISS generated net accounting gains of 5.8 million euros and MAPFRE PERU’s sale of its annuity portfolio contributed 4 million euros in net gains to MAPFRE Group.

Other aspects

Taxes on profits decreased, due to the lower cost of taxes paid in Brazil, thanks to the improved development of the Agricultural business, which has tax reliefs.

Finally, the increase in the attributable result to non-controlling interests is mainly a result of the positive development of Life Protection business and Agricultural Insurance in Brazil, as well as of the bancassurance business in Spain.

5. Consolidated Balance Sheet

5.1. Balance Sheet

ITEM	JUNE 2016	DECEMBER 2016	JUNE 2017
Goodwill	1,996.2	1,990.0	2,002.5
Other intangible assets	1,795.9	1,808.9	1,669.3
Other fixed assets	284.7	293.6	289.3
Cash	1,577.6	1,451.1	1,519.3
Real estate	2,293.2	2,277.8	2,201.3
Financial investments	42,792.2	42,540.9	41,772.0
Other investments	1,181.8	1,272.2	1,450.9
Unit-Linked investments	1,810.5	2,014.0	2,267.4
Participation of reinsurance in technical provisions	4,096.4	3,934.4	4,576.1
Receivables on insurance and reinsurance operations	6,077.0	5,191.6	6,057.2
Deferred taxes	292.0	335.3	319.2
Assets held for sale	992.5	911.2	163.7
Other assets	3,898.7	3,860.7	3,838.9
TOTAL ASSETS	69,088.7	67,881.8	68,127.0
Equity attributable to the Controlling company	8,946.1	9,126.5	8,859.6
Non-controlling interests	2,232.9	2,317.0	2,003.8
Equity	11,179.0	11,443.5	10,863.5
Financial debt	2,312.1	2,202.9	2,643.9
Technical provisions	47,802.6	47,240.1	47,836.1
Provisions for risks and expenses	738.7	752.8	655.4
Debt due on insurance and reinsurance operations	2,490.2	1,998.8	2,533.0
Deferred taxes	788.9	730.7	688.1
Liabilities held for sale	776.2	690.3	4.6
Other liabilities	3,001.0	2,822.7	2,902.3
TOTAL LIABILITIES	69,088.7	67,881.8	68,127.0

Figures in millions of euros

Total assets reached 68.1 billion euros as on June 30, 2017 and fell 1 percent compared to the same period the previous year, and grew by 0.4 percent compared to December 31, 2016. The most relevant changes are analyzed below:

1. As a result of Banco CEISS exercising its call option for the whole of the Group's shares in the undertakings Duero Vida and Duero Pensiones, at December 31, 2016 the headings "Assets and liabilities held for sale" included assets for the amount of 879.9 million euros and associated liabilities for the amount of 689.3 million euros, corresponding to both dependent undertakings.

In June 2017, MAPFRE and Banco CEISS entered into a contract, by virtue of which MAPFRE transferred to Banco CEISS the whole of the shares for a total price of 141.7 million euros.

The completion of the transaction is dependent upon receiving the corresponding regulatory and supervisory authorizations, upon receipt of which the transfer of and payment for the shares will be carried out.

At the date of entering into said contract, control of both undertakings was lost, and as such the revenues and expenses of said undertakings included in the balance sheet correspond only to the first five months of the year. Additionally, in the “Assets held for sale” heading of the balance sheet, only the fair value of the assets resulting from the sale is included in the balance sheet, which produced an accounting net gain of 5.8 million euros at the close of June 2017.

2. The changes in Financial Investments, Technical Provisions, and the heading for Assets and Liabilities from insurance and reinsurance operations are a result of the business management process itself, without any relevant or extraordinary facts that impacted said items. It is important to highlight that the growth of reinsurance participation in technical provisions in the first half of 2017 corresponds to the issuing of the PEMEX policy in Mexico, which has been highly ceded to the reinsurers.
3. Changes in equity correspond to the earnings from the period and the distribution of dividends, as well as to changes in value of investments available for sale and currency conversion differences of financial accounts denominated in currencies other than the euro.

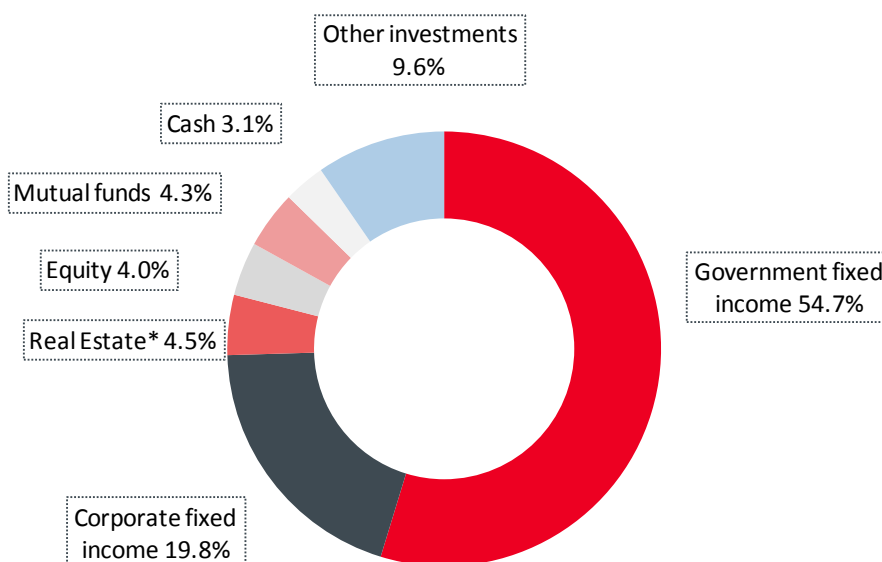
5.2. Investment Portfolio

In the second quarter, the investment strategy was favored by a more favorable macroeconomic environment and by less political uncertainty. As such, the most recent predictions by the International Monetary Fund corroborated the rate of economic growth in most countries with an absence of inflation pressure. The lower political risk after the election results in France and Italy (lower support from populist parties) has been key in reducing risk premiums. As a result, a step was taken toward profitability in bonds from core European countries and a reduction of profitability in bonds issued by peripheral countries. The reduction of the yields of Spanish sovereign debt was also favored by lower inflation. In this context, the euro gained strength against the majority of currencies, appreciating 7.34 percent against the U.S. dollar and 4.79 percent against the Brazilian real. The Mexican peso, on the contrary, appreciated 8.84 percent.

Investment strategy has continued in the same vein as the first quarter, with a light divestment of fixed income assets, and positions being taken in equity and, to a lesser extent, in alternative assets. Additionally, the portfolio continued to be actively managed with numerous operations in primary markets. With respect to portfolio diversification, exposure to government and corporate debt in the investment portfolio has gone from 58 and 20.7 percent to 54.8 and 19.8 percent, respectively, including market impacts as well. On the other hand, equity and mutual fund exposure has increased from 3.0 and 2.8 percent of the portfolio to 4 and 4.3 percent, respectively.

Below, details of the investment portfolio by asset type are given:

Breakdown by type of asset



ITEM	JUNE 2016	JUNE 2017	Δ %
Government fixed income	28,819.5	26,932.4	-6.5%
Corporate fixed income	10,275.3	9,747.6	-5.1%
Real Estate*	2,293.2	2,201.3	-4.0%
Equity	1,491.1	1,971.0	32.2%
Mutual funds	1,405.2	2,102.4	49.6%
Cash	1,577.6	1,519.3	-3.7%
Other investments	3,793.4	4,736.8	24.9%
TOTAL	49,655.3	49,210.8	-0.9%

Figures in millions of euros

*“Real Estate” includes both investment property and property for own use

Appendix 14.1 , Consolidated Balance Sheet, includes a breakdown of the financial investments: by held to maturity portfolio, portfolio available for sale, and trading portfolio.

Breakdown of Fixed Income portfolio by geographic area and by asset type

ITEM	Government	Total Corporate Debt	Corporate without	Corporate with collateral	Total
Spain	15,959.6	2,129.3	741.3	1,388.0	18,088.9
Rest of Europe	3,674.1	4,348.1	3,765.7	582.4	8,022.2
United States	1,330.0	2,328.3	2,231.4	96.9	3,658.3
Brazil	3,313.6	2.1	2.1	0.0	3,315.7
Latin America - Other	2,014.6	654.4	586.1	68.4	2,669.0
Other countries	640.4	285.4	272.6	12.8	925.8
TOTAL	26,932.4	9,747.6	7,599.1	2,148.5	36,680.0

Figures in millions of euros

Four different types of portfolios are included in investment portfolio management:

- Those that aim for a strict immunization from the obligations derived from insurance contracts, and which minimize interest rate risk, through matching adjustments, by means of immunization techniques based on matching cash flow or duration.
- Portfolios that cover unit-linked policies, composed of assets whose risk is borne by policyholders.
- Those that aim to exceed the guaranteed returns and to obtain greater returns for policyholders within prudential parameters, such as portfolios with profit-sharing.
- Actively managed portfolios, which are only conditioned by the legal rules and internal risk limitations.

Breakdown of actively managed Fixed Income portfolios

ITEM	Market Value	Accounting Yield	Market Yield	Modified Duration
Non Life (IBERIA + MAPFRE RE + GLOBAL RISKS)				
12.31.2016	7,569.0	2.70%	1.30%	6.44%
03.21.2017	7,700.4	2.42%	1.19%	6.49%
06.30.2017	7,221.1	2.68%	1.33%	6.41%
Life (IBERIA)				
12.31.2016	6,738.0	4.10%	1.00%	7.14%
03.21.2017	6,889.4	4.01%	1.15%	7.03%
06.30.2017	6,549.0	4.08%	1.15%	7.19%

Figures in millions of euros

As on June 30, in Spain, MAPFRE had an actively managed equity and mutual fund portfolio with a market value of 1.97 billion euros, with net unrealized gains of 178 million euros.

5.3. Equity

The following chart shows changes in equity attributable to the controlling Company in the period:

Equity attributable to the controlling Company

ITEM	DECEMBER 2016	JUNE 2017
BALANCE AT 31/12 PREVIOUS YEAR	8,573.7	9,126.5
Additions and deductions recognized directly in equity		
Financial assets available for sale	192.4	(242.2)
Currency conversion differences	218.0	(386.4)
Shadow accounting	(189.1)	237.0
Other	(0.8)	(2.0)
TOTAL	220.5	(393.6)
Result for the period	775.5	415.1
Dividends	(400.3)	(261.8)
Other changes in net equity	(42.8)	(26.6)
BALANCE AS AT PERIOD END	9,126.5	8,859.7

Figures in millions of euros

Consolidated equity amounted to 10.9 billion euros as on June 30, 2017, as compared to 11.4 billion euros as on December 31, 2016. Of this amount, 2.0 billion euros correspond to shares in subsidiaries from non-controlling interests, primarily financial entities in Spain and Brazil that MAPFRE has bancassurance agreements with. Attributable equity of the consolidated controlling Company per share was 2.88 euros as on June 30, 2017 (2.96 euros as on December 31, 2016).

Equity attributable to the controlling Company in the first half of 2017 includes:

- A net reduction of 242 million euros in the market value of the assets available for sale portfolio mainly due to the risk premium increase in the peripheral European countries with respect to the amount at the close of December, 2016. Of this, 237 million euros correspond to investments related to Life portfolios linked to products with profit sharing, and therefore are recognized as a greater equity value by shadow accounting.

- A reduction of 386 million euros for currency conversion differences, primarily due to the depreciation of the US dollar, the Brazilian real and the Turkish lira in the first half of the year.
- Profits from the first half of the year.
- A deduction of 262 million euros equivalent to the final dividend from the 2016 period approved by the Annual General Meeting in March 2017 and which was paid in June, 2017.

The evolution and breakdown of the equity attributable to the controlling Company are shown below:

Equity attributable to the controlling Company

ITEM	DECEMBER 2013	DECEMBER 2014	DECEMBER 2015	DECEMBER 2016	JUNE 2017
Capital, retained earnings and reserves	8,389.0	8,898.8	9,086.4	9,446.8	9,569.5
Treasury stock and other adjustments	5.0	9.3	2.1	(46.9)	(44.8)
Net capital gains (financial investments - technical provisions)	219.3	881.1	627.7	651.0	645.8
Foreign exchange differences	(779.8)	(636.5)	(1,142.5)	(924.4)	(1,310.8)
Attributable equity	7,833.5	9,152.7	8,573.7	9,126.5	8,859.7

Figures in millions of euros

5.4. Funds under Management

The following charts show the performance of managed savings, including both technical provisions of Life insurance companies, and the Life provisions of multiline insurance companies, which are presented in the Group's consolidated balance sheet.

In addition to the Life insurance operations, MAPFRE manages its clients' savings through pension and mutual funds, which are not included in the Consolidated Balance Sheet.

The following chart shows the details of and changes in managed savings, which includes both concepts:

Managed savings

ITEM	JUNE 2016	JUNE 2017	Δ %
Life technical provisions	29,561.2	28,696.1	-2.9%
Pension funds	4,407.2	4,875.0	10.6%
Mutual funds and other	4,219.3	5,236.8	24.1%
Subtotal	38,187.7	38,808.0	1.6%

Figures in millions of euros

In the information regarding managed savings in 2016 and 2017, UNIÓN DUERO VIDA and DUERO PENSIONES are not included, as at that time they were already classified as assets-held-for-sale.

Changes in managed savings with respect to June of the previous year reflect:

1. The reduction in Life technical provisions, from the fall in the portfolio from maturities, mainly in the bancassurance channel in Spain, and from the rise of the risk premium.
2. The reduction in the value of managed savings in Brazil and other countries in the Eurozone from the depreciation of the currencies.
3. The growth in pension and mutual funds, fruit of MAPFRE's strategy to push Asset Management as an alternative to traditional Life Savings products, which clients are less interested in, in the current low-interest rate environment.

The following chart reflects the performance of assets under management, which includes the total Group investment portfolio as well as pension and mutual funds, and which shows growth of 1.8 percent:

Assets under management

ITEM	JUNE 2016	JUNE 2017	Δ %
Investment portfolio	49,655.3	49,210.8	-0.9%
Pension funds	4,407.2	4,875.0	10.6%
Mutual funds and other	4,219.3	5,236.8	24.1%
TOTAL	58,281.8	59,322.7	1.8%

Figures in millions of euros

6. Information by Regional Area

MAPFRE manages its insurance business through seven Regional Areas that group different geographically-close countries, and which comprise the different operations of the INSURANCE, ASSISTANCE, and GLOBAL RISKS businesses.

The following chart shows the Non-Life premiums and results, as well as the combined ratio.

Key figures

ITEM	Premiums			Attributable result			Combined ratio	
	JUNE 2016	JUNE 2017	Δ %	JUNE 2016	JUNE 2017	Δ %	JUNE 2016	JUNE 2017
IBERIA	4,027.0	4,219.8	4.8%	243.5	262.5	7.8%	93.5%	95.2%
BRAZIL	2,186.6	2,480.6	13.4%	68.0	64.9	-4.5%	96.3%	95.4%
LATAM NORTH	726.1	1,236.2	70.3%	32.8	18.1	-45.0%	96.9%	96.6%
LATAM SOUTH*	945.1	972.9	2.9%	14.0	27.4	96.5%	100.3%	101.8%
NORTH AMERICA	1,462.2	1,497.4	2.4%	42.5	36.4	-14.3%	100.3%	101.3%
EMEA	1,390.1	1,322.9	-4.8%	(24.3)	(8.5)	65.1%	104.7%	104.2%
APAC	69.2	70.6	2.0%	(6.9)	(9.5)	-38.3%	109.1%	101.8%

Figures in millions of euros

* In order to provide clear information, and due to its insignificance, MAPFRE VENEZUELA is not included in the LATAM SOUTH. Said information is included in "Holdings and consolidation adjustments". In order to improve the comparison of the information, the same criteria used in 2016 is applied.

The most significant aspects are:

1. Premiums and results show very solid growth in IBERIA.
2. Premiums in BRAZIL show positive results compared to June last year from the appreciation of the Brazilian real, although there isn't growth in the original currency. The lower result is a consequence of a lower financial result due to the drop in interest rates in Brazil in 2017 and of the increase in claims in Auto.
3. LATAM NORTH shows premium growth of 70.3 percent in the first half of the year from the issuing of the PEMEX policy for the amount of 546 million USD and for a two-year coverage period. Its result reflects the solid performance in the General P&C business, which is offset by the higher loss ratio in Automobiles in Mexico and a severe claim in the GLOBAL RISKS business in Panama.

4. LATAM SOUTH experienced an increase in premiums and results, thanks to the favorable evolution of business in Colombia and Peru. However, this improvement was offset by the negative impact of a severe claim in the GLOBAL RISKS business in Peru, due to the rains caused by weather related to “Coastal El Niño”.
5. NORTH AMERICA shows discreet growth in premiums and lower results in the United States due to the high loss ratio in the Auto line.
6. EMEA experienced a drop in premiums, primarily due to Turkey, as a result of growth restrictions in compulsory Third Party Liability for Auto insurance, from the Turkish government’s regulatory rate reduction for compulsory Third Party Liability for Automobiles that took effect in April, as well as the depreciation of the Turkish lira. EMEA’s results significantly reduce their losses thanks to the favorable development of the insurance business in Turkey and Italy, as a result of the technical measures adopted in the previous period. However, EMEA presents losses of 8 million euros, due to the results of ASISTENCIA in the United Kingdom and certain large claims in GLOBAL RISKS.
7. APAC, as of June 2017, includes the ABDA business.

7. Information by Business Unit

MAPFRE manages its business through four business units: Insurance, Reinsurance, Assistance, and Global Risks.

The chart below shows premiums, attributable result, and Non-life combined ratio for the business units:

Key figures

ITEM	Premiums			Attributable result			Combined ratio	
	JUNE 2016	JUNE 2017	Δ %	JUNE 2016	JUNE 2017	Δ %	JUNE 2016	JUNE 2017
IBERIA	3,780.2	3,947.4	4.4%	223.8	260.7	16.5%	94.0%	95.1%
LATAM	3,654.0	4,472.7	22.4%	110.8	114.8	3.6%	97.6%	96.5%
INTERNACIONAL	2,407.1	2,388.3	-0.8%	31.7	53.8	69.9%	102.3%	100.9%
TOTAL INSURANCE	9,841.3	10,808.4	9.8%	366.3	429.3	17.2%	97.6%	97.2%
RE	2,273.9	2,325.8	2.3%	90.4	101.7	12.5%	96.8%	92.3%
ASISTENCIA	559.8	531.3	-5.1%	(21.9)	(24.5)	-11.9%	100.7%	101.4%
GLOBAL RISKS	635.8	725.0	14.0%	25.4	(13.0)	-151.0%	91.7%	119.3%
Holdings and consolidation adjustments	(1,231.3)	(1,317.3)	-7.0%	(79.8)	(78.4)	1.8%	--	--
MAPFRE S.A.	12,079.5	13,073.1	8.2%	380.4	415.1	9.1%	97.5%	97.2%

Figures in millions of euros

The most important changes are:

1. Premiums show significant growth in all business units, with the exception of ASISTENCIA, mainly as a result of the current business restructuring, and INTERNATIONAL due to previously mentioned lower issuing in Turkey.
2. Results have evolved positively in insurance entities in IBERIA, LATAM and INTERNATIONAL, with 17.2 percent growth in the insurance business units.
3. MAPFRE RE continues to contribute positively to Group results, both in premiums and in results, reaching a result of 101.7 million euros in the first half of the year.
4. Large claims have negatively affected GLOBAL RISKS' results and MAPFRE ASISTENCIA is highly affected by losses in the United Kingdom and by business restructuring.

7.1. INSURANCE ENTITIES

7.1.1. IBERIA

IBERIA encompasses the business activities of MAPFRE ESPAÑA and its subsidiary in Portugal, as well as the Life business managed by MAPFRE VIDA and its bancassurance subsidiaries.

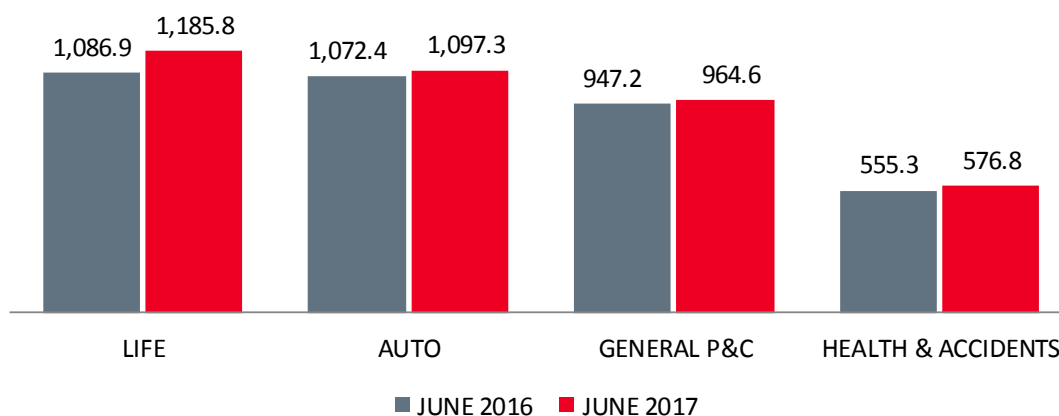
Information by country

ITEM	Premiums			Attributable result			Combined ratio	
	JUNE 2016	JUNE 2017	Δ %	JUNE 2016	JUNE 2017	Δ %	JUNE 2016	JUNE 2017
IBERIA	3,780.2	3,947.4	4.4%	223.8	260.7	16.5%	94.0%	95.1%
SPAIN	3,711.2	3,875.1	4.4%	222.1	260.1	17.1%	93.7%	94.9%
PORTUGAL	69.0	72.3	4.8%	1.7	0.6	-66.7%	105.3%	106.7%

Figures in millions of euros

Premiums

Written premiums in key lines



Figures in millions of euros

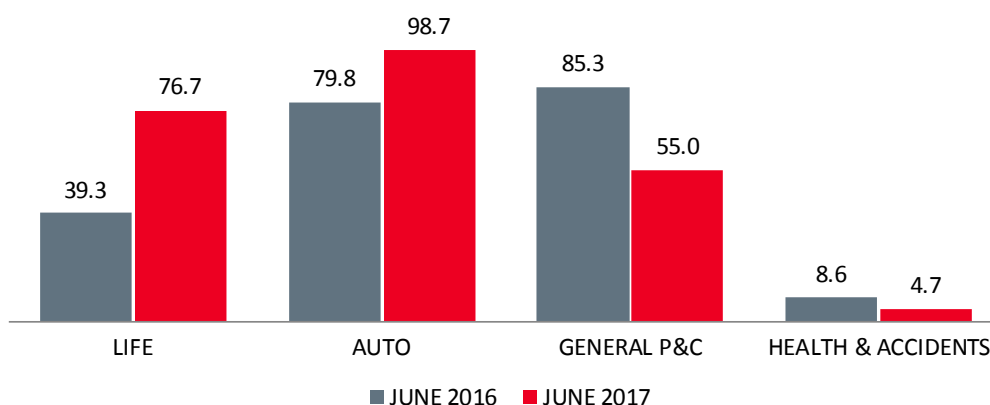
Excellent performance of premiums in IBERIA, with 4.4 percent growth.

Non-Life premiums grew by 2.5 percent, and reflect the positive development of the Health business, Third Party Liability and the majority of the Non-Life personal and commercial lines. This compensated for lower issuing in Combined Agricultural Insurance (SAC).

Life premiums picked up by 9.1 percent, thanks to the Savings line in Bancassurance. This growth is especially noteworthy, keeping in mind that in 2016 a group savings policy was issued for the amount of 133 million euros, without any similar operations having been recorded in 2017.

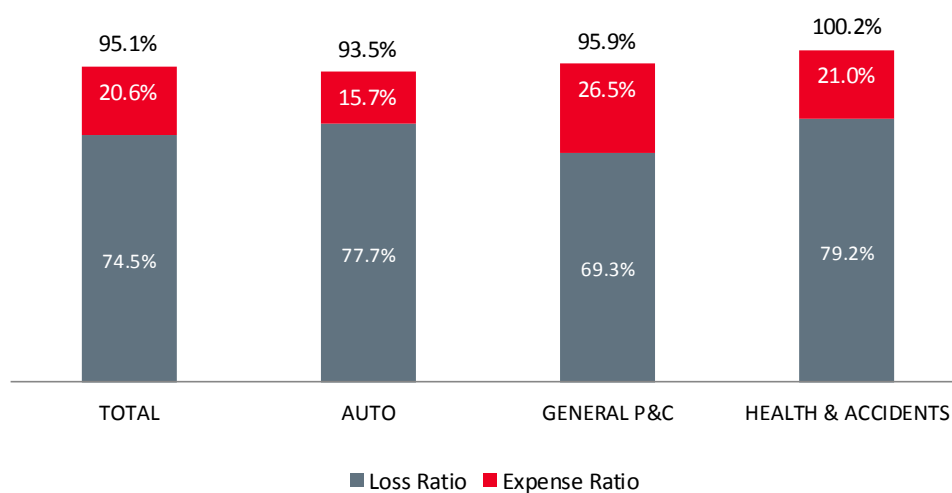
Result

Attributable result of key lines



Figures in millions of euros

Combined ratio of key lines



IBERIA's attributable result reached 261 million euros with growth of 16.5 percent compared to the previous period.

The technical result of Non-Life business worsened as a result of an increase in the loss ratio in General P&C, which reflects the impact of weather events in Galicia and the south of Spain, which primarily affected the Homeowners, Condominiums, and Commercial lines. The expense ratio improved thanks to the rigorous cost-containment policy in place in recent years.

The Life result shows an important improvement both in its technical-insurer result and from the previously mentioned cancellation of a reserve for contingent payments in the bancassurance channel totaling 29 million euros before taxes (27.2 million euros after taxes).

In the first half of 2017, 33 million euros in capital gains on financial investments, net of taxes, were recorded (64.8 million to June 2016), mainly in equity.

Finally, in the first half of the year, real estate located on Calle Luchana in Madrid was sold, generating net earnings of 36 million euros in MAPFRE ESPAÑA.

MAPFRE ESPAÑA – Key figures

ITEM	JUNE 2016	JUNE 2017	Δ %
Gross written and accepted premiums	2,666.8	2,741.1	2.8%
Net premiums earned	1,993.4	2,044.1	2.5%
Gross result	211.4	207.6	-1.8%
Tax on profits	(51.9)	(51.7)	-0.5%
Non-controlling interests	(0.4)	(0.6)	63.7%
Attributable net result	159.1	155.3	-2.4%
Combined ratio	94.4%	95.9%	1.5 p.p.
Expense ratio	21.1%	20.5%	-0.6 p.p.
Loss ratio	73.3%	75.4%	2.1 p.p.
Investments, real estate and cash	6,105.9	6,428.5	5.3%
Technical provisions	5,212.8	5,508.1	5.7%
Shareholders' equity	2,316.1	2,334.2	0.8%
ROE	12.8%	15.7%	2.9 p.p.

Figures in millions of euros

MAPFRE ESPAÑA – Automobiles

ITEM	JUNE 2016	JUNE 2017	Δ %
Gross written and accepted premiums	1,072.4	1,097.3	2.3%
Result before tax	106.3	131.8	23.9%
Non-Life Loss Ratio	78.5%	77.7%	-0.7 p.p.
Non-Life Expense Ratio	16.8%	15.7%	-1.1 p.p.
Non-Life Combined Ratio	95.3%	93.5%	-1.8 p.p.
Number of vehicles insured (units)	5,541,542	5,549,843	0.1%

Figures in millions of euros

Auto premiums (including Verti and Seguros Gerais Portugal) grew by 2.3 percent. The positive evolution of personal Auto premiums in Spain in June is noteworthy, with growth in the month of 7.4 percent, bringing accumulated annual growth of the personal Auto line to 3.3 percent.

The average Auto premium in the first half of 2017 in MAPFRE ESPAÑA increased 0.8 percent with respect to the previous year, versus the 0.6 percent increase in the insurance sector. To June 30, 2017, the number of vehicles insured rose to 5,549,843 vehicles, 8,301 more than to June of the previous year.

The combined ratio stands at 93.5 percent, a 1.8 percentage point improvement compared to the same period of the previous year. The loss ratio improved thanks to the effect of the cancellation of unprofitable policies, mainly fleets, as well as the favorable development of the VERTI business. Further, the cost-containment efforts show an exceptionally low expense ratio, which improved 1.1 percentage points compared to the same period in the previous year.

MAPFRE ESPAÑA – General P&C

ITEM	JUNE 2016	JUNE 2017	Δ %
Gross written and accepted premiums	947.2	964.6	1.8%
Result before tax	113.9	73.3	-35.7%
Non-Life Loss Ratio	63.4%	69.3%	5.9 p.p.
Non-Life Expense Ratio	26.4%	26.5%	0.1 p.p.
Non-Life Combined Ratio	89.8%	95.9%	6.0 p.p.

Figures in millions of euros

General P&C business volume reflects the solid performance of the Third Party Liability business and of the majority of personal and commercial Non-Life lines, tempered by lower issuing in Combined Agricultural Insurance (SAC). The higher loss ratio is due to adverse weather conditions in Spain in January and February, which primarily affected the Homeowners, Condominiums, and Commercial lines.

It is important to point out a large claim in June in the P&C line (a fire in an industrial bakery), with a cost of 7 million euros net of reinsurance.

MAPFRE ESPAÑA – Health & Accidents

ITEM	JUNE 2016	JUNE 2017	Δ %
Gross written and accepted premiums	509.0	532.7	4.7%
Result before tax	2.0	(4.7)	--
Non-Life Loss Ratio	85.7%	86.5%	0.8 p.p.
Non-Life Expense Ratio	17.6%	17.9%	0.3 p.p.
Non-Life Combined Ratio	103.3%	104.4%	1.1 p.p.

Figures in millions of euros

Health premiums maintained their strong rate of growth, reaching 4.7 percent over the same period in the previous year. The loss ratio grew mainly due to certain group policies and the increase in claims-related expenses.

MAPFRE VIDA – Key figures

ITEM	JUNE 2016	JUNE 2017	Δ %
Gross written and accepted premiums	1,113.6	1,206.1	8.3%
Gross result	131.2	183.1	39.6%
Tax on profits	(31.8)	(38.5)	21.1%
Non-controlling interests	(33.1)	(41.3)	24.7%
Attributable net result	66.3	103.3	55.9%
Investments, real estate and cash	25,104.7	24,003.1	-4.4%
Shareholders' equity	1,771.3	1,773.4	0.1%
ROE	16.0%	11.7%	-4.3 p.p.
Technical financial Margin	0.9%	1.3%	0.4 p.p.

Figures in millions of euros

MAPFRE VIDA – Premium breakdown

ITEM	JUNE 2016	JUNE 2017	Δ %
- Agent channel	836.2	767.8	-8.2%
- Bank channel	277.4	438.3	58.0%
BANKIA	115.4	184.7	60.1%
BANKINTER SEGUROS DE VIDA	72.7	178.7	145.9%
CAJA CASTILLA LA MANCHA	46.4	38.7	-16.6%
DUERO SEGUROS DE VIDA	42.9	36.2	-15.6%
TOTAL PREMIUMS	1,113.6	1,206.1	8.3%
- Life-Savings	836.2	915.5	9.5%
- Life-Protection	231.1	246.6	6.7%
- Accidents	46.3	44.1	-4.6%

Figures in millions of euros

MAPFRE VIDA Life premiums picked up 8.3 percent, thanks to the launch of products and sales campaigns to capture personal Savings. These initiatives were carried out in the agent network, and in BANKIA MAPFRE VIDA. Additionally, the premiums from the BANKINTER agency in Portugal have been incorporated.

MAPFRE VIDA – Managed savings

ITEM	JUNE 2016	JUNE 2017	Δ %
Technical provisions	22,661.4	21,658.7	-4.4%
MAPFRE VIDA	13,083.9	12,710.2	-2.9%
BANKIA	7,810.9	7,108.6	-9.0%
BANKINTER SEGUROS DE VIDA	751.3	928.8	23.6%
CAJA CASTILLA LA MANCHA	1,015.3	911.0	-10.3%
Mutual funds and other	2,954.1	3,622.8	22.6%
Pension funds	4,407.2	4,875.0	10.6%
MAPFRE AM	2,009.2	2,212.4	10.1%
OTHER	2,398.0	2,662.6	11.0%
TOTAL MANAGED SAVINGS	30,022.7	30,156.5	0.4%

Figures in millions of euros

In the information regarding managed savings in 2016 and 2017, UNIÓN DUERO VIDA and DUERO PENSIONES are not included, as at that time they were already classified as assets-held-for-sale.

7.1.2. LATAM

This territorial area comprises the regional areas of BRAZIL, LATAM North, and LATAM South.

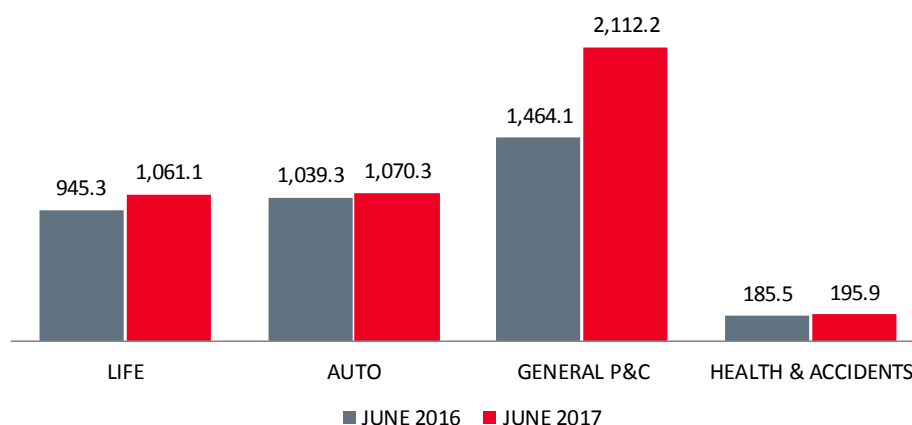
Information by region

ITEM	Premiums			Attributable result			Combined ratio	
	JUNE 2016	JUNE 2017	Δ %	JUNE 2016	JUNE 2017	Δ %	JUNE 2016	JUNE 2017
BRAZIL	2,091.3	2,382.8	13.9%	67.2	63.0	-6.4%	96.3%	95.4%
LATAM NORTH	689.1	1,195.2	73.4%	23.3	17.2	-26.4%	100.8%	96.5%
LATAM SOUTH	873.6	894.7	2.4%	20.3	34.7	71.1%	98.7%	99.8%

Figures in millions of euros

Premiums and Result

Written premiums in key lines



Figures in millions of euros

Premium growth reflects the favorable development in Brazil, Mexico, in the countries in Central America and in Panama. Additionally, premium volume in Brazil was favored by the appreciation of the Brazilian real against the euro by 16.1 percent.

The attributable result in the LATAM Territorial Area went up in the first half of 2017, as a result of the positive performance of BRAZIL, despite the unfavorable economic situation, and of the growth in profits from LATAM SOUTH. There was a negative evolution of LATAM NORTH which is a consequence of the impact in Mexico of a higher loss ratio in Automobiles and losses from foreign exchange differences.

BRAZIL

This regional area encompasses the insurance activity in Brazil.

Key figures

ITEM	JUNE 2016	JUNE 2017	Δ %
Gross written and accepted premiums	2,091.3	2,382.8	13.9%
- Non-Life	1,411.9	1,641.9	16.3%
- Life	679.3	740.9	9.1%
Net premiums earned	1,828.8	1,961.2	7.2%
Gross result	397.4	372.0	-6.4%
Tax on profits	(165.2)	(136.7)	-17.3%
Non-controlling interests	(164.9)	(172.3)	4.5%
Attributable net result	67.2	63.0	-6.4%
Combined ratio	96.3%	95.4%	-0.9 p.p.
Expense ratio	32.0%	33.5%	1.5 p.p.
Loss ratio	64.3%	61.9%	-2.4 p.p.
Investments, real estate and cash	4,376.4	4,188.8	-4.3%
Technical provisions	5,551.8	5,147.9	-7.3%
Shareholders' equity	1,156.9	1,204.8	4.1%
ROE	13.2%	11.6%	-1.6 p.p.

Figures in millions of euros

Breakdown by line

ITEM	Premiums			Attributable result			Combined ratio	
	JUNE 2016	JUNE 2017	Δ %	JUNE 2016	JUNE 2017	Δ %	JUNE 2016	JUNE 2017
LIFE	679.3	740.9	9.1%	33.7	32.4	-3.8%		
AUTO	627.8	671.4	6.9%	9.0	(1.7)	-119.1%	103.2%	106.9%
GENERAL P&C	782.4	967.2	23.6%	24.1	27.7	15.1%	84.9%	80.1%

Figures in millions of euros

Premiums

Premium growth in euros shows the effect of the appreciation of the Brazilian real (16.1 percent). In reals, total premium issuing dropped 1 percent in Brazil, as the recent improvements in the country's economic scenario have not yet reached the insurance business.

On a positive note, it is important to point out that the General P&C line business grew 8 percent in reals, and specifically the Agricultural Insurance line issuing reflects positive development and growth of 18 percent in reals to June 2017.

On the other hand, the credit restrictions for personal clients and a highly competitive environment have led to a 7 percent contraction in Auto issuing in local currency.

The Life business fell 5 percent in reals, affected by the drop in issuing for Life-Protection insurance linked to personal loans from the Banco de Brasil.

Result

The improved combined ratio was mainly due to the lower loss ratio in Agricultural Insurance, due to favorable weather conditions in the first quarter of 2017. This improvement compensated for the higher loss ratio in Autos. This line was affected by an increase of frequency associated with the economic environment (mainly theft coverage and how old vehicles in circulation are), and by the rate reductions introduced by the SUSEP in compulsory Third Party Liability Auto insurance.

There were several severe claims in the Industrial Risks business, and in June, General P&C was affected by unfavorable weather conditions in the south of the country, atypical for this time of year.

The result from the first half of 2017 was affected by the drop in financial income, due to the lower returns on floating rate investments as a result of successive interest rate reductions applied by the Central Bank of Brazil throughout 2017.

LATAM NORTH

This regional area includes the business activity in Mexico, Panama, the Dominican Republic, Honduras, Guatemala, Costa Rica, El Salvador and Nicaragua.

Key figures

ITEM	JUNE 2016	JUNE 2017	Δ %
Gross written and accepted premiums	689.1	1,195.2	73.4%
- Non-Life	532.7	1,010.4	89.7%
- Life	156.4	184.8	18.1%
Net premiums earned	424.1	419.3	-1.1%
Gross result	37.1	28.6	-23.1%
Tax on profits	(8.8)	(7.0)	-20.5%
Non-controlling interests	(5.0)	(4.4)	-12.5%
Attributable net result	23.3	17.2	-26.4%
Combined ratio	100.8%	96.5%	-4.3 p.p.
Expense ratio	33.5%	30.1%	-3.4 p.p.
Loss ratio	67.3%	66.4%	-0.9 p.p.
Investments, real estate and cash	1,472.4	1,386.1	-5.9%
Technical provisions	1,370.8	1,872.1	36.6%
Shareholders' equity	760.0	785.5	3.3%
ROE	3.2%	3.6%	0.4 p.p.

Figures in millions of euros

Breakdown of key countries

ITEM	Premiums			Attributable result		
	JUNE 2016	JUNE 2017	Δ %	JUNE 2016	JUNE 2017	Δ %
MEXICO	417.1	879.7	110.9%	9.4	2.3	-75.3%
PANAMA	99.5	115.8	16.4%	4.7	5.1	7.9%
DOMINICAN REP.	59.2	66.2	11.9%	4.8	4.2	-11.6%
HONDURAS	38.9	43.7	12.4%	2.8	3.7	31.9%

Figures in millions of euros

Premiums

Mexico presents growth of 111 percent due to the issuing in June of the PEMEX P&C policy (with a 2-year duration) for 499 million euros (546 million USD). General P&C, therefore, has very positive issuing behavior, as does Life. However, there was a 38 percent fall in premiums in the Auto line in Mexican pesos, from the application of stricter underwriting policies, rate adjustments, and non-renewal of loss-making contracts. The Health line also experienced an 11 percent fall in premiums in Mexican pesos, due to the non-renewal of loss-making contracts.

Premium growth shows the favorable development in the Dominican Republic and Central American countries, especially Panama and Honduras.

Result

It is worth highlighting, on a positive note, the improved combined ratio in General P&C and Health in Mexico in the first half of the year. This improvement is highly conditioned by the country's lower results due to the higher loss ratio in the Automobile business (multi-year group policies) and losses from foreign exchange differences from the appreciation of the Mexican peso against the dollar in the first half of the year, as the entity has a significant investment portfolio in dollars.

The evolution of the result in the Dominican Republic and Central American countries is very positive.

LATAM SOUTH

This regional area encompasses the business activities in Peru, Colombia, Argentina, Chile, Uruguay, Paraguay and Ecuador.

Key figures

ITEM	JUNE 2016	JUNE 2017	Δ %
Gross written and accepted premiums	873.6	894.7	2.4%
- Non-Life	764.0	759.3	-0.6%
- Life	109.6	135.4	23.6%
Net premiums earned	478.6	527.3	10.2%
Gross result	37.0	52.8	42.8%
Tax on profits	(13.9)	(11.3)	-18.1%
Non-controlling interests	(2.9)	(6.8)	137.1%
Attributable net result	20.3	34.7	71.1%
Combined ratio	98.7%	99.8%	1.0 p.p.
Expense ratio	38.1%	38.0%	-0.1 p.p.
Loss ratio	60.6%	61.8%	1.2 p.p.
Investments, real estate and cash	1,929.0	1,885.7	-2.2%
Technical provisions	2,381.8	2,522.1	5.9%
Shareholders' equity	518.8	514.0	-0.9%
ROE	5.0%	6.0%	1.0 p.p.

Figures in millions of euros

Breakdown of key countries

ITEM	Premiums			Attributable result		
	JUNE 2016	JUNE 2017	Δ %	JUNE 2016	JUNE 2017	Δ %
COLOMBIA	199.4	209.0	4.8%	(8.1)	10.4	--
PERU	239.5	249.4	4.1%	13.1	17.7	34.9%
ARGENTINA	141.7	169.7	19.8%	7.8	4.3	-45.4%
CHILE	193.3	144.5	-25.3%	4.8	(2.9)	-160.4%

Figures in millions of euros

Premiums

The increase in premiums reached 2.4 percent, driven by Life business growth in the region, mainly in Colombia and Peru. In general, issuing grew in all countries in the region with the exception of Chile, where premiums fell 25 percent due to lower Auto and General P&C issuing from the non-renewal of some fronting businesses as well as a restructuring of Fire Insurance portfolios

Result

The improved result in the first half was determined by Colombia and Peru. In Colombia, results show both an improvement in operations as well as the absence of adjustments, carried out last year, in discontinued loss-making Life portfolios (provisional insurance). However, this improvement was negatively affected by losses in Chile from the higher loss ratio resulting from rains and floods, wildfires and a negative evolution of the Auto business.

The combined ratio in the region went up due to an increase in the General P&C line as a result of the rains and floods from the “Coastal El Niño” phenomenon in Peru and Chile.

The result for the first half of the year includes gains from the sale of the annuity portfolio in Peru, which contributed net gains of 4 million euros to MAPFRE Group.

7.1.3. INTERNATIONAL

This territorial area comprises NORTH AMERICA, EMEA and APAC.

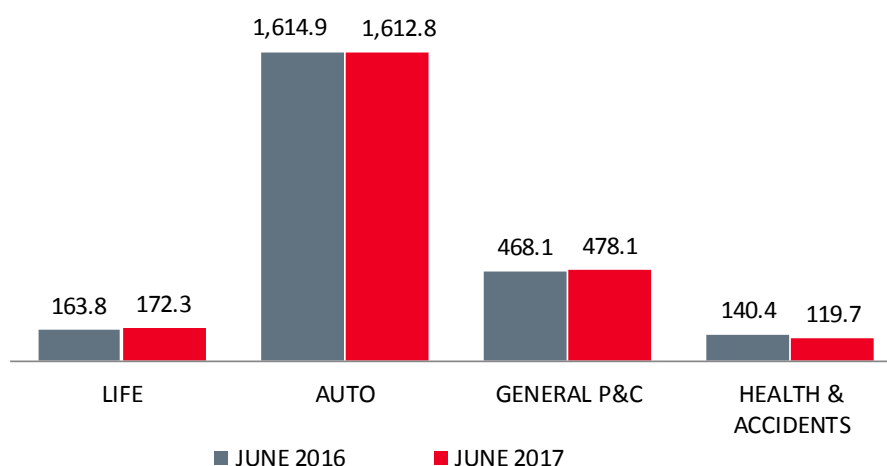
Information by Area

ITEM	Premiums			Attributable result			Combined ratio	
	JUNE 2016	JUNE 2017	Δ %	JUNE 2016	JUNE 2017	Δ %	JUNE 2016	JUNE 2017
NORTH AMERICA	1,317.3	1,347.2	2.3%	39.6	32.3	-18.4%	101.1%	101.6%
EMEA	1,064.6	1,008.4	-5.3%	(6.1)	22.3	--	104.1%	99.5%
APAC	25.2	32.6	29.3%	(1.8)	(0.8)	57.8%	121.9%	100.0%

Figures in millions of euros

Premiums and Result

Written premiums in key lines



Figures in millions of euros

Premiums from the INTERNATIONAL Territorial Area increased 2.3 percent in NORTH AMERICA, in large part thanks to growth in Auto insurance business in Massachusetts, U.S.A. On the other hand, premiums in EMEA went down 5.3 percent due to lower issuing in Turkey.

The positive development of the attributable result came from the significant increase in the result in Turkey thanks to rate updates and to the lower loss ratio in Auto, as well as lower losses from the business in Italy.

NORTH AMERICA

This regional area has its headquarters in Webster, MA (U.S.A.) and encompasses the business activity in NORTH AMERICA (United States and Puerto Rico).

Key figures

ITEM	JUNE 2016	JUNE 2017	Δ %
Gross written and accepted premiums	1,317.3	1,347.2	2.3%
Net premiums earned	988.9	1,035.9	4.8%
Gross result	56.8	49.8	-12.3%
Tax on profits	(17.0)	(17.3)	2.1%
Non-controlling interests	(0.2)	(0.2)	-27.9%
Attributable net result	39.6	32.3	-18.4%
Combined ratio	101.1%	101.6%	0.5 p.p.
Expense ratio	25.6%	25.5%	-0.2 p.p.
Loss ratio	75.4%	76.2%	0.7 p.p.
Investments, real estate and cash	2,512.9	2,398.2	-4.6%
Technical provisions	2,408.0	2,414.9	0.3%
Shareholders' equity	1,407.0	1,344.4	-4.5%
ROE	4.9%	5.1%	0.2 p.p.

Figures in millions of euros

Breakdown by country

ITEM	Premiums			Attributable result		
	JUNE 2016	JUNE 2017	Δ %	JUNE 2016	JUNE 2017	Δ %
UNITED STATES	1,127.4	1,161.1	3.0%	34.3	22.5	-34.3%
PUERTO RICO	189.9	186.2	-1.9%	5.3	9.7	84.8%

Figures in millions of euros

Combined ratio

	JUNE 2016	JUNE 2017
UNITED STATES	101.4%	102.1%
Massachusetts	95.5%	97.3%
Other states	120.0%	118.6%
PUERTO RICO	99.0%	98.4%

MAPFRE USA – Key figures

ITEM	JUNE 2016	JUNE 2017	Δ %
Gross written and accepted premiums	1,127.4	1,161.1	3.0%
Net premiums earned	848.8	899.7	6.0%
Gross result	46.4	29.8	-35.8%
Tax on profits	(15.1)	(9.5)	-37.4%
Non-controlling interests	(0.2)	(0.2)	-27.9%
Attributable net result	31.0	20.2	-35.1%
Combined ratio	101.4%	102.1%	0.7 p.p.
Expense ratio	24.2%	23.9%	-0.4 p.p.
Loss ratio	77.2%	78.2%	1.0 p.p.
Investments, real estate and cash	2,087.9	1,989.4	-4.7%
Technical provisions	2,141.8	2,162.5	1.0%
Shareholders' equity	1,162.6	1,109.7	-4.5%
ROE	4.7%	4.4%	-0.3 p.p.

Figures in millions of euros

Premiums

At the close of June, premiums in NORTH AMERICA registered growth of 2.3 percent as a result of positive business development in the United States, mainly in Massachusetts. Growth was concentrated in the Auto line, both in personal and commercial lines of business, which is a result of the higher rates.

The business volume outside of Massachusetts maintained its downward trend due to the cancellation of unprofitable business, with the aim of improving profitability in these states. At the close of June, premiums from business outside Massachusetts had fallen 7.3 percent in USD compared to the first half of the previous year.

In Puerto Rico, premiums fell 1.9 percent with respect to the previous period. There was significant growth in Autos Insurance and General P&C, which however was offset by significantly lower issuing in Health, due to the underwriting measures adopted in this line from the cancellation or non-renewal of unprofitable business.

Result

The combined ratio in NORTH AMERICA reached 101.6 percent, with growth of 0.5 percentage points, as a result of the higher loss ratio, which was partially compensated for by lower expenses.

The Homeowners combined ratio in the United States was excellent, at 71.5 percent, as a result of the rate adjustments carried out in 2015 and 2016, along with the absence of adverse weather phenomenon.

The combined ratio in the Automobile line in the United States, however, was 104.8 percent, slightly below the previous period. The Auto line in the United States continued to have difficulties, due to the general market situation, with an increase in frequency as a result of a greater use of cars and driver distractions from the rise in use of electronic devices. The cost of vehicle repairs has gone up, as they become more and more sophisticated.

June was a particularly adverse month in Massachusetts, because of an increased claims frequency coinciding with an increase in rainfall in said state.

In Puerto Rico, the combined ratio stood at 98.4 percent and improved 0.6 percentage points, thanks to improvements in the Health line and the solid performance in the General P&C line.

The net result in NORTH AMERICA reached 32.3 million euros, with a reduction of 18.4 percent, due to the United States' lower contribution to the result; to June, the U.S. presented an attributable result of 22.5 million euros. The strong growth in Puerto Rico's result must be highlighted, reaching 9.7 million dollars at the close of June, as a result of registering an extraordinary dividend from the JUA (Joint Underwriting Association) for the amount of 5 million USD.

The financial result to June 2017 includes the sale of real estate in Florida, with gains of 3 million euros.

The government in Puerto Rico, after the May 1 deadline for reaching an agreement regarding debt restructuring passed, filed for Title III bankruptcy under the Promesa law, which opens a long legal process between Puerto Rico and its creditors. As a result, MAPFRE USA registered losses from the ownership of Puerto Rican bonds of approximately 6 million euros, derived from the market value of these investments at the close of June 2017 in MAPFRE USA.

EMEA

This regional area encompasses the business activities in Italy, Turkey, Malta, and Germany.

Key figures

ITEM	JUNE 2016	JUNE 2017	Δ %
Gross written and accepted premiums	1,064.6	1,008.4	-5.3%
- Non-Life	910.2	841.0	-7.6%
- Life	154.4	167.4	8.4%
Net premiums earned	674.3	652.8	-3.2%
Gross result	(5.5)	31.3	--
Tax on profits	2.4	(5.2)	--
Non-controlling interests	(3.0)	(3.9)	29.0%
Attributable net result	(6.1)	22.3	--
Combined ratio	104.1%	99.5%	-4.6 p.p.
Expense ratio	27.0%	20.7%	-6.3 p.p.
Loss ratio	77.1%	78.8%	1.7 p.p.
Investments, real estate and cash	3,403.7	3,711.5	9.0%
Technical provisions	3,643.0	3,909.7	7.3%
Shareholders' equity	580.4	633.0	9.1%
ROE	-0.2%	-5.2%	-5.0 p.p.

Figures in millions of euros

Breakdown by country

ITEM	Premiums			Attributable result		
	JUNE 2016	JUNE 2017	Δ %	JUNE 2016	JUNE 2017	Δ %
TURKEY	445.8	358.6	-19.6%	11.6	27.3	135.9%
ITALY	249.6	252.0	1.0%	(19.1)	(7.0)	63.5%
GERMANY	186.6	200.6	7.5%	1.6	1.3	-17.9%
MALTA	182.7	197.3	8.0%	1.2	1.7	50.4%

Figures in millions of euros

Premiums

Premium development reflects the 19.6 percent contraction in Turkey, from the depreciation of the Turkish lira (in local currency the reduction is only 1 percent) and stricter underwriting policy, in line with the strategy focused on profitable growth. The number of vehicles insured in Turkey to June 2017 rose to 2,162,859, with a reduction of 88,629 and 343,304 vehicles compared to December 2016 and June 2016, respectively.

In the second quarter of 2017, the average premium showed a reduction of 18 percent with respect to the same period the previous year.

Germany showed favorable growth of 7.5 percent in issuing. Issuing in Italy held steady, as a result of the portfolio restructuring and a pricing policy aligned with criteria for better profitability. In Germany, on June 14, MAPFRE launched the new VERTI brand operations in the market.

Life premiums grew by 8.4 percent, thanks to the excellent performance in Life-Savings products in the bancassurance channel in Malta.

Result

The positive development of the combined ratio, which went down to 99.5 percent and which is 4.6 percentage points lower than the previous period, reflects the improved loss ratio in the Auto business in Turkey, thanks to the improved underwriting and pricing measures adopted in 2016. This trend is partially reduced by an increase in the loss ratio in Italy, as a result of a lower average premium due to the difficult market conditions.

The improved financial result in Turkey, thanks to the favorable circumstances of the interest rates, is noteworthy.

The expense ratio fell thanks to the measures taken in the region to adapt the cost structure to the business volume. In Italy, a series of measures to improve profitability in 2017 continued to be implemented in the first half of the year, along with a new plan for lowering operating expenses.

APAC

This regional area has its headquarters in Shanghai (China) and encompasses the insurance activity in the Asia-Pacific region (primarily Indonesia and the Philippines).

Key figures

ITEM	JUNE 2016	JUNE 2017	Δ %
Gross written and accepted premiums	25.2	32.6	29.3%
- Non-Life	25.2	32.6	29.3%
- Life	0.0	0.0	--
Net premiums earned	14.4	20.0	39.3%
Gross result	(1.6)	0.3	118.5%
Tax on profits	(0.1)	(0.6)	--
Non-controlling interests	(0.1)	(0.4)	--
Attributable net result	(1.8)	(0.8)	57.8%
Combined ratio	121.9%	100.0%	-21.9 p.p.
Expense ratio	71.8%	54.8%	-17.0 p.p.
Loss ratio	50.1%	45.3%	-4.9 p.p.
Investments, real estate and cash	40.0	199.7	--
Technical provisions	89.8	145.4	61.9%
Shareholders' equity	25.4	90.7	--
ROE	-19.1%	-13.5%	5.6 p.p.

Figures in millions of euros

Premiums

Premium volume grew by 29.3 percent thanks to the renewal of an industrial policy in the Philippines, which compensated for the fall in premiums from the cancellation of loss-making policies, and thanks to ABDA's monthly premiums being included for the first time in June.

Result

The improved combined ratio is derived from greater reinsurance recoverables and the lower loss frequency in the Auto line.

The net result improved compared to the previous year, thanks to the improved loss ratio. Business from the Indonesian company ABDA, is also positively contributing to the result. In June, MAPFRE made its takeover of the Indonesian insurer ABDA effective, after obtaining authorization from the regulatory authorities for the purchase of an additional 31 percent of the company's share capital, with which MAPFRE controls 51 percent. The purchase of the additional 31 percent of the share

capital closed at a price of 90.3 million euros. In accordance with Indonesian regulations, MAPFRE will launch a public offer for the acquisition of the shares.

With this acquisition, MAPFRE reached a majority shareholding position in the company and control of management, therefore consolidating the global integration of the company as of June 2017. At the date of acquisition, ABDA had assets amounting to 191.3 million euros and accumulated premiums for the first half of the year reached 39.8 million euros.

7.2. MAPFRE RE

MAPFRE RE is a global reinsurer and is the professional reinsurer of MAPFRE Group.

MAPFRE RE offers reinsurance services and capacities, providing all kinds of solutions for reinsurance treaties and facultative reinsurance, in all Life and Non-Life lines.

Key figures

ITEM	JUNE 2016	JUNE 2017	Δ %
Gross written and accepted premiums	2,273.9	2,325.8	2.3%
- Non-Life	1,901.5	1,928.1	1.4%
- Life	372.4	397.6	6.8%
Net premiums earned	1,423.3	1,493.2	4.9%
Gross result	118.9	139.7	17.4%
Tax on profits	(28.6)	(38.0)	32.8%
Non-controlling interests	0.0	(0.0)	194.0%
Attributable net result	90.4	101.7	12.5%
Combined ratio	96.8%	92.3%	-4.5 p.p.
Expense ratio	29.7%	30.2%	0.5 p.p.
Loss ratio	67.1%	62.1%	-5.0 p.p.
Investments, real estate and cash	4,385.7	4,584.5	4.5%
Technical provisions	4,024.7	4,087.9	1.6%
Shareholders' equity	1,246.1	1,321.7	6.1%
ROE	14.0%	15.4%	1.4 p.p.

Figures in millions of euros

Premiums

At the close of June, premiums showed an increase of 2.3 percent both as a result of the positive Non-Group development, as well as the incorporation of the reinsurance program from MAPFRE's direct business in Italy. Life business grew by 6.8 percent.

Breakdown of premium distribution to June 2017 is as follows:

ITEM	%
By Type of business:	
Proportional	81.8%
Non-proportional	12.8%
Facultative	5.3%
By Region:	
IBERIA	21.5%
EMEA	41.6%
LATAM	17.1%
NORTH AMERICA	13.7%
APAC	6.1%

ITEM	%
By Ceding company:	
MAPFRE	45.4%
Others	54.6%
By Insurance Lines:	
Property	46.6%
Life & Accident	20.5%
Motor	23.9%
Transport	3.4%
Others Insurance Lines	5.5%

Result

The net result reached 101.7 million euros, with an increase of 12.5 percent, supported by the improved technical ratios, and 4.9 percent growth in net premiums earned.

The combined ratio decreased by 4.5 percentage points to 92.3 percent, due to the excellent behavior of the loss ratio. The loss ratio improved 5.0 percentage points to 62.1 percent, despite the various catastrophic events in the first half, including the wildfires in Chile, the floods in Peru, and Cyclone Debbie in Australia, and in the second quarter of the year the freezing and hail storms in Europe. The expense ratio went up by 0.5 percentage points, and stood at 30.2 percent at the close of the first half.

The financial result stayed below that of the previous year, from lower realized financial gains. Net financial gains in the first half reached 16.5 million euros, compared to 30.3 million euros the previous year, mainly in equity.

7.3. MAPFRE GLOBAL RISKS

This business unit specializes in global insurance programs for large multinational companies (e.g. aviation insurance policies, nuclear risks and energy insurance policies, third party liability insurance policies, fire insurance policies, engineering insurance policies, transport insurance policies and credit and suretyship).

Key figures

ITEM	JUNE 2016	JUNE 2017	Δ %
Gross written and accepted premiums	635.8	725.0	14.0%
Net premiums earned	165.8	170.0	2.5%
Gross result	31.6	(17.2)	-154.6%
Tax on profits	(6.1)	4.3	-169.3%
Non-controlling interests	0.0	0.0	--
Attributable net result	25.4	(13.0)	-151.0%
Combined ratio	91.7%	119.3%	27.6 p.p.
Expense ratio	28.8%	32.6%	3.8 p.p.
Loss ratio	62.9%	86.7%	23.8 p.p.
Investments, real estate and cash	997.6	992.5	-0.5%
Technical provisions	1,867.0	2,095.3	12.2%
Shareholders' equity	400.1	370.0	-7.5%
ROE	13.7%	2.3%	-11.4 p.p.

Figures in millions of euros

Breakdown by regional area

ITEM	Premiums			Attributable result			Combined ratio	
	JUNE 2016	JUNE 2017	Δ %	JUNE 2016	JUNE 2017	Δ %	JUNE 2016	JUNE 2017
IBERIA	233.8	281.2	20.3%	18.1	3.5	-80.8%	82.7%	102.0%
BRAZIL	90.8	79.0	-13.0%	0.4	2.1	--	102.3%	93.7%
LATAM NORTH	94.0	119.4	27.0%	7.9	-0.3	-103.3%	59.3%	110.8%
LATAM SOUTH	110.9	124.7	12.5%	-2.4	-7.1	--	114.7%	148.6%
NORTH AMERICA	36.5	38.6	5.9%	3.9	3.4	-13.4%	38.2%	43.1%
EMEA	61.5	68.6	11.6%	-0.7	-11.9	--	112.8%	153.6%
APAC	5.0	10.2	104.2%	-2.4	-2.1	11.2%	272.5%	191.0%

Figures in millions of euros

Premiums

MAPFRE GLOBAL RISKS premiums reached 725 million euros, an increase of 14 percent compared to the same period of the previous year. The breakdown by regional area shows growth for the business underwritten in IBERIA, LATAM and EMEA, where double-digit premium growth was registered.

Result

MAPFRE GLOBAL RISKS closed the first half of 2017 with losses. The deterioration of the combined ratio, which stood at 119.3 percent, reflects the increase in large claims, with the loss ratio closing the first half at 86.7 percent (23.8 percentage points above the first half of the previous year), primarily due to three large claims that occurred in: EMEA, as a result of a fire in a refinery in Abu Dhabi, in LATAM South, from the impact of the “Coastal El Niño” in Peru, and in LATAM North, from the sinking of a floating power plant in Panama.

There was also a 3.8 percentage point increase in expenses, placing the expense ratio at 32.6 percent at the close of the first half, due to an increase in acquisition expenses, both from market pressure regarding commissions paid to ceding companies as well as from commissions received for retrocession.

The technical result reflects the previously-mentioned increase in large claims, compensated by a financial result with net financial realized gains that reached 6.5 million euros (8.3 million euros in the first half of 2016).

Finally, it is important to point out the positive behavior of SOLUNION, with premium and results growth.

7.4. MAPFRE ASISTENCIA

MAPFRE ASISTENCIA specializes in travel assistance, roadside assistance, and other special risks of the Group.

Key figures

ITEM	JUNE 2016	JUNE 2017	Δ %
Operating revenue	610.1	582.8	-4.5%
- Gross written and accepted premiums	559.8	531.3	-5.1%
- Other revenue	50.2	51.5	2.5%
Net premiums earned	406.2	368.4	-9.3%
Result from other business activities	(15.8)	(8.9)	43.7%
Gross result	(22.7)	(18.6)	18.0%
Tax on profits	1.1	(5.1)	--
Non-controlling interests	(0.4)	(0.8)	121.8%
Attributable net result	(21.9)	(24.5)	-11.9%
Combined ratio	100.7%	101.4%	0.8 p.p.
Expense ratio	29.9%	35.3%	5.4 p.p.
Loss ratio	70.8%	66.1%	-4.7 p.p.
Investments, real estate and cash	152.8	238.7	56.3%
Technical provisions	644.1	662.2	2.8%
Shareholders' equity	223.0	209.0	-6.3%
ROE	-23.9%	-27.3%	-3.4 p.p.

Figures in millions of euros

Premiums

The reduction in revenue and premiums in the ASISTENCIA unit is primarily a consequence of the current business restructuring. Measures like the cancelation of loss-making business, raising prices, or renegotiating economic conditions with some large clients are being adopted in the Assistance and the Travel businesses, and this impacts the evolution of revenue and premium growth.

Result

Losses at the close of the first half of 2017 reached 24.5 million euros. Deterioration of the combined ratio, which stood at 101.4 percent, is fundamentally due to the increase in expenses, both in administration as a result of the drop in business volume, as well as acquisition expenses for higher sales costs coming from the increase in business coming from aggregators.

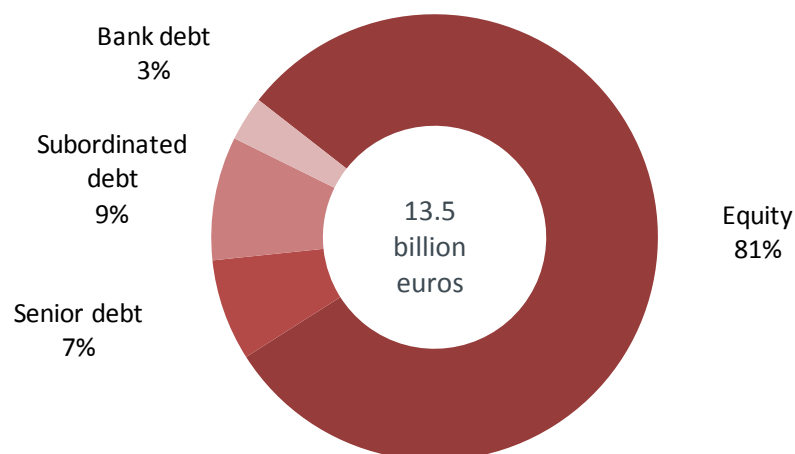
The loss ratio, which stood at 66.1 percent, improved and is 4.7 percentage points below the same period of the previous year, though the ratio is still very high due to the losses coming from the negative run-offs from the Travel and Special Risks businesses in the United Kingdom.

In the first half of the year, costs were provisioned for the closing and liquidation of various MAPFRE ASISTENCIA service companies, as well as for the closing of operations and the exit of MAPFRE ASISTENCIA in Japan, for a total net amount of 7.6 million euros.

8. Capital Management & Debt

The chart below shows the composition of the capital structure at the close of the first half of 2017:

Capital structure



Figures in millions of euros

Capital structure reached 13.5 billion euros, of which 81 percent corresponds to equity.

The Group has a leverage ratio of 19.6 percent, with an increase of 3.5 percentage points as a result of the two debt issuances carried out in 2016 and 2017.

In May, 2016 1 billion euros of senior 10-year bonds were issued, with a fixed interest rate of 1.625 percent.

In March, 2017 MAPFRE successfully placed the notes of a 30-year subordinated bond, with a call option at ten years, for a total of 600 million euros, with a fixed interest rate set at 4.375 percent for the first ten years. The funds coming from this transaction will be used to further strengthen the Group's financial flexibility, in addition to diversifying its sources of financing.

This issuance is considered to be Solvency II compliant Tier 2 capital, thus reinforcing MAPFRE's solvency and financial strength levels. The notes are currently quoted on the AIAF market.

MAPFRE has a 1 billion-euro line of credit available which was approved in December 2014, by a syndicate of 12 banks, which matures in December 2021 and of which 320 million euros was drawn

down at June 30, 2017. Therefore, the Group has an additional 680 million euros of liquidity available.

MAPFRE announced, this past June 29 that, in line with the Securities Note for the issuance of subordinated notes, it is going to redeem in advance the total amount of the “First Issue of Subordinated Notes of MAPFRE S.A.” on July 24, 2017, which is the first call date set out in the Securities Note.

The following chart shows the evolution of the Group’s debt instruments and leverage ratios:

Debt instruments and leverage ratios

ITEM	JUNE 2016	DECEMBER 2016	JUNE 2017
Total Equity	11,179.0	11,443.5	10,863.5
Total debt	2,312.1	2,202.9	2,643.9
- of which: senior debt - 5/2026	994.2	1,002.5	994.7
- of which: subordinated debt - 7/2017	611.4	594.0	607.8
- of which: subordinated debt - 3/2047 (First Call 3/2027)	0.0	0.0	604.0
- of which: syndicated credit facility - 12/2021 (€ 1,000 M)	550.3	480.1	320.1
- of which: bank debt	156.2	126.3	117.4
Earnings before tax	904.7	1,805.2	934.5
Financial expenses	36.1	64.1	46.7
Earnings before tax & financial expenses (EBIT)	940.8	1,869.2	981.3
Leverage	17.1%	16.1%	19.6%
Equity / Debt	4.8	5.2	4.1
EBIT / financial expenses (x)	26.1	29.2	21.0

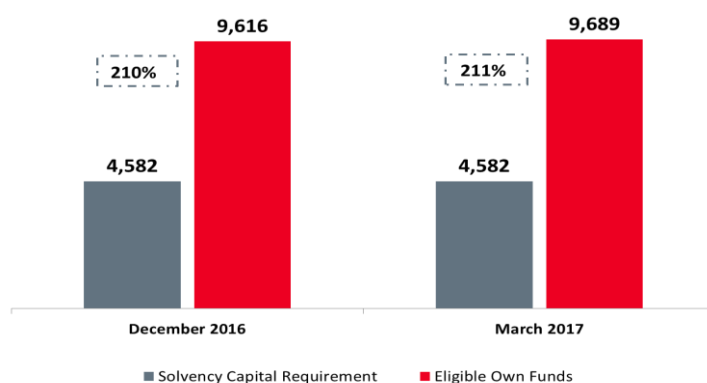
Figures in millions of euros

9. Solvency II

The Solvency II ratio for MAPFRE Group stood at 211 percent at the close of March 2017, compared to 210 percent at the close of December 2016, including transitional measures. This ratio would be 191.9 percent, excluding the effects of said measures. Eligible Own Funds totaled 9.7 billion euros in the same period, of which 87 percent are high quality funds (*Tier 1*).

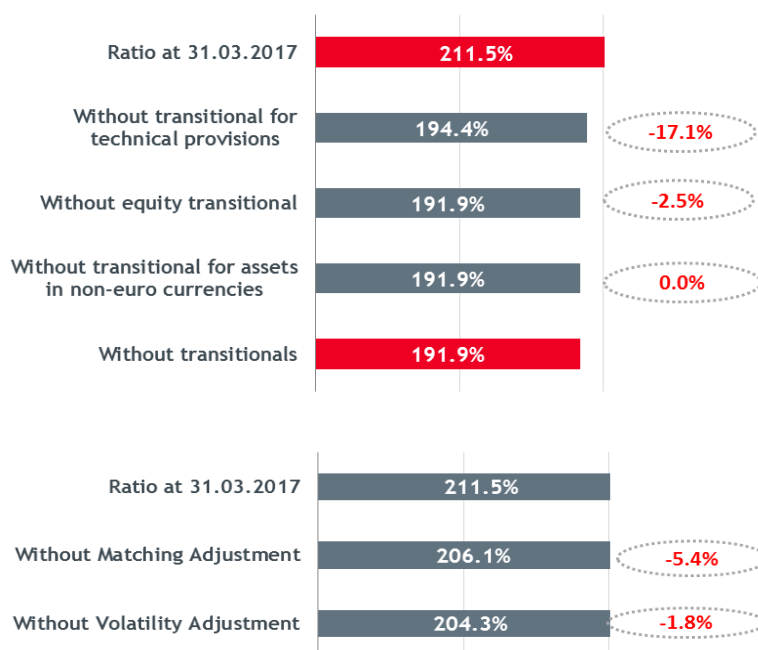
The ratio shows a high level of solidity and stability, backed by high diversification and strict investment and ALM policies, as can be seen in the charts below:

Solvency margin breakdown (Solvency II)

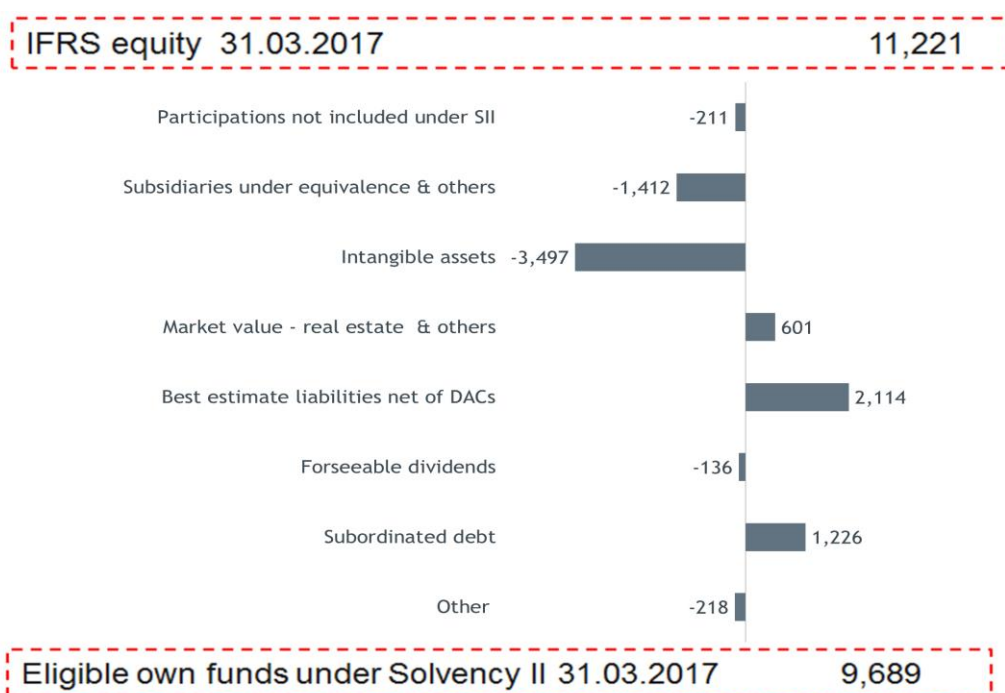


Figures in millions of euros

Impact of transitional measures and matching and volatility adjustments

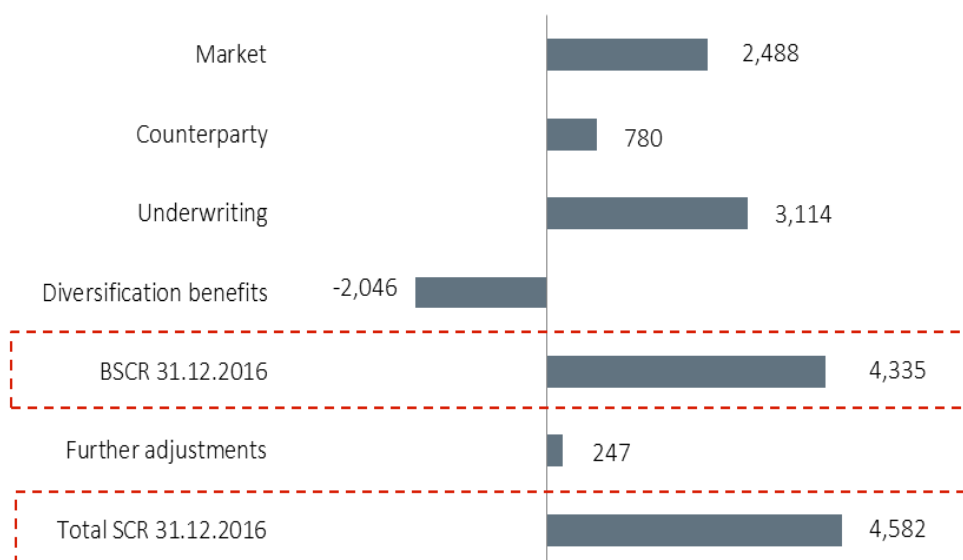


IFRS and Solvency II Capital Reconciliation



Figures in millions of euros

Breakdown of Solvency Capital Requirement (SCR)



Figures in millions of euros

10. Ratings

The credit ratings granted by the main ratings agencies, which have not varied from the previous quarter, are listed below. Additionally, the ratings from FITCH have been included:

Financial strength ratings				
	S&P	FITCH	AM BEST	MOODY'S
MAPFRE RE	A/Stable Outlook	A-/ Stable Outlook	A/ Stable Outlook	-
MAPFRE GLOBAL RISKS	A/Stable Outlook	A-/ Stable Outlook	A/ Stable Outlook	A3/ Stable Outlook
MAPFRE ESPAÑA	-	A-/ Stable Outlook	-	-
MAPFRE VIDA	-	A-/ Stable Outlook	-	-
MAPFRE ASISTENCIA	-	-	-	A3/ Stable Outlook

Issuer/counterparty credit ratings		
	S&P	FITCH
MAPFRE S.A.	BBB+/ Stable Outlook	A-/ Stable Outlook

Issuance credit ratings		
	S&P	FITCH
MAPFRE S.A. senior debt with maturity in 2026	BBB+	BBB+
MAPFRE S.A., subordinated debt with maturity in 2037	BBB-	BBB
MAPFRE S.A. subordinated debt with maturity in 2047	BBB-	BBB-

11. The MAPFRE Share. Dividend Information

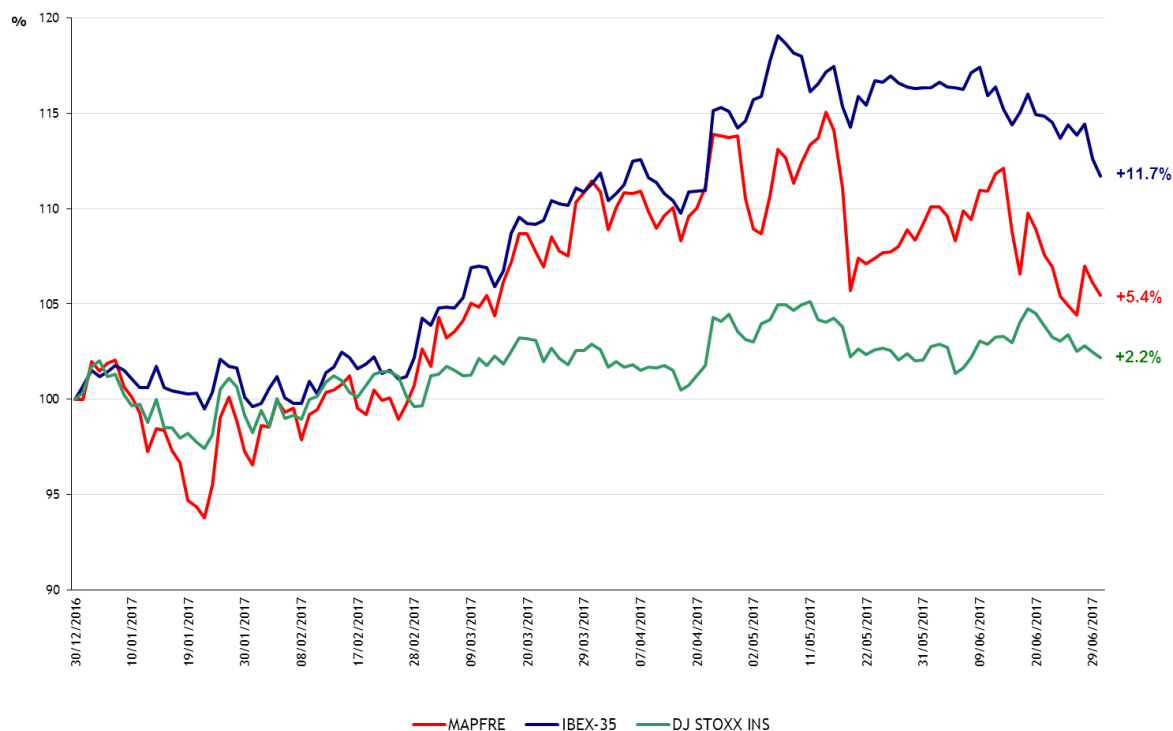
The chart below includes information regarding MAPFRE's shares, which show a very favorable development.

Stock Market Information

	31/12/2014	31/12/2015	31/12/2016	30/06/2017
Total outstanding shares	3,079,553,273	3,079,553,273	3,079,553,273	3,079,553,273
Market cap (million euros)	8,662.8	7,119.9	8,930.7	9,417.3
Share price (euros)	2.813	2.312	2.900	3.058
Changes in value from January 1(%)	-9.6%	-17.8%	25.4%	5.4%
Changes in IBEX 35 from January 1(%)	3.7%	-7.2%	-2.0%	11.7%
Average daily volume	11,711,993	9,937,097	9,032,451	7,562,948
Average daily effective value (million euros)	34.6	28.5	20.4	23.4
Period high	3.463	3.605	3.130	3.336
Period low	2.399	2.281	1.617	2.720
Volume / total stock market (%)	1.0%	0.8%	0.8%	0.8%
Book value per share	2.97	2.78	2.96	2.88
Dividend per share (last 12 months)	0.14	0.14	0.13	0.145

It's worth pointing out market capitalization growth of 56.2 percent, which reflects the increase in the share price from 1.958 euros (June 30, 2016) to 3.058 euros (June 30, 2017).

Share Performance: January 1, 2017 – June 30, 2017

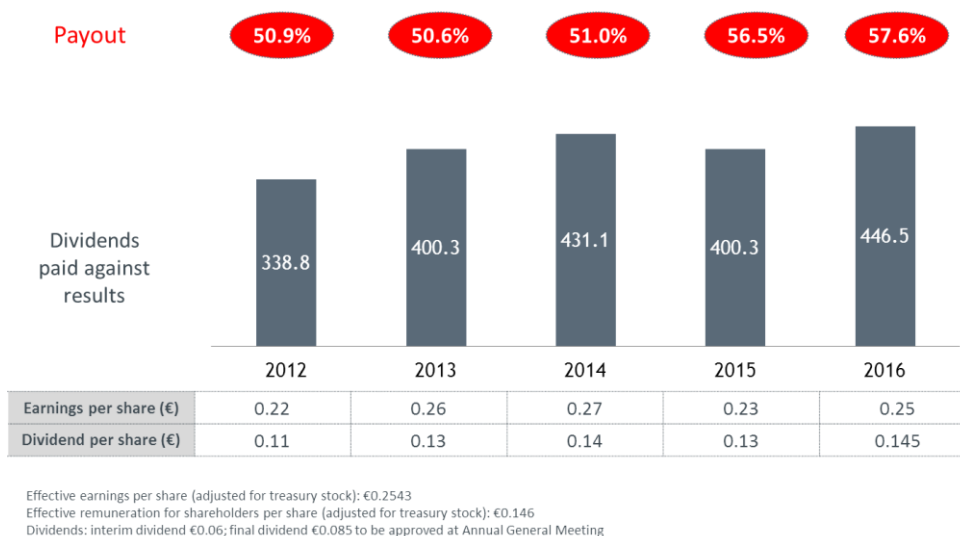


Target price and share price: April 1, 2015 – June 30, 2017



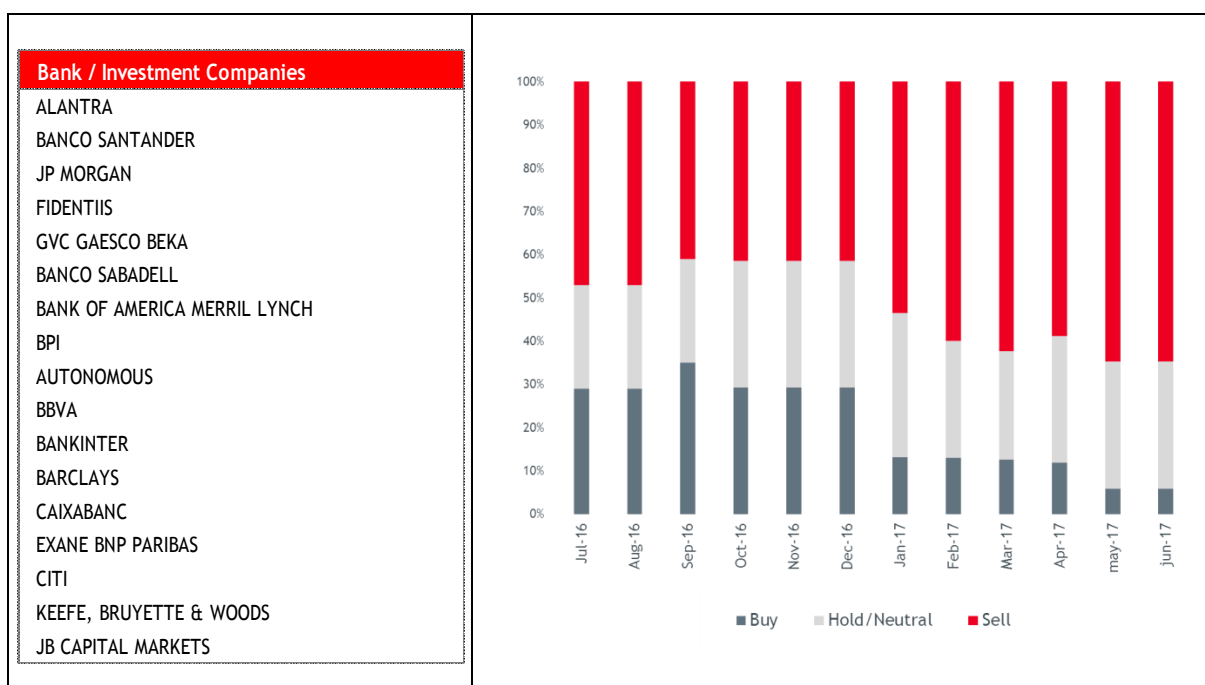
Dividend and Payout

On June 20, the final dividend of €0.085 euros gross per share was paid, as agreed at the Annual General Shareholders' Meeting.

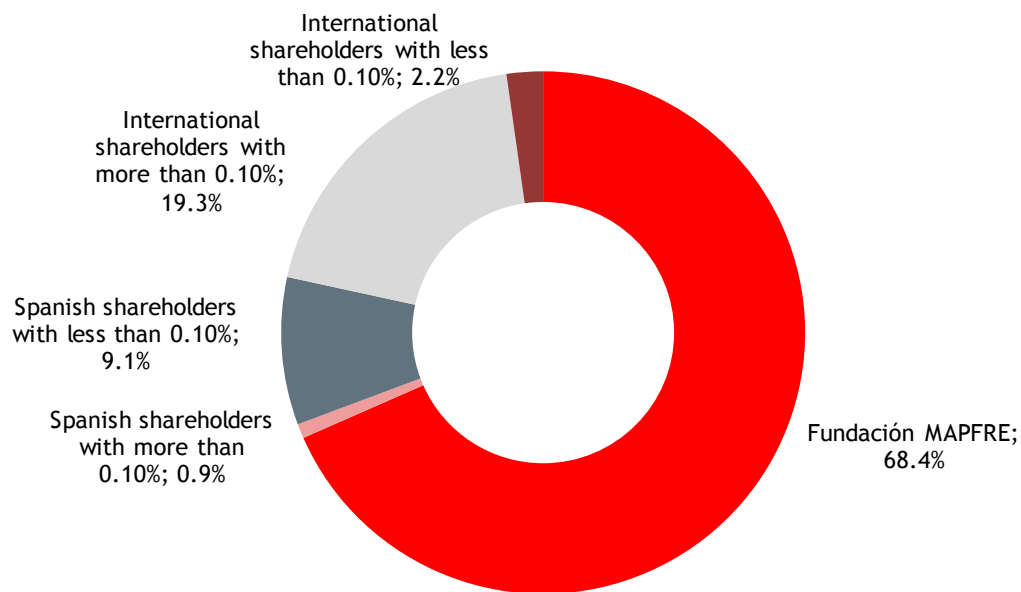


Figures in millions of euros

Analyst coverage: Recommendation summary



Shareholder composition



12. Accolades Received in the Quarter

Group

- **MAPFRE chosen again as one of the best companies to work for**

For the third time, Great Place to Work has included MAPFRE in its list of the “Best Workplaces” in Spain, in the category of companies with more than 1,000 employees.

- **Among the 10 most sustainable and profitable financial companies, according to Goldman Sachs**

According to the latest study by Goldman Sachs, MAPFRE is the tenth most sustainable and profitable company worldwide, with a score of 97 percent out of 100.

Spain

- **MAPFRE hits record highs as the most top of mind insurer for Spanish consumers**

MAPFRE once again leads the Inmark Group ranking of insurance industry company positioning among Spanish consumers.

- **MAPFRE- the insurer with the best reputation, according to RepTrack Spain**

The company is number 1 in the insurance sector and among the top 100 Spanish companies most valued by consumers.

- **MAPFRE is one of the top 5 most responsible companies in SPAIN**

MAPFRE is in fifth position in the “Merco Responsabilidad y Gobierno Corporativo 2016” ranking (Corporate Governance and Responsibility), and it maintains its position as the best-ranked insurance company in the study, which analyzes the Spanish-based companies with the most ethical behavior.

- **The most digitally-efficient company**

The 2016 Social Media Index (ISM in Spanish) names MAPFRE the best-performing Spanish company in digital territory, and it is in first place in the ranking of social media activity.

- **MAPFRE climbs one position and is the eighth most reputable Spanish Company, according to the Merco Report**

MAPFRE is the eighth most reputable Spanish company, according to this year’s Merco (Corporate Reputation Monitor or Monitor Empresarial de Reputación Corporativa in Spanish) Ranking.

- **MAPFRE, the insurance sector’s most attractive Company for the fifth consecutive year**

MAPFRE has received a “Randstad Award” for the fifth consecutive year, as the most attractive company to work for, in the Spanish insurance sector.

- **MAPFRE is the leader in digital investment in Spain**

MAPFRE holds first place in digital investment in Spain, according to the “III Informe de Inversión Digital” (Third Report on Digital Investment), carried out by EAFI Feelcapital.

- **MAPFRE, the most successful and most reputable Spanish insurer, according to Advice Strategic Consultants**

MAPFRE has been recognized as the most successful and most reputable insurance brand in Spain, by the “Estudio Advice de éxito empresarial” (Advice Business Success Study) from the economic consultant Advice Strategic Consultants.

Other Countries and Units

- **Favorite brand in Paraguay**

MAPFRE PARAGUAY has been recognized by the Top of Mind study as the preferred insurance Brand by Paraguayan consumers.

- **MAPFRE PUERTO RICO, recognized as a great place to work**

In its first time participating, MAPFRE PUERTO RICO was chosen by Great Place to Work as one of the best companies to work for in Central America and the Caribbean.

- **MAPFRE Peru wins the IAB Mixx Award for Digital Marketing**

MAPFRE Peru received the IAB Mixx Award, the most important local award in digital marketing, for its SEO – SEM Search strategy.

- **MAPFRE is included among the best multinationals to work for in Latin America again**

After the Best Workplace 2017 recognition received by MAPFRE in Mexico, Dominican Republic, Puerto Rico and Spain, MAPFRE has been recognized once again this year by Great Place To Work as one of the best places to work in Latin America, in the category of multinational companies.

- **MAPFRE RE awarded best Andean reinsurer in 2017**

The journal Reactions has published its list of winners for 2017 Latin American Insurance and Reinsurance. MAPFRE RE won the prize for Andean Reinsurer of the Year, including Bolivia, Colombia, Ecuador, Peru, and Venezuela.

- **The Silver Lion goes to MAPFRE BRASIL in the Cannes Lions Festival of Creativity**

MAPFRE BRASIL’s “Don’t Scroll and Drive” campaign won the silver lion in the most recent edition of the Cannes Lions International Festival of Creativity, in the “Print & Publishing” category.

13. Events Subsequent to Closing

Early Redemption of Subordinated Notes

Effective July 24, 2017, MAPFRE has redeemed and paid the “First Issue of Subordinated Notes of MAPFRE S.A.”. The nominal amount redeemed is 700 million euros, which is equivalent to 14,000 notes, with a unit par value of 50,000 euros. The funds used for this redemption come mainly from a new draw down of the syndicated credit that matures in December 2021.

This redemption brings the Solvency ratio to 198.2 percent, which implies a reduction of 13.2 percentage points compared to the current ratio.

14. Appendixes

14.1. Consolidated Balance Sheet

ITEM	JUNE 2016	DECEMBER 2016	JUNE 2017
A) INTANGIBLE ASSETS	3,792.1	3,798.9	3,671.8
I. Goodwill	1,996.2	1,990.0	2,002.5
II. Other intangible assets	1,795.9	1,808.9	1,669.3
B) PROPERTY, PLANT AND EQUIPMENT	1,253.3	1,296.6	1,217.2
I. Real estate for own use	968.6	1,003.0	927.9
II. Other property, plant and equipment	284.7	293.6	289.3
C) INVESTMENTS	45,298.6	45,088.0	44,496.2
I. Real estate investments	1,324.6	1,274.8	1,273.4
II. Financial investments			
1. Held-to-maturity portfolio	2,467.6	2,419.8	2,102.7
2. Available-for-sale portfolio	35,732.9	35,102.6	34,357.2
3. Trading portfolio	4,591.7	5,018.6	5,312.0
III. Investments recorded by applying the equity method	198.8	242.6	201.6
IV. Deposits established for accepted reinsurance	640.7	650.2	719.7
V. Other investments	342.2	379.4	529.6
D) INVESTMENTS ON BEHALF OF LIFE INSURANCE POLICYHOLDERS BEARING THE INVESTMENT RISK	1,810.5	2,014.0	2,267.4
E) INVENTORIES	75.7	75.0	63.9
F) PARTICIPATION OF REINSURANCE IN TECHNICAL PROVISIONS	4,096.4	3,934.4	4,576.1
G) DEFERRED TAX ASSETS	292.0	335.3	319.2
H) RECEIVABLES	7,557.6	6,651.9	7,522.4
I. Receivables on direct insurance and co-insurance operations	5,032.9	4,315.1	5,147.0
II. Receivables on reinsurance operations	1,044.1	876.6	910.2
III. Tax receivables			
1. Tax on profits receivable	165.0	166.2	142.5
2. Other tax receivables	134.9	137.6	181.6
IV. Corporate and other receivables	1,180.7	1,156.5	1,141.2
V. Shareholders, called capital	0.0	0.0	0.0
I) CASH	1,577.6	1,451.1	1,519.3
J) ACCRUAL ADJUSTMENTS	2,197.1	2,180.0	2,203.5
K) OTHER ASSETS	145.4	145.5	106.3
L) NON-CURRENT ASSETS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS	992.5	911.2	163.7
TOTAL ASSETS	69,088.7	67,881.8	68,127.0

Figures in millions of euros

ITEM	JUNE 2016	DECEMBER 2016	JUNE 2017
A) EQUITY	11,179.0	11,443.5	10,863.5
I. Paid-up capital	308.0	308.0	308.0
II. Share premium	1,506.7	1,506.7	1,506.7
III. Reserves	7,039.4	7,041.5	7,339.7
IV. Interim dividend	0.0	(184.8)	(0.0)
V. Treasury Stock	(60.2)	(60.2)	(60.2)
VI. Result attributable to controlling company	380.4	775.5	415.1
VII. Other equity instruments	5.1	9.7	13.7
VIII. Valuation change adjustments	801.4	654.7	647.4
IX. Currency conversion differences	(1,034.7)	(924.4)	(1,310.8)
Equity attributable to the controlling company's shareholders	8,946.1	9,126.5	8,859.6
Non-controlling interests	2,232.9	2,317.0	2,003.8
B) SUBORDINATED LIABILITIES	611.4	594.0	1,211.8
C) TECHNICAL PROVISIONS	45,992.2	45,226.1	45,568.8
I. Provisions for unearned premiums and unexpired risks	9,130.8	8,636.5	9,595.3
II. Provisions for life insurance	26,320.7	25,664.8	24,996.9
III. Provision for outstanding claims	9,725.4	10,086.8	10,103.8
IV. Other technical provisions	815.3	838.1	872.8
D) TECHNICAL PROVISIONS FOR LIFE INSURANCE WHERE POLICYHOLDERS BEAR THE INVESTMENT RISK	1,810.5	2,014.0	2,267.4
E) PROVISIONS FOR RISKS AND EXPENSES	738.7	752.8	655.4
F) DEPOSITS RECEIVED ON CEDED AND RETROCEDED REINSURANCE	90.5	49.4	72.3
G) DEFERRED TAX LIABILITIES	788.9	730.7	688.1
H) DEBT	6,838.3	6,141.3	6,511.6
I. Issue of debentures and other negotiable securities	994.2	1,002.5	994.7
II. Due to credit institutions	706.6	606.4	437.4
III. Other financial liabilities	376.4	752.1	772.7
IV. Due on direct insurance and co-insurance operations	1,094.6	953.0	962.6
V. Due on reinsurance operations	1,395.5	1,045.8	1,570.4
VI. Tax liabilities			
1. Tax on profits to be paid	206.8	231.3	195.2
2. Other tax liabilities	467.4	440.2	513.8
VII. Other debts	1,596.7	1,109.9	1,064.8
I) ACCRUAL ADJUSTMENTS	263.2	239.8	283.6
J) LIABILITIES LINKED TO NON-CURRENT ASSETS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS	776.2	690.3	4.6
TOTAL LIABILITIES AND EQUITY	69,088.7	67,881.8	68,127.0

Figures in millions of euros

14.2. Consolidated Income Statement

ITEM	JUNE 2016	JUNE 2017
I. REVENUE FROM INSURANCE BUSINESS		
1. Premiums allocated to the financial year, net		
a) Written premiums, direct insurance	10,179.9	11,182.7
b) Premiums from accepted reinsurance	1,899.6	1,890.5
c) Premiums from ceded reinsurance	(1,971.1)	(2,569.5)
d) Variations in provisions for unearned premiums and unexpired risks		
Direct insurance	(610.2)	(1,205.8)
Accepted reinsurance	(145.3)	(92.3)
Ceded reinsurance	134.2	669.9
2. Share in profits from equity-accounted companies	3.7	2.7
3. Revenue from investments		
a) From operations	1,339.1	1,303.6
b) From equity	83.9	108.4
4. Unrealized gains on investments on behalf of life insurance policyholders bearing the investment risk	440.0	89.4
5. Other technical revenue	24.5	29.9
6. Other non-technical revenue	32.1	59.9
7. Positive foreign exchange differences	395.1	523.3
8. Reversal of the asset impairment provision	16.7	15.7
TOTAL REVENUE FROM INSURANCE BUSINESS	11,822.2	12,008.2
II. INSURANCE BUSINESS EXPENSES		
1. Incurred claims for the year, net		
a) Claims paid and variation in provision for claims, net		
Direct insurance	(6,172.2)	(6,310.0)
Accepted reinsurance	(1,036.3)	(1,133.7)
Ceded reinsurance	844.0	1,040.6
b) Claims-related expenses	(412.0)	(431.2)
2. Variation in other technical provisions, net	(298.3)	(517.1)
3. Profit sharing and returned premiums	(21.8)	(19.9)
4. Net operating expenses		
a) Acquisition expenses	(2,305.3)	(2,487.9)
b) Administration expenses	(404.0)	(378.6)
c) Commissions and participation in reinsurance	199.8	301.1
5. Share in losses from equity-accounted companies	(1.6)	(0.0)
6. Expenses from investments		
a) From operations	(288.3)	(361.3)
b) From equity and financial accounts	(15.4)	(24.8)
7. Unrealized losses on investments on behalf of life insurance policyholders bearing the investment risk	(404.7)	(11.5)
8. Other technical expenses	(44.0)	(61.5)
9. Other non-technical expenses	(77.5)	(45.0)
10. Negative foreign exchange differences	(369.3)	(550.6)
11. Allowance to the asset impairment provision	(50.4)	(24.7)
TOTAL EXPENSES FROM INSURANCE BUSINESS	(10,857.3)	(11,016.1)
RESULT FROM THE INSURANCE BUSINESS	964.9	992.1
III. OTHER ACTIVITIES		
1. Operating revenue	174.5	173.9
2. Operating expenses	(218.2)	(221.9)
3. Net financial income		
a) Financial income	48.2	54.7
b) Financial expenses	(45.4)	(55.7)
4. Results from non-controlling interests		
a) Share in profits from equity-accounted companies	1.9	2.3
b) Share in losses from equity-accounted companies	(0.5)	(0.0)
5. Reversal of asset impairment provision	1.7	1.4
6. Allowance to the asset impairment provision	(5.4)	(16.4)
7. Result from the disposal of non-current assets classified as held for sale, not included in discontinued	0.0	0.0
RESULT FROM OTHER ACTIVITIES	(43.1)	(61.7)
IV. RESULT ON RESTATEMENT OF FINANCIAL ACCOUNTS	(17.1)	4.1
V. RESULT BEFORE TAXES FROM ONGOING OPERATIONS	904.7	934.5
VI. TAX ON PROFITS FROM ONGOING OPERATIONS	(306.5)	(281.0)
VII. RESULT AFTER TAX FROM ONGOING OPERATIONS	598.2	653.5
VIII. RESULT AFTER TAX FROM DISCONTINUED OPERATIONS	0.0	0.0
IX. RESULT FOR THE FINANCIAL YEAR	598.2	653.5
1. Attributable to non-controlling interests	217.8	238.4
2. Attributable to the controlling company	380.4	415.1

Figures in millions of euros

14.3. Key Figures by Region. Quarterly Breakdown.

Period	2016				2017		Δ Annual Apr.-Jun. 2017/2016	Δ Apr.-Jun./ Jan.-Mar. 2017
	Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Sept.-Dec.	Jan.-Mar.	Apr.-Jun.		
Consolidated figures								
Written and accepted premiums - Total	6,112.9	5,966.6	5,029.9	5,703.8	6,674.6	6,398.6	7.2%	-4.1%
Written and accepted premiums - Non-Life	5,024.5	4,486.3	3,956.2	4,232.9	5,217.9	5,038.2	12.3%	-3.4%
Written and accepted premiums - Life	1,088.4	1,480.4	1,073.6	1,470.9	1,456.7	1,360.4	-8.1%	-6.6%
Net result	191.7	188.7	191.5	203.5	206.2	208.9	10.7%	1.3%
Combined ratio	96.8%	98.3%	96.5%	97.9%	97.5%	96.8%	-1.5 p.p.	-0.7 p.p.
Loss ratio	69.4%	70.5%	67.9%	72.2%	70.8%	68.6%	-1.8 p.p.	-2.2 p.p.
Expense ratio	27.4%	27.8%	28.6%	25.7%	26.7%	28.2%	0.4 p.p.	1.5 p.p.
Figures by business unit								
Written and accepted premiums - Total								
IBERIA	2,153.5	1,626.6	1,289.2	1,635.2	2,386.9	1,560.5	-4.1%	-34.6%
BRAZIL	896.7	1,194.6	1,106.9	1,194.6	1,203.1	1,179.7	-1.2%	-1.9%
NORTH AMERICA	615.9	701.3	684.9	621.2	654.0	693.3	-1.2%	6.0%
EMEA	592.6	472.0	385.3	478.0	568.7	439.8	-6.8%	-22.7%
LATAM SOUTH	444.2	429.4	413.1	436.9	428.5	466.2	8.6%	8.8%
LATAM NORTH	343.5	345.6	261.5	318.3	366.9	828.3	139.7%	125.8%
APAC	15.3	9.9	9.3	7.6	18.3	14.3	44.7%	-21.7%
MAPFRE RE	1,092.7	1,181.1	906.1	1,054.8	1,165.7	1,160.0	-1.8%	-0.5%
MAPFRE GLOBAL RISKS	291.5	344.3	252.1	324.3	318.6	406.4	18.0%	27.6%
MAPFRE ASISTENCIA	284.3	275.5	257.3	249.6	276.1	255.2	-7.4%	-7.6%
Written and accepted premiums - Non-Life								
IBERIA	1,696.3	997.0	890.0	1,010.0	1,721.1	1,040.6	4.4%	-39.5%
BRAZIL	613.3	798.6	708.1	749.7	838.4	803.6	0.6%	-4.1%
NORTH AMERICA	614.2	693.6	682.2	618.6	651.3	691.0	-0.4%	6.1%
EMEA	516.5	393.7	333.3	405.8	471.0	370.0	-6.0%	-21.4%
LATAM SOUTH	394.4	369.6	352.9	369.1	361.7	397.6	7.6%	9.9%
LATAM NORTH	260.8	271.9	199.4	237.6	256.7	753.7	177.2%	193.6%
APAC	15.3	9.9	9.3	7.6	18.3	14.3	44.7%	-21.7%
MAPFRE RE	955.5	946.0	807.5	877.5	1,017.0	911.1	-3.7%	-10.4%
MAPFRE GLOBAL RISKS	291.5	344.3	252.1	324.3	318.6	406.4	18.0%	27.6%
MAPFRE ASISTENCIA	284.3	275.5	257.3	249.6	276.1	255.2	-7.4%	-7.6%
Written and accepted premiums - Life								
IBERIA	457.2	629.6	399.2	625.2	665.9	519.9	-17.4%	-21.9%
BRAZIL	283.4	395.9	398.8	444.9	364.8	376.1	-5.0%	3.1%
NORTH AMERICA	1.7	7.7	2.6	2.6	2.7	2.2	-70.9%	-15.5%
EMEA	76.1	78.3	52.0	72.2	97.6	69.8	-10.9%	-28.5%
LATAM SOUTH	49.8	59.8	60.2	67.7	66.8	68.7	14.8%	2.8%
LATAM NORTH	82.8	73.7	62.2	80.7	110.2	74.6	1.3%	-32.3%
APAC	--	--	--	--	--	--	--	--
MAPFRE RE	137.2	235.2	98.5	177.3	148.7	248.9	5.8%	67.4%
MAPFRE GLOBAL RISKS	--	--	--	--	--	--	--	--
MAPFRE ASISTENCIA	--	--	--	--	--	--	--	--

Figures in millions of euros

Quarter	2016				2017		Δ Annual Apr.-Jun. 2017/2016	Δ Apr.-Jun./ Jan.-Mar. 2017
	I	II	III	IV	I	II		
	Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Sept.-Dec.	Jan.-Mar.	Apr.-Jun.		
Net result								
IBERIA	100.6	123.3	136.0	176.1	127.6	133.1	8.0%	4.3%
BRAZIL	25.0	42.2	34.6	39.5	26.2	36.8	-13.0%	40.2%
NORTH AMERICA	15.2	24.4	18.0	19.7	15.9	16.4	-32.6%	3.5%
EMEA	5.7	(11.8)	(9.9)	(44.1)	9.0	13.2	--	46.3%
LATAM SOUTH	12.4	7.9	(4.3)	0.6	15.6	19.1	142.5%	22.0%
LATAM NORTH	11.7	11.6	6.0	5.0	4.6	12.5	8.4%	172.0%
APAC	(1.2)	(0.6)	(2.8)	(4.2)	(0.5)	(0.2)	60.4%	56.4%
MAPFRE RE	51.1	39.3	32.3	63.4	51.3	50.4	28.2%	-1.8%
MAPFRE GLOBAL RISKS	13.6	11.9	5.0	16.8	0.2	(13.2)	--	--
MAPFRE ASISTENCIA	(14.4)	(7.5)	(6.8)	(27.7)	(9.1)	(15.4)	-104.0%	-68.9%
Holdings and consolidation adjustments	(28.0)	(51.8)	(16.5)	(41.5)	(34.6)	(43.8)	15.5%	-26.3%
Combined ratio								
IBERIA	92.6%	95.3%	90.3%	99.6%	94.6%	95.6%	0.3 p.p.	1.0 p.p.
BRAZIL	100.1%	92.8%	91.6%	93.0%	98.5%	92.0%	-0.9 p.p.	-6.5 p.p.
NORTH AMERICA	101.5%	100.6%	99.5%	102.1%	101.4%	101.8%	1.2 p.p.	0.4 p.p.
EMEA	103.0%	105.1%	109.5%	106.7%	100.6%	98.3%	-6.8 p.p.	-2.3 p.p.
LATAM SOUTH	97.1%	100.3%	98.6%	100.1%	99.2%	100.3%	0.1 p.p.	1.1 p.p.
LATAM NORTH	97.4%	104.4%	107.3%	100.5%	99.1%	94.1%	-10.3 p.p.	-5.0 p.p.
APAC	103.8%	139.3%	148.8%	194.0%	102.9%	98.5%	-40.8 p.p.	-4.4 p.p.
MAPFRE RE	93.0%	100.6%	96.6%	86.4%	91.4%	93.1%	-7.5 p.p.	1.7 p.p.
MAPFRE GLOBAL RISKS	89.5%	93.9%	105.1%	101.4%	109.5%	130.9%	36.9 p.p.	21.4 p.p.
MAPFRE ASISTENCIA	101.5%	99.9%	101.4%	105.6%	103.9%	99.0%	-0.9 p.p.	-4.9 p.p.
Loss ratio								
IBERIA	71.3%	73.8%	69.3%	76.9%	74.1%	74.8%	1.0 p.p.	0.7 p.p.
BRAZIL	68.6%	60.4%	58.2%	64.6%	66.4%	56.9%	-3.6 p.p.	-9.6 p.p.
NORTH AMERICA	76.2%	74.7%	74.4%	76.2%	75.8%	76.5%	1.9 p.p.	0.8 p.p.
EMEA	77.2%	77.0%	79.3%	94.1%	77.7%	79.9%	2.9 p.p.	2.2 p.p.
LATAM SOUTH	60.1%	61.0%	65.7%	61.5%	62.1%	61.3%	0.3 p.p.	-0.8 p.p.
LATAM NORTH	62.3%	72.6%	73.1%	65.5%	69.8%	63.2%	-9.4 p.p.	-6.5 p.p.
APAC	52.5%	47.9%	47.7%	53.0%	45.1%	45.4%	-2.5 p.p.	0.3 p.p.
MAPFRE RE	62.6%	71.6%	60.1%	64.4%	64.2%	60.1%	-11.5 p.p.	-4.0 p.p.
MAPFRE GLOBAL RISKS	57.4%	68.2%	72.5%	79.2%	75.6%	99.7%	31.5 p.p.	24.1 p.p.
MAPFRE ASISTENCIA	73.1%	68.4%	70.4%	70.0%	72.7%	59.4%	-9.0 p.p.	-13.3 p.p.
Expense ratio								
IBERIA	21.3%	21.5%	21.0%	22.7%	20.5%	20.8%	-0.7 p.p.	0.3 p.p.
BRAZIL	31.5%	32.4%	33.5%	28.4%	32.0%	35.1%	2.7 p.p.	3.1 p.p.
NORTH AMERICA	25.3%	25.9%	25.1%	25.9%	25.7%	25.3%	-0.7 p.p.	-0.4 p.p.
EMEA	25.8%	28.1%	30.2%	12.6%	22.9%	18.4%	-9.7 p.p.	-4.5 p.p.
LATAM SOUTH	36.9%	39.2%	33.0%	38.6%	37.1%	39.0%	-0.3 p.p.	1.9 p.p.
LATAM NORTH	35.1%	31.9%	34.2%	35.1%	29.3%	30.9%	-1.0 p.p.	1.5 p.p.
APAC	51.3%	91.4%	101.0%	141.0%	57.9%	53.1%	-38.3 p.p.	-4.8 p.p.
MAPFRE RE	30.4%	29.0%	36.5%	22.0%	27.2%	33.0%	4.0 p.p.	5.8 p.p.
MAPFRE GLOBAL RISKS	32.0%	25.7%	32.6%	22.2%	33.9%	31.2%	5.5 p.p.	-2.7 p.p.
MAPFRE ASISTENCIA	28.4%	31.4%	31.0%	35.6%	31.1%	39.6%	8.1 p.p.	8.4 p.p.

Figures in millions of euros

14.4. Consolidated Statement of Other Comprehensive Income

	GROSS AMOUNT		TAX ON PROFITS		ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		ATTRIBUTABLE TO CONTROLLING COMPANY	
	JUNE 2016	JUNE 2017	JUNE 2016	JUNE 2017	JUNE 2016	JUNE 2017	JUNE 2016	JUNE 2017
A) CONSOLIDATED RESULT FOR THE YEAR	904.7	934.5	(306.5)	(281.0)	217.8	238.4	380.4	415.1
B) OTHER RECOGNIZED REVENUE (EXPENSES)	622.6	(551.6)	(73.0)	7.5	272.6	(150.5)	277.0	(393.6)
1. Financial assets available for sale	1,098.7	(421.5)	(284.9)	121.8	157.9	(57.5)	655.9	(242.2)
a) Valuation gains (losses)	1,233.5	(313.4)	(318.1)	94.7				
b) Amounts transferred to the income statement	(137.6)	(107.9)	33.2	27.0				
c) Other reclassifications	2.8	(0.2)	0.0	0.1				
2. Currency conversion differences	367.3	(530.0)	0.4	0.3	259.9	(143.4)	107.8	(386.4)
a) Valuation gains (losses)	368.2	(529.3)	0.4	0.3				
b) Amounts transferred to the income statement	(0.8)	(0.1)	0.0	0.0				
c) Other reclassifications	(0.1)	(0.6)	0.0	0.0				
3. Shadow accounting	(824.6)	401.9	206.1	(114.6)	(145.0)	50.3	(473.5)	237.0
a) Valuation gains (losses)	(826.3)	382.6	206.5	(109.7)				
b) Amounts transferred to the income statement	1.6	19.4	(0.4)	(4.8)				
c) Other reclassifications	0.0	(0.1)	0.0	0.0				
4. Equity-accounted entities	(0.0)	(2.0)	0.0	0.0	0.0	(0.0)	(0.0)	(2.0)
a) Valuation gains (losses)	0.1	(2.0)	0.0	0.0				
b) Amounts transferred to the income statement	0.0	(0.0)	0.0	0.0				
c) Other reclassifications	(0.1)	0.1	0.0	0.0				
5. Other recognized revenue and expenses	(18.7)	0.0	5.3	0.0	(0.3)	0.1	(13.2)	(0.1)
TOTALS	1,527.3	382.9	(379.5)	(273.5)	490.4	87.9	657.4	21.5

Figures in millions of euros

14.5. Income Statement by Regional Area

ITEM	IBERIA		BRAZIL		NORTH AMERICA		EMEA		LATAM SOUTH	
	JUNE 2016	JUNE 2017	JUNE 2016	JUNE 2017	JUNE 2016	JUNE 2017	JUNE 2016	JUNE 2017	JUNE 2016	JUNE 2017
Gross written and accepted premiums	2,940.2	3,034.0	1,507.3	1,739.7	1,452.8	1,492.5	1,235.7	1,155.5	835.5	837.5
Net premiums earned	2,091.3	2,146.1	1,120.2	1,191.3	1,039.4	1,083.0	794.5	700.3	454.6	493.0
Net claims incurred and variation in other technical provisions	(1,513.2)	(1,598.4)	(722.4)	(739.2)	(775.2)	(812.1)	(594.2)	(548.8)	(283.4)	(314.3)
Net operating expenses	(438.8)	(438.9)	(356.8)	(397.2)	(273.0)	(292.2)	(231.2)	(175.3)	(170.1)	(183.0)
Other technical revenue and expenses	(4.1)	(6.8)	0.4	0.3	6.0	7.2	(6.7)	(5.6)	(2.2)	(4.3)
Technical result	135.2	102.0	41.4	55.2	(2.8)	(14.1)	(37.6)	(29.5)	(1.2)	(8.6)
Net financial income	137.8	132.0	94.5	71.2	68.2	68.1	13.3	25.6	31.9	32.7
Other non-technical revenue and expenses	(29.9)	(9.2)	0.2	0.7	(0.7)	(0.7)	(0.2)	(0.4)	1.7	0.4
Result of Non-Life business	243.1	224.9	136.0	127.1	64.8	53.3	(24.6)	(4.3)	32.4	24.4
Gross written and accepted premiums	1,086.9	1,185.8	679.3	740.9	9.4	4.9	154.4	167.4	109.6	135.4
Net premiums earned	1,049.8	1,152.2	735.3	803.6	2.9	3.5	152.1	164.7	92.8	112.4
Net claims incurred and variation in other technical provisions	(1,277.0)	(1,339.7)	(326.9)	(364.3)	(0.7)	(1.3)	(150.9)	(176.1)	(99.9)	(99.9)
Net operating expenses	(113.2)	(122.7)	(285.6)	(312.4)	(2.9)	(2.9)	(10.3)	(9.6)	(46.7)	(56.9)
Other technical revenue and expenses	(6.3)	(10.5)	(0.2)	(2.7)	0.0	0.0	0.2	0.2	(0.5)	(0.5)
Technical result	(346.6)	(320.6)	122.5	124.2	(0.7)	(0.7)	(8.9)	(20.7)	(54.3)	(44.9)
Financial result and other non-technical revenue	438.3	461.1	132.5	113.4	0.3	0.3	13.3	26.8	53.0	62.5
Result of Life business	91.7	140.5	255.0	237.6	(0.4)	(0.4)	4.4	6.1	(1.4)	17.6
Result from other business activities	30.1	30.1	7.7	9.8	(3.6)	1.5	(7.0)	(2.2)	(1.0)	1.7
Hyperinflation adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Result before tax	365.0	395.5	398.7	374.5	60.7	54.4	(27.1)	(0.4)	30.1	43.7
Tax on profits	(88.1)	(91.2)	(165.9)	(137.2)	(18.0)	(17.8)	6.2	(3.4)	(13.2)	(9.4)
Result from discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-controlling interests	33.4	41.7	164.9	172.3	0.2	0.2	3.4	4.6	2.9	6.8
Attributable net result	243.5	262.5	68.0	64.9	42.5	36.4	(24.3)	(8.5)	14.0	27.4
Loss ratio	72.4%	74.5%	64.5%	62.0%	74.6%	75.0%	74.8%	78.4%	62.3%	63.8%
Expense ratio	21.2%	20.8%	31.8%	33.3%	25.7%	26.3%	29.9%	25.8%	37.9%	38.0%
Combined ratio	93.5%	95.2%	96.3%	95.4%	100.3%	101.3%	104.7%	104.2%	100.3%	101.8%

Figures in millions of euros

ITEM	LATAM NORTH		APAC		MAPFRE RE		CONS. ADJUST. & CORPORATE AREAS		TOTAL	
	JUNE 2016	JUNE 2017	JUNE 2016	JUNE 2017	JUNE 2016	JUNE 2017	JUNE 2016	JUNE 2017	JUNE 2016	JUNE 2017
Gross written and accepted premiums	569.6	1,051.4	69.2	70.6	1,901.5	1,928.1	(1,001.1)	(1,053.2)	9,510.7	10,256.1
Net premiums earned	356.2	335.8	47.3	52.5	1,171.0	1,132.2	16.3	11.1	7,090.8	7,145.4
Net claims incurred and variation in other technical provisions	(229.2)	(220.3)	(38.7)	(36.3)	(785.7)	(702.9)	(15.1)	(8.8)	(4,957.1)	(4,981.3)
Net operating expenses	(112.3)	(98.3)	(12.7)	(17.1)	(346.3)	(340.4)	(6.0)	(2.6)	(1,947.3)	(1,945.1)
Other technical revenue and expenses	(3.6)	(5.7)	(0.1)	(0.0)	(1.0)	(1.2)	(0.3)	(0.2)	(11.6)	(16.3)
Technical result	11.1	11.5	(4.3)	(0.9)	38.0	87.7	(5.0)	(0.5)	174.8	202.7
Net financial income	18.8	11.3	1.5	0.8	64.3	37.1	25.1	(5.0)	455.3	373.6
Other non-technical revenue and expenses	0.0	(0.0)	0.0	(0.1)	(2.2)	(2.0)	(11.1)	(0.0)	(42.1)	(11.3)
Result of Non-Life business	29.9	22.7	(2.8)	(0.2)	100.1	122.8	9.0	(5.5)	588.0	565.1
Gross written and accepted premiums	156.4	184.8	0.0	0.0	372.4	397.6	0.3	0.2	2,568.8	2,817.1
Net premiums earned	111.0	132.4	0.0	0.0	252.2	361.0	0.2	0.2	2,396.3	2,730.0
Net claims incurred and variation in other technical provisions	(60.1)	(91.3)	0.0	0.0	(224.1)	(325.4)	0.1	8.0	(2,139.5)	(2,389.9)
Net operating expenses	(42.7)	(43.0)	0.0	0.0	(60.8)	(72.9)	(0.1)	(0.0)	(562.2)	(620.3)
Other technical revenue and expenses	(0.9)	(1.6)	0.0	0.0	(0.2)	(0.3)	(0.0)	(0.0)	(7.9)	(15.4)
Technical result	7.4	(3.5)	0.0	0.0	(32.9)	(37.6)	0.2	8.2	(313.3)	(295.7)
Financial result and other non-technical revenue	14.0	12.4	0.0	0.0	51.7	54.4	(12.9)	(8.3)	690.2	722.7
Result of Life business	21.3	8.9	0.0	0.0	18.9	16.9	(12.7)	(0.1)	376.9	427.0
Result from other business activities	(1.1)	(1.9)	(4.2)	(5.7)	0.0	0.0	(64.1)	(94.9)	(43.1)	(61.7)
Hyperinflation adjustments	0.0	0.0	0.0	0.0	0.0	0.0	(17.1)	4.1	(17.1)	4.1
Result before tax	50.1	29.6	(6.9)	(5.9)	118.9	139.7	(84.9)	(96.4)	904.7	934.5
Tax on profits	(12.2)	(7.1)	0.1	(3.1)	(28.6)	(38.0)	13.3	26.3	(306.5)	(281.0)
Result from discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-controlling interests	5.0	4.4	0.0	0.4	(0.0)	0.0	7.9	7.9	217.8	238.4
Attributable net result	32.8	18.1	(6.9)	(9.5)	90.4	101.7	(79.5)	(77.9)	380.4	415.1
Loss ratio	64.3%	65.6%	81.9%	69.2%	67.1%	62.1%			69.9%	69.7%
Expense ratio	32.5%	31.0%	27.2%	32.5%	29.7%	30.2%			27.6%	27.4%
Combined ratio	96.9%	96.6%	109.1%	101.8%	96.8%	92.3%			97.5%	97.2%

Figure in millions of euros

14.6. Income Statement by Business Unit

ITEM	IBERIA		BRAZIL		NORTH AMERICA		EMEA		LATAM SOUTH		LATAM NORTH	
	JUNE 2016	JUNE 2017	JUNE 2016	JUNE 2017	JUNE 2016	JUNE 2017	JUNE 2016	JUNE 2017	JUNE 2016	JUNE 2017	JUNE 2016	JUNE 2017
Gross written and accepted premiums	2,693.3	2,761.6	1,411.9	1,641.9	1,307.9	1,342.3	910.2	841.0	764.0	759.3	532.7	1,010.4
Net premiums earned	2,017.3	2,064.9	1,093.5	1,157.6	986.0	1,032.3	522.2	488.1	385.8	414.8	313.1	287.0
Net claims incurred and variation in other technical provisions	(1,464.1)	(1,537.4)	(703.1)	(716.8)	(743.9)	(786.2)	(402.5)	(384.5)	(233.8)	(256.2)	(210.6)	(190.4)
Net operating expenses	(423.9)	(420.1)	(350.7)	(388.0)	(259.1)	(270.2)	(136.2)	(96.8)	(146.5)	(154.2)	(102.4)	(81.6)
Other technical revenue and expenses	(7.4)	(5.9)	1.0	0.5	6.4	7.3	(4.7)	(4.3)	(0.5)	(3.4)	(2.5)	(4.9)
Technical result	121.9	101.4	40.7	53.2	(10.6)	(16.7)	(21.3)	2.5	4.9	1.0	(2.4)	10.0
Net financial income	127.3	130.1	93.4	69.5	68.4	67.5	12.8	24.4	31.7	31.4	18.4	9.9
Other non-technical revenue and expenses	(30.4)	(9.6)	0.2	0.7	(0.7)	(0.7)	(0.2)	(0.4)	1.7	0.4	0.0	(0.0)
Result of Non-Life business	218.9	221.9	134.3	123.4	57.2	50.1	(8.7)	26.6	38.4	32.7	16.0	19.9
Gross written and accepted premiums	1,086.9	1,185.8	679.3	740.9	9.4	4.9	154.4	167.4	109.6	135.4	156.4	184.8
Net premiums earned	1,049.8	1,152.2	735.3	803.6	2.9	3.5	152.1	164.7	92.8	112.4	111.0	132.4
Net claims incurred and variation in other technical provisions	(1,277.0)	(1,339.7)	(326.9)	(364.3)	(0.7)	(1.3)	(150.9)	(176.1)	(99.9)	(99.9)	(60.1)	(91.3)
Net operating expenses	(113.2)	(122.7)	(285.6)	(312.4)	(2.9)	(2.9)	(10.3)	(9.6)	(46.7)	(56.9)	(42.7)	(43.0)
Other technical revenue and expenses	(6.3)	(10.5)	(0.2)	(2.7)	0.0	0.0	0.2	0.2	(0.5)	(0.5)	(0.9)	(1.6)
Technical result	(346.6)	(320.6)	122.5	124.2	(0.7)	(0.7)	(8.9)	(20.7)	(54.3)	(44.9)	7.4	(3.5)
Financial result and other non-technical revenue	438.3	461.1	132.5	113.4	0.3	0.3	13.3	26.8	53.0	62.5	14.0	12.4
Result of Life business	91.7	140.5	255.0	237.6	(0.4)	(0.4)	4.4	6.1	(1.4)	17.6	21.3	8.9
Result from other business activities	30.4	30.3	8.0	10.9	0.1	0.1	(1.2)	(1.3)	0.0	2.5	(0.2)	(0.3)
Hyperinflation adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Result before tax	341.0	392.7	397.4	372.0	56.8	49.8	(5.5)	31.3	37.0	52.8	37.1	28.6
Tax on profits	(83.7)	(90.2)	(165.2)	(136.7)	(17.0)	(17.3)	2.4	(5.2)	(13.9)	(11.3)	(8.8)	(7.0)
Result from discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-controlling interests	33.5	41.8	164.9	172.3	0.2	0.2	3.0	3.9	2.9	6.8	5.0	4.4
Attributable net result	223.8	260.7	67.2	63.0	39.6	32.3	(6.1)	22.3	20.3	34.7	23.3	17.2
Loss ratio	72.6%	74.5%	64.3%	61.9%	75.4%	76.2%	77.1%	78.8%	60.6%	61.8%	67.3%	66.4%
Expense ratio	21.4%	20.6%	32.0%	33.5%	25.6%	25.5%	27.0%	20.7%	38.1%	38.0%	33.5%	30.1%
Combined ratio	94.0%	95.1%	96.3%	95.4%	101.1%	101.6%	104.1%	99.5%	98.7%	99.8%	100.8%	96.5%
Investments, real estate and cash	31,210.6	30,431.6	4,376.4	4,188.8	2,512.9	2,398.2	3,403.7	3,711.5	1,929.0	1,885.7	1,472.4	1,386.1
Technical provisions	27,867.8	27,160.7	5,551.8	5,147.9	2,408.0	2,414.9	3,643.0	3,909.7	2,381.8	2,522.1	1,370.8	1,872.1
Shareholders' equity	4,085.9	4,109.7	1,156.9	1,204.8	1,407.0	1,344.4	580.4	633.0	518.8	514.0	760.0	785.5
ROE	12.4%	14.0%	13.2%	11.6%	4.9%	5.1%	-0.2%	-5.2%	5.0%	6.0%	3.2%	3.6%

Figures in millions of euros

ITEM	APAC		MAPFRE RE		MAPFRE GLOBAL RISKS		MAPFRE ASISTENCIA		CONS. ADJUST. & CORPORATE AREAS		TOTAL	
	JUNE 2016	JUNE 2017	JUNE 2016	JUNE 2017	JUNE 2016	JUNE 2017	JUNE 2016	JUNE 2017	JUNE 2016	JUNE 2017	JUNE 2016	JUNE 2017
Gross written and accepted premiums	25.2	32.6	1,901.5	1,928.1	635.8	725.0	559.8	531.3	(1,231.6)	(1,317.6)	9,510.7	10,256.1
Net premiums earned	14.4	20.0	1,171.0	1,132.2	165.8	170.0	406.2	368.4	15.5	10.1	7,090.8	7,145.4
Net claims incurred and variation in other technical provisions	(7.2)	(9.1)	(785.7)	(702.9)	(104.2)	(147.4)	(287.5)	(243.5)	(14.5)	(6.9)	(4,957.1)	(4,981.3)
Net operating expenses	(10.3)	(11.0)	(346.3)	(340.4)	(46.3)	(52.3)	(120.3)	(129.1)	(5.1)	(1.4)	(1,947.3)	(1,945.1)
Other technical revenue and expenses	0.0	0.0	(1.0)	(1.2)	(1.5)	(3.2)	(1.2)	(1.1)	(0.2)	(0.1)	(11.6)	(16.3)
Technical result	(3.1)	(0.0)	38.0	87.7	13.7	(32.9)	(2.8)	(5.3)	(4.4)	1.7	174.8	202.7
Net financial income	1.4	1.5	64.3	37.1	17.3	15.2	(4.1)	(4.3)	24.5	(8.6)	455.3	373.6
Other non-technical revenue and expenses	0.0	(0.1)	(2.2)	(2.0)	0.6	0.5	0.0	0.0	(11.1)	(0.0)	(42.1)	(11.3)
Result of Non-Life business	(1.7)	1.4	100.1	122.8	31.6	(17.2)	(6.9)	(9.6)	9.0	(7.0)	588.0	565.1
Gross written and accepted premiums	0.0	0.0	372.4	397.6	0.0	0.0	0.0	0.0	0.3	0.2	2,568.8	2,817.1
Net premiums earned	0.0	0.0	252.2	361.0	0.0	0.0	0.0	0.0	0.2	0.2	2,396.3	2,730.0
Net claims incurred and variation in other technical provisions	0.0	0.0	(224.1)	(325.4)	0.0	0.0	0.0	0.0	0.1	8.0	(2,139.5)	(2,389.9)
Net operating expenses	0.0	0.0	(60.8)	(72.9)	0.0	0.0	0.0	0.0	(0.1)	(0.0)	(562.2)	(620.3)
Other technical revenue and expenses	0.0	0.0	(0.2)	(0.3)	0.0	0.0	0.0	0.0	(0.0)	(0.0)	(7.9)	(15.4)
Technical result	0.0	0.0	(32.9)	(37.6)	0.0	0.0	0.0	0.0	0.2	8.2	(313.3)	(295.7)
Financial result and other non-technical revenue	0.0	0.0	51.7	54.4	0.0	0.0	0.0	0.0	(12.9)	(8.3)	690.2	722.7
Result of Life business	0.0	0.0	18.9	16.9	0.0	0.0	0.0	0.0	(12.7)	(0.1)	376.9	427.0
Result from other business activities	0.1	(1.1)	0.0	0.0	(0.0)	0.0	(15.8)	(8.9)	(64.6)	(93.9)	(43.1)	(61.7)
Hyperinflation adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.1)	(17.2)	4.2	(17.1)	4.1
Result before tax	(1.6)	0.3	118.9	139.7	31.6	(17.2)	(22.7)	(18.6)	(85.4)	(96.7)	904.7	934.5
Tax on profits	(0.1)	(0.6)	(28.6)	(38.0)	(6.1)	4.3	1.1	(5.1)	13.5	26.1	(306.5)	(281.0)
Result from discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-controlling interests	0.1	0.4	(0.0)	0.0	0.0	0.0	0.4	0.8	7.8	7.8	217.8	238.4
Attributable net result	(1.8)	(0.8)	90.4	101.7	25.4	(13.0)	(21.9)	(24.5)	(79.8)	(78.4)	380.4	415.1
Loss ratio	50.1%	45.3%	67.1%	62.1%	62.9%	86.7%	70.8%	66.1%			69.9%	69.7%
Expense ratio	71.8%	54.8%	29.7%	30.2%	28.8%	32.6%	29.9%	35.3%			27.6%	27.4%
Combined ratio	121.9%	100.0%	96.8%	92.3%	91.7%	119.3%	100.7%	101.4%			97.5%	97.2%
Investments, real estate and cash	40.0	199.7	4,385.7	4,584.5	997.6	992.5	152.8	238.7	(825.8)	(806.4)	49,655.3	49,210.8
Technical provisions	89.8	145.4	4,024.7	4,087.9	1,867.0	2,095.3	644.1	662.2	(2,046.1)	(2,182.0)	47,802.6	47,836.1
Shareholders' equity	25.4	90.7	1,246.1	1,321.7	400.1	370.0	223.0	209.0	(1,457.6)	(1,723.1)	8,946.1	8,859.6
ROE	-19.1%	-13.5%	14.0%	15.4%	13.7%	2.3%	-23.9%	-27.3%			8.8%	9.1%

Figures in millions of euros

14.7. Terminology

CONCEPT	DEFINITION
Total managed assets	Includes total balance sheet assets, pension funds, and mutual funds
Managed savings	Includes third party Life technical reserves, pensions funds and mutual funds
Corporate Areas and Consolidation adjustments	Includes the result attributable to MAPFRE RE and MAPFRE INTERNACIONAL's non-controlling interests and other concepts
Gross result	Before taxes and non-controlling interests
Minimum capital requirement (MCR)	Minimum level of capital below which the amount of financial resources should not fall
Solvency capital requirement (SCR)	Reflects a level of eligible own funds that enables insurance and reinsurance undertakings to absorb significant losses and meet their obligations to policyholders
Financial debt	Includes subordinated debt, senior debt and debt due to credit institutions
Senior debt	Issue of debentures and other negotiable securities
Subordinated debt	Subordinated liabilities
Marginal lending facility	Permanent facility offered by the Eurosystem (or equivalent) that counterparties can use to obtain overnight liquidity from the Central Bank at a previously set credit rate, against the presentation of sufficient eligible assets.

Eligible Own Funds/ EOF	Funds available to cover the Solvency Capital Requirement on an on-going basis, consisting of the insurance company's assets, free of any foreseeable liabilities, less any intangible items, and having applied another series of adjustments in line with the Solvency II regulation.
Solvency margin	The difference between Eligible Own Funds and Solvency Capital Requirement
Technical and financial margin – Life	Technical and financial result, plus other non-technical revenue and expenses / arithmetic mean of average technical reserves at the beginning and closing of the period (twelve months) x 100
Other business activities	<p>Includes the Group's non-insurance activities undertaken by the insurance subsidiaries, as well as by other subsidiaries:</p> <ul style="list-style-type: none"> • Activities of the holding companies of MAPFRE S.A. and MAPFRE INTERNACIONAL • Non-insurance activities of the Group developed by its subsidiaries, mainly including: <ul style="list-style-type: none"> • MAPFRE INVERSIÓN (MAPFRE ASSET MANAGEMENT) • MAPFRE ASISTENCIA: Assistance and Specialty Risks • MAPFRE ESPAÑA: FUNESPAÑA (funeral services), MULTIMAP, CENTROS MÉDICOS MAPFRE SALUD (medical services), CESVIMAP (research and training services) • MAPFRE INTERNACIONAL: GENEL SERVIS (vehicle repair shops in Turkey), BEE INSURANCE (advisory services in Malta), GROWTH INVESTMENTS (investment services in Malta)
Payout	(Total dividend charged against earnings / Result for the year attributable to the controlling company) x 100.

Price target	Average of the price targets calculated by analysts over a period of one year
Combined ratio - Non-Life	Expense ratio + Loss ratio
Expense ratio - Non-Life	(Net operating expenses – other technical revenue + other technical expenses) / Premiums allocated to the financial year, net
Loss ratio - Non-Life	(Incurred claims for the year, net + Variation in other technical provisions, net + Profit sharing and returned premiums) / Premiums allocated to the financial year, net
Solvency II Ratio	Eligible Own Funds / Solvency Capital Requirement (SCR) x 100
Dividend yield	Amount of dividend paid in the year / Average share market price in the year.
Result of Life business	Includes technical result, financial result and other non-technical revenue
ROE (Return on equity)	(Attributable result (see definition) for the last twelve months) / Arithmetic mean of equity attributable to the controlling company (see definition) at the beginning and closing of the period (twelve months)) x 100.

The Alternative Performance Measures (APM) used in this report correspond to those financial measures that are not defined or detailed within the framework of the applicable financial information. Their definition and calculation can be consulted at the following link: <https://www.mapfre.com/corporativo-es/accionistas-inversores/inversores/informacion-financiera/medidas-alternativas-rendimiento.jsp>

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Certain numerical figures included in this report have been rounded. Therefore, discrepancies in tables between totals and the sums of the amounts listed may occur due to such rounding.