

**APPENDIX III**  
INSURANCE ENTITIES

1st

6 MONTH FINANCIAL REPORT, FOR THE YEAR

2017

PERIOD END DATE 06/30/2017

**I. COMPANY INFORMATION**

**Company Name:** MAPFRE, S.A.

**Registered address:** CARRETERA DE POZUELO-MAJADAHONDA , 52 28222 Majadahonda (Madrid)

<b>C.I.F</b>
A08055741

**II. ADDITIONAL INFORMATION TO THE INFORMATION PUBLISHED FOR THE PREVIOUS HALF-YEAR**

Explanation of key changes with respect to the information published for the previous period (only to be completed in the circumstances established in section B) of the instructions.

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### III DECLARATIONS FROM THE RELEVANT SUPERVISORS

*As far as we are aware, the Condensed Financial Statements presented herein have been prepared in accordance with the applicable accounting principles and give a true and fair view of the issuer's equity, financial situation and results, or of the companies included in the consolidation taken as a whole, and the interim management report includes a true and fair analysis of the information required.*

#### Comments on the previous statement(s):

#### People who are responsible for this information:

Name/Company name	Position:
ANTONIO HUERTAS MEJÍAS	CHAIRMAN AND CEO
ANTONIO NÚÑER TOVAR	FIRST VICEPRESIDENT
CATALINA MIÑARRO BRUGAROLAS	SECOND VICEPRESIDENT
IGNACION BAEZA GÓMEZ	THIRD VICEPRESIDENT
ADRIANA CASDEMONT I RUHÍ	DIRECTOR
JOSÉ ANTONIO COLOMER GUIU	DIRECTOR
GEORG DASCHNER	DIRECTOR
ANA ISABEL FERNÁNDEZ ÁLVAREZ	DIRECTOR
MARIA LETÍCIA DE FREITAS COSTA	DIRECTOR
LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	DIRECTOR
FRANCISCO JOSÉ MARCO ORENES	DIRECTOR
RAFAEL MÁRQUEZ OSORIO	DIRECTOR
FERNANDO MATA VERDEJO	DIRECTOR
ANTONIO MIGUEL-ROMERO DE OLANO	DIRECTOR
ALFONSO REBUELTA BADÍAS	DIRECTOR

**Signing date of this six month financial report by the corresponding board of directors: 07/24/2017**

**IV. SELECTED FINANCIAL INFORMATION**

**1. INDIVIDUAL BALANCE SHEET (1/2) (Prepared in accordance with current national accounting criteria)**

Units: Thousands of euros

ASSETS		CURRENT PERIOD	PREVIOUS PERIOD
		06/30/2017	12/31/2016
1. Cash and other equivalent liquid assets	0005	50.686	26.730
2. Financial assets held for negotiation	0010		
3. Other financial assets at reasonable value, with changes in profit and loss account	0015		
4. Financial assets available for sale	0020	563	563
5. Loans and amounts due	0025	601.915	395.093
6. Investments held to maturity	0030		
7. Hedging derivatives	0035		
8. Participation of Reinsurance in technical provisions	0041		
9. Property, plant, equipment, and real estate investments	0045	14.836	14.839
a) Property, plant and equipment	0046	14.836	14.839
b) Real estate investments	0047		
10. Intangible assets	0050	3.835	4.405
a) Goodwill	0051		
b) Acquisition costs of portfolios	0053		
c) Other intangible assets	0052	3.835	4.405
11. Equity investments in group and associated companies	0055	9.393.811	9.258.796
a) Associated companies	0056		
b) Multigroup companies	0057		
c) Group companies	0058	9.393.811	9.258.796
12. Tax assets	0060	44.154	74.560
a) Current tax assets	0061	15.737	47.888
b) Deferred tax assets	0062	28.417	26.672
13. Other assets	0075	95.158	99.363
14. Assets held for sale	0080		
<b>TOTAL ASSETS</b>	<b>0100</b>	<b>10.204.958</b>	<b>9.874.349</b>

**IV. SELECTED FINANCIAL INFORMATION**

**1. INDIVIDUAL BALANCE SHEET (2/2) (Prepared in accordance with current national accounting criteria)**

Units: Thousands of euros

<b>LIABILITIES AND EQUITY</b>		<b>CURRENT PERIOD 06/30/2017</b>	<b>PREVIOUS PERIOD 12/31/2016</b>
<b>TOTAL LIABILITIES</b>	<b>0170</b>	3.042.660	2.601.663
1. Financial liabilities held for negotiation	<b>0110</b>		
2. Other financial liabilities at reasonable value, with changes in profit and loss account	<b>0115</b>	530	3.452
3. Debits	<b>0120</b>	3.014.526	2.569.736
a) Subordinated liabilities	<b>0121</b>	1.211.798	593.958
b) Bonds and other negotiable securities	<b>0122</b>	994.721	1.002.545
c) Debits with credit institutions	<b>0123</b>	320.059	480.085
d) Other debits	<b>0124</b>	487.948	493.148
4. Hedging derivatives	<b>0130</b>		
5. Technical provisions	<b>0131</b>		
a) For unearned premiums	<b>0132</b>		
b) For risks in progress	<b>0133</b>		
c) For life assurance	<b>0134</b>		
d) For outstanding claims	<b>0135</b>		
e) For profit sharing and returned premiums	<b>0136</b>		
f) other technical provisions	<b>0137</b>		
6. Non technical provisions	<b>0140</b>	15.076	15.947
7. Tax liabilities	<b>0145</b>	12.528	12.528
a) Current tax liabilities	<b>0146</b>	12.420	12.420
b) Deferred tax liabilities	<b>0147</b>	108	108
8. Other liabilities	<b>0150</b>		
9. Liabilities linked to assets held for sale	<b>0165</b>		
<b>TOTAL NET EQUITY</b>	<b>0195</b>	7.162.298	7.272.686
<b>SHAREHOLDERS' EQUITY</b>	<b>0180</b>	7.162.298	7.272.686
1. Share capital or mutual fund	<b>0171</b>	307.955	307.955
a) Declared capital or mutual fund	<b>0161</b>	307.955	307.955
b) Less: Uncalled capital	<b>0162</b>		
2. Share premium reserve	<b>0172</b>	3.338.721	3.338.720
3. Reserves	<b>0173</b>	3.133.739	3.121.712
4. Less: Treasury stock and participation in equity	<b>0174</b>	(60.185)	(60.234)
5. Previous years results	<b>0178</b>	287.702	277.559
6. Other contributions from partners and mutual members	<b>0179</b>		
7. Results for the year	<b>0175</b>	150.078	468.830
8 Less: Interim dividend	<b>0176</b>		(184.773)
9. Other equity instruments	<b>0177</b>	4.288	2.917
<b>VALUATION ADJUSTMENTS</b>	<b>0188</b>		
1. Financial assets available for sale	<b>0181</b>		
2. Hedging operations	<b>0182</b>		
3. Foreign exchange differences	<b>0184</b>		
4. Correction for accounting asymmetries	<b>0185</b>		
5. Other adjustments	<b>0187</b>		
<b>Subsidies, donations and legacies received</b>	<b>0193</b>		
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>0200</b>	10.204.958	9.874.349

<b>IV. SELECTED FINANCIAL INFORMATION</b>
<b>2. INDIVIDUAL PROFIT AND LOSS ACCOUNT</b>
<i>(Prepared in accordance with current national accounting criteria)</i>

Units: Thousands of euros

		CURRENT PERIOD	PREVIOUS PERIOD	ACCUMULATED CURRENT YEAR	ACCUMULATED PREVIOUS YEAR
		2nd HALF	2nd HALF	06/30/2017	06/30/2016
(+) 1. Premiums allocated to the period, net	0201				
(+) 2. Revenue from tangible assets and investments	0202				
(+) 3. Other technical revenue	0203				
(-) 4. Net claims incurred	0204				
(+/-) 5. Net variation of other technical provisions	0205				
(+/-) 6. Profit sharing and returned premiums	0206				
(-) 7. Net operating expenses	0207				
(+/-) 8. Other technical expenses	0209				
(-) 9. Expenses from tangible assets and investments	0210				
<b>A) TECHNICAL RESULT FROM NON-LIFE OPERATIONS (1 + 2 + 3 + 4 + 5 + 6 + 7 + 8 + 9)</b>	<b>0220</b>				
(+) 10. Premiums allocated to the period, net	0221				
(+) 11. Revenue from tangible assets and investments	0222				
(+) 12. Revenue from investments on account of the life policyholders bearing the investment risk	0223				
(+) 13. Other technical revenue	0224				
(-) 14. Net claims incurred	0225				
(+/-) 15. Net variation of other technical provisions	0226				
(+/-) 16. Profit sharing and returned premiums	0227				
(-) 17. Net operating expenses	0228				
(+/-) 18. Other technical expenses	0229				
(-) 19. Expenses from tangible assets and investments	0230				
(-) 20. Expenses from investments on account of the life policyholders bearing the investment risk	0231				
<b>B) TECHNICAL RESULT FROM LIFE OPERATIONS (10 + 11 + 12 + 13 + 14 + 15 + 16 + 17 + 18 + 19 + 20)</b>	<b>0240</b>				
<b>C) TECHNICAL RESULT (A + B)</b>	<b>0245</b>				
(+) 21. Revenue from tangible assets and investments	0246			205.900	166.351
(+) 22. Negative difference on business combinations	0250				
(-) 23. Expenses from tangible assets and investments	0247			(41.894)	(46.854)
(+) 24. Other revenue	0248			34.769	31.869
(-) 25. Other expenses	0249			(66.180)	(62.437)
<b>E) RESULT BEFORE TAX (C + 21 + 22 + 23 + 24 + 25)</b>	<b>0265</b>			132.595	88.929
(+/-) 26. Corporate Income Tax	0270			17.483	18.249
<b>F) RESULT FROM ONGOING OPERATIONS (E + 26)</b>	<b>0280</b>			150.078	107.178
(+/-) 27. Result after tax from discontinued operations	0285				
<b>G) RESULT FOR THE PERIOD (F + 27)</b>	<b>0300</b>			150.078	107.178
<b>EARNINGS PER SHARE</b>		Amount (X,XX euros)	Amount (X,XX euros)	Amount (X,XX euros)	Amount (X,XX euros)
Reported	0290			0,05	0,03
Diluted	0295			0,05	0,03

In the 6M financial report corresponding to the first half of the year, the data relating to the current period coincides with the accumulated data, and therefore does not need to be filled in.

IV. SELECTED FINANCIAL INFORMATION		
3. STATEMENT OF RECOGNISED INDIVIDUAL INCOME AND EXPENSES		
<i>(Prepared in accordance with current national accounting criteria)</i>		

Units: Thousands of euros

		CURRENT PERIOD 06/30/2017	PREVIOUS PERIOD 06/30/2016
<b>A) RESULT FOR THE PERIOD</b>	<b>0305</b>	150.078	107.178
<b>B) OTHER RECOGNISED REVENUE / (EXPENSES)</b>	<b>0310</b>		
<b>1. Financial assets available for sale:</b>	<b>0315</b>		
a) Gains/(Losses) due to valuation	<b>0316</b>		
b) Amounts transferred to the income statement	<b>0317</b>		
c) Other reclassifications	<b>0318</b>		
<b>2. Cash flow hedging:</b>	<b>0320</b>		
a) Gains/(Losses) due to valuation	<b>0321</b>		
b) Amounts transferred to the income statement	<b>0322</b>		
c) Amounts recognised at initial value of paid up items	<b>0323</b>		
d) Other reclassifications	<b>0324</b>		
<b>3. Hedging of net investments in businesses abroad:</b>	<b>0325</b>		
a) Gains/(Losses) due to valuation	<b>0326</b>		
b) Amounts transferred to the income statement	<b>0327</b>		
c) Other reclassifications	<b>0328</b>		
<b>4. Foreign exchange differences</b>	<b>0330</b>		
a) Gains/(Losses) due to valuation	<b>0331</b>		
b) Amounts transferred to the income statement	<b>0332</b>		
c) Other reclassifications	<b>0333</b>		
<b>5. Correction of accounting asymmetries:</b>	<b>0335</b>		
a) Gains/(Losses) due to valuation	<b>0336</b>		
b) Amounts transferred to the income statement	<b>0337</b>		
c) Other reclassifications	<b>0338</b>		
<b>6. Assets held for sale:</b>	<b>0340</b>		
a) Gains/(Losses) due to valuation	<b>0341</b>		
b) Amounts transferred to the income statement	<b>0342</b>		
c) Other reclassifications	<b>0343</b>		
<b>7. Actuarial gains/(losses) for long-term remuneration for employees</b>	<b>0345</b>		
<b>8. Other recognised income and expenses</b>	<b>0355</b>		
<b>9. Corporate Income Tax</b>	<b>0360</b>		
<b>TOTAL RECOGNISED REVENUE/(EXPENSES) (A+B)</b>	<b>0400</b>	150.078	107.178

**IV. SELECTED FINANCIAL INFORMATION**  
**4. CHANGES IN INDIVIDUAL EQUITY (1/2)**  
*Prepared in accordance with current national accounting criteria*

Units: Thousands of euros

CURRENT PERIOD		Equity					Adjustments for changes in value	Subsidies, donations and inheritances received	Total Equity
		Capital	Share premium and other reserves <sup>(1)</sup>	Shares and participations in equity	Result for the period	Other equity instruments			
<b>Balance as at 01/01/2017</b>	<b>3010</b>	307.955	6.553.218	(60.234)	468.830	2.918		7.272.687	
Adjustments for changes in accounting criteria	<b>3011</b>								
Adjustments for errors	<b>3012</b>								
<b>Adjusted opening balance</b>	<b>3015</b>	307.955	6.553.218	(60.234)	468.830	2.918		7.272.687	
<b>I. Total recognised income / (expenses)</b>	<b>3020</b>				150.078			150.078	
<b>II. Operations with shareholders or owners</b>	<b>3025</b>		(261.886)	49				(261.837)	
1. Increases (Reductions) in capital	<b>3026</b>								
2. Conversion of financial liabilities to equity	<b>3027</b>								
3. Distribution of dividends	<b>3028</b>		(261.915)					(261.915)	
4. Operations involving treasury stock or participations in equity (net)	<b>3029</b>		29	49				78	
5. Increases / (Decreases) due to changes in business combinations	<b>3030</b>								
6. Other operations with shareholders or owners	<b>3032</b>								
<b>III. Other variations in equity</b>	<b>3035</b>		468.830		(468.830)	1.370		1.370	
1. Payments using equity instruments	<b>3036</b>					1.370		1.370	
2. Transfers between equity classes	<b>3037</b>		468.830		(468.830)			0	
3. Other variations	<b>3038</b>								
<b>Balance as at 06/30/2017</b>	<b>3040</b>	307.955	6.760.162	(60.185)	150.078	4.288		7.162.298	

(1) The column "Share premium and other reserves", for the purpose of this statement, includes the following items of the net equity: 2) Share premium reserve; 3) Reserves; 5) Prior year result; 6) Other contributions from partners and mutual members and 8) Less: interim dividend

**IV. SELECTED FINANCIAL INFORMATION**

**4. CHANGES IN INDIVIDUAL EQUITY (2/2)**

*Prepared in accordance with current national accounting criteria*

Units: Thousands of euros

PREVIOUS PERIOD		Equity					Adjustments for changes in value	Subsidies, donations and inheritances received	Total Equity
		Capital	Share premium and other reserves <sup>(1)</sup>	Shares and participations in equity	Result for the period	Other equity instruments			
<b>Balance as at 01/01/2016 (period of comparison)</b>	<b>3050</b>	307.955	6.240.143	(2.392)	450.126			6.995.832	
Adjustments for changes in accounting criteria	<b>3051</b>								
Adjustments for errors	<b>3052</b>								
<b>Adjusted opening balance (period of comparison)</b>	<b>3055</b>	307.955	6.240.143	(2.392)	450.126			6.995.832	
<b>I. Total recognised income / (expenses)</b>	<b>3060</b>				107.178			107.178	
<b>II. Operations with shareholders or owners</b>	<b>3065</b>		(215.601)	(57.842)				(273.443)	
1. Increases (Reductions) in capital	<b>3066</b>								
2. Conversion of financial liabilities to equity	<b>3067</b>								
3. Distribution of dividends	<b>3068</b>		(215.569)					(215.569)	
4. Operations involving treasury stock or participations in equity (net)	<b>3069</b>		(32)	(57.842)				(57.874)	
5. Increases / (Decreases) due to changes in business combinations	<b>3070</b>								
6. Other operations with shareholders or owners	<b>3072</b>								
<b>III. Other variations in equity</b>	<b>3075</b>		450.732		(450.126)	1.528		2.134	
1. Payments using equity instruments	<b>3076</b>								
2. Transfers between equity classes	<b>3077</b>		450.126		(450.126)			0	
3. Other variations	<b>3078</b>		606			1.528		2.134	
<b>Balance as at 06/30/2016 (period of comparison)</b>	<b>3080</b>	307.955	6.475.274	(60.234)	107.178	1.528		6.831.701	

(1) The column "Share premium and other reserves", for the purpose of this statement, includes the following items of the net equity: 2) Share premium reserve; 3) Reserves; 5) Prior year result; 6) Other contributions from partners and mutual members and 8) Less: interim dividend



**IV. SELECTED FINANCIAL INFORMATION**  
**5.A. INDIVIDUAL CASH FLOW STATEMENT (DIRECT METHOD)**  
*(Prepared in accordance with current national accounting criteria)*

Units: Thousands of euros

		CURRENT PERIOD	PREVIOUS PERIOD
		06/30/2017	06/30/2016
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (1 + 2 + 3)</b>	<b>7435</b>	(25.079)	(31.070)
<b>1. Insurance activities:</b>	<b>7405</b>		
(+) Inflows from insurance activities	7406		
(-) Outflows from insurance activities	7407		
<b>2. Other operating activities:</b>	<b>7410</b>	(46.498)	(51.765)
(+) Other operating activities cash inflows	7415	33.365	39.724
(-) Other operating activities cash outflows	7416	(79.863)	(91.489)
<b>3. Inflows/(outflows) due to corporate income tax</b>	<b>7425</b>	21.419	20.695
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (1 + 2)</b>	<b>7460</b>	(107.223)	189.953
<b>1. Inflows from investment activities:</b>	<b>7450</b>	167.771	265.441
(+) Tangible assets	7451		
(+) Investments in property, plant and equipment	7452		
(+) Intangible assets	7453		
(+) Financial instruments	7454		99.107
(+) Participations	7455		704
(+) Other business units	7457		
(+) Interests collected	7456	2.555	3.275
(+) Dividends collected	7459	165.216	162.355
(+) Other income related to investment activities	7458		
<b>2. Payments related to investment activities:</b>	<b>7440</b>	(274.994)	(75.488)
(-) Tangible assets	7441		
(-) Investments in property, plant and equipment	7442		
(-) Intangible assets	7443		
(-) Financial instruments	7444	(274.979)	(62.100)
(-) Participations	7445	(15)	(13.388)
(-) Other business units	7447		
(-) Other payments related to investment activities	7448		
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (1 + 2)</b>	<b>7490</b>	156.258	(54.356)
<b>1. Inflows from financing activities:</b>	<b>7480</b>	920.000	1.053.090
(+) Subordinated liabilities	7481	600.000	
(+) Inflows from the issue of equity instruments and capital increases	7482		
(+) Capital contributions from owners or mutual members	7483		
(+) Sales of treasury stock	7485		
(+) Other income related to financing activities	7486	320.000	1.053.090
<b>2. Payments related to financing activities:</b>	<b>7470</b>	(763.742)	(1.107.446)
(-) Dividends to shareholders	7471	(257.369)	(212.259)
(-) Interest payments	7475	(20.573)	(35.322)
(-) Subordinated liabilities	7472	(2.600)	
(-) Capital contributions returned to shareholders	7473		
(-) Capital contributions returned to owners or mutual members	7474		
(-) Acquisition of treasury stock	7477		(57.873)
(-) Other payments related to financial activities	7478	(483.200)	(801.992)
<b>D) FOREIGN EXCHANGE DIFFERENCES</b>	<b>7492</b>		
<b>E) NET INCREASE / (DECREASE) IN CASH AND EQUIVALENTS (A + B + C + D)</b>	<b>7495</b>	23.956	104.527
<b>F) OPENING CASH BALANCE AND EQUIVALENTS</b>	<b>7499</b>	26.730	16.513
<b>G) CLOSING CASH BALANCES AND EQUIVALENTS (E + F)</b>	<b>7500</b>	50.686	121.040

		CURRENT PERIOD	PREVIOUS PERIOD
		06/30/2017	06/30/2016
<b>COMPONENTS OF CASH AND EQUIVALENTS AT PERIOD END</b>			
(+) Cash and banks	7550	50.686	121.040
(+) Other financial assets	7552		
(-) Less: Bank overdrafts payable on demand	7553		
<b>TOTAL CLOSING CASH AND EQUIVALENTS</b>	<b>7600</b>	50.686	121.040

**IV. SELECTED FINANCIAL INFORMATION**  
**5.B. INDIVIDUAL CASH FLOW STATEMENT (INDIRECT METHOD)**  
*Prepared in accordance with current national accounting criteria*

Units: Thousands of euros

		CURRENT PERIOD 06/30/2017	PREVIOUS PERIOD 06/30/2016
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (1 + 2 + 3+4)</b>	<b>0435</b>		
<b>1. Result before taxes</b>	<b>0405</b>		
<b>2. Adjustments to results:</b>	<b>0410</b>		
(+/-) Variation in provisions	0415		
(+/-) Other adjustments	0419		
<b>3. Net increase/(decrease) of operating assets and liabilities</b>	<b>0420</b>		
<b>4. Other cash flows from operating activities:</b>	<b>0431</b>		
(+/-) Inflows/(outflows) due to corporate income tax	0430		
(+/-) Other inflows/(outflows) from operating activities	0432		
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (1 + 2)</b>	<b>0460</b>		
<b>1. Inflows from investment activities:</b>	<b>0450</b>		
(+) Tangible assets	0451		
(+) Investments in property, plant and equipment	0452		
(+) Intangible assets	0453		
(+) Financial instruments	0454		
(+) Participations	0455		
(+) Other business units	0457		
(+) Interests collected	0456		
(+) Dividends collected	0459		
(+) Other income related to investment activities	0458		
<b>2. Payments related to investment activities:</b>	<b>0440</b>		
(-) Tangible assets	0441		
(-) Investments in property, plant and equipment	0442		
(-) Intangible assets	0443		
(-) Financial instruments	0444		
(-) Participations	0445		
(-) Other business units	0447		
(-) Other payments related to investment activities	0448		
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (1 + 2)</b>	<b>0490</b>		
<b>1. Inflows from financing activities:</b>	<b>0480</b>		
(+) Subordinated liabilities	0481		
(+) Inflows from the issue of equity instruments and capital increases	0482		
(+) Capital contributions from owners or mutual members	0483		
(+) Sales of treasury stock	0485		
(+) Other income related to financial activities	0486		
<b>2. Payments related to financial activities:</b>	<b>0470</b>		
(-) Dividends	0471		
(-) Interests	0475		
(-) Subordinated liabilities	0472		
(-) Capital contributions returned to shareholders	0473		
(-) Capital contributions returned to owners or mutual members	0474		
(-) Acquisition of treasury stock	0477		
(-) Other payments related to financing activities	0478		
<b>D) FOREIGN EXCHANGE DIFFERENCES</b>	<b>0492</b>		
<b>E) NET INCREASE / (DECREASE) IN CASH AND EQUIVALENTS (A + B + C + D)</b>	<b>0495</b>		
<b>F) OPENING CASH BALANCE AND EQUIVALENTS</b>	<b>0499</b>		
<b>G) CLOSING CASH BALANCES AND EQUIVALENTS (E + F)</b>	<b>0500</b>		

		CURRENT PERIOD 06/30/2017	PREVIOUS PERIOD 06/30/2016
<b>COMPONENTS OF CASH AND EQUIVALENTS AT PERIOD END</b>			
(+) Cash and banks	550		
(+) Other financial assets	552		
(-) Less: Bank overdrafts payable on demand	553		
<b>TOTAL CLOSING CASH AND EQUIVALENTS</b>	<b>600</b>		

**IV. SELECTED FINANCIAL INFORMATION**  
**6. CONSOLIDATED BALANCE SHEET (1/2)**  
**IFRS**

Units: Thousands of euros

ASSETS		CURRENT PERIOD 06/30/2017	PREVIOUS PERIOD 12/31/2016
1. Cash and other equivalent liquid assets	1005	1.519.313	1.451.117
2. Financial assets held for negotiation	1010	3.553.351	3.424.259
3. Other financial assets at reasonable value, with changes in profit and loss account	1015	4.026.061	3.608.290
4. Financial assets available for sale	1020	34.357.219	35.102.605
5. Loans and amounts due	1025	8.629.182	7.515.314
6. Investments held to maturity	1030	2.102.731	2.419.756
7. Hedging derivatives	1035		
8. Participation of Reinsurance in technical provisions	1041	4.576.087	3.934.374
9. Property, plant, equipment, and real estate investments	1045	2.490.634	2.571.383
a) Property, plant and equipment	1046	1.217.245	1.296.567
b) Real estate investments	1047	1.273.389	1.274.816
10. Intangible assets	1050	3.671.839	3.798.916
a) Goodwill	1051	2.002.496	1.990.046
b) Acquisition costs of portfolios	1053	1.079.887	1.197.156
c) Other intangible assets	1052	589.456	611.714
11. Participation in equity-accounted entities	1055	201.603	242.570
12. Tax assets	1060	461.653	501.537
a) Current tax assets	1061	142.498	166.220
b) Deferred tax assets	1062	319.155	335.317
13. Other assets	1075	2.373.657	2.400.494
14. Assets held for sale	1080	163.694	911.159
<b>TOTAL ASSETS</b>	<b>1100</b>	<b>68.127.024</b>	<b>67.881.774</b>

**IV. SELECTED FINANCIAL INFORMATION**  
**6. CONSOLIDATED BALANCE SHEET (2/2)**  
**IFRS**

Units: Thousands of euros

LIABILITIES AND EQUITY		CURRENT PERIOD 06/30/2017	PREVIOUS PERIOD 12/31/2016
<b>TOTAL LIABILITIES</b>	<b>1170</b>	57.263.540	56.438.278
1. Financial liabilities held for negotiation	1110	234.205	264.015
2. Other financial liabilities at reasonable value, with changes in profit and loss account			
	1115	490.302	439.189
3. Debits	1120	6.827.829	5.801.178
a) Subordinated liabilities	1121	1.211.798	593.958
b) Bonds and other negotiable securities	1122	994.721	1.002.545
c) Debits with credit institutions	1123	437.427	606.356
d) Other debits	1124	4.183.883	3.598.319
4. Hedging derivatives	1130		
5. Technical provisions	1131	47.836.148	47.240.085
a) For unearned premiums	1132	9.564.045	8.602.497
b) For risks in progress	1133	31.231	34.032
c) For life assurance	1134	27.264.328	27.678.749
d) For outstanding claims	1135	10.103.767	10.086.754
e) For profit sharing and returned premiums	1136	63.349	65.173
f) other technical provisions	1137	809.428	772.880
6. Non technical provisions	1140	655.419	752.750
7. Tax liabilities	1145	883.210	962.033
a) Current tax liabilities	1146	195.158	231.323
b) Deferred tax liabilities	1147	688.052	730.710
8. Other liabilities	1150	331.787	288.740
9. Liabilities linked to assets held for sale	1165	4.640	690.288
<b>TOTAL NET EQUITY</b>	<b>1195</b>	<b>10.863.484</b>	<b>11.443.496</b>
<b>SHAREHOLDER EQUITY</b>	<b>1180</b>	<b>9.523.059</b>	<b>9.326.290</b>
1. Share capital or mutual fund	1171	307.955	307.955
a) Declared capital or mutual fund	1161	307.955	307.955
b) Less: Uncalled capital	1162		
2. Share premium reserve	1172	1.506.729	1.506.729
3. Reserves	1173	6.597.619	6.309.535
4. Less: Treasury stock and participation in equity	1174	(60.185)	(60.234)
5. Previous years results	1178	742.085	731.942
6. Other contributions from partners and mutual members	1179		
7. Profit and loss of the year attributable to the controlling company	1175	415.113	775.451
8 Less: interim dividend	1176		(184.773)
9. Other equity instruments	1177	13.743	9.685
<b>OTHER ACCUMULATED GLOBAL RESULTS</b>	<b>1188</b>	<b>(663.417)</b>	<b>(269.778)</b>
1. Items not reclassified to the results for the period	1190		
2. Items that may be subsequently reclassified to the results for the period	1183	(663.417)	(269.778)
a) Financial assets available for sale	1181	2.646.159	2.888.380
b) Hedging	1182		
c) Foreign exchange differences	1184	(1.310.821)	(924.449)
d) Correction of accounting asymmetries	1185	(2.000.377)	(2.237.342)
e) Equity-accounted entities	1186	699	2.653
f) Other adjustments	1187	923	980
<b>NET EQUITY ATTRIBUTABLE TO THE CONTROLLING COMPANY</b>	<b>1189</b>	<b>8.859.642</b>	<b>9.126.512</b>
<b>MINORITY INTERESTS</b>	<b>1193</b>	<b>2.003.842</b>	<b>2.316.984</b>
1. Other accumulated global results	1191	(563.209)	(412.672)
2. Other	1192	2.567.051	2.729.656
<b>TOTAL LIABILITIES AND NET EQUITY</b>	<b>1200</b>	<b>68.127.024</b>	<b>67.881.774</b>

**IV. SELECTED FINANCIAL INFORMATION**  
**7. CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**IFRS**

Units: Thousands of euros

		CURRENT PERIOD	PRIOR PERIOD	ACCUMULATED CURRENT YEAR	ACCUMULATED PREVIOUS YEAR
		2nd HALF	2nd HALF	06/30/2017	06/30/2016
(+) 1. Premiums allocated to the period, net	1201			7.145.411	7.090.825
(+) 2. Revenue from tangible assets and investments	1202			1.005.197	916.871
(+) 3. Other technical revenue	1203			29.624	24.247
(-) 4. Net claims incurred	1204			(4.932.116)	(4.909.397)
(+/-) 5. Net variation of other technical provisions	1205			(39.833)	(38.537)
(+/-) 6. Profit sharing and returned premiums	1206			(9.344)	(9.164)
(-) 7. Net operating expenses	1207			(1.945.098)	(1.947.307)
(+/-) 8. Other technical expenses	1209			(45.903)	(35.866)
(-) 9. Expenses from tangible assets and investments	1210			(627.478)	(478.470)
<b>A) TECHNICAL RESULT FROM NON-LIFE OPERATIONS (1+ 2 + 3 + 4 + 5 + 6 + 7 + 8 + 9)</b>	<b>1220</b>			580.460	613.202
(+) 10. Premiums allocated to the period, net	1221			2.729.986	2.396.296
(+) 11. Revenue from tangible assets and investments	1222			948.469	921.568
(+) 12. Revenue from investments on account of the life policyholders bearing the investment risk	1223			89.413	440.014
(+) 13. Other technical revenue	1224			233	228
(-) 14. Net claims incurred	1225			(1.902.120)	(1.867.153)
(+/-) 15. Net variation of other technical provisions	1226			(477.298)	(259.772)
(+/-) 16. Profit sharing and returned premiums	1227			(10.517)	(12.610)
(-) 17. Net operating expenses	1228			(620.327)	(562.161)
(+/-) 18. Other technical expenses	1229			(15.620)	(8.105)
(-) 19. Expenses from tangible assets and investments	1230			(329.737)	(263.695)
(-) 20. Expense from investments on account of the life policyholders bearing the investment risk	1231			(11.542)	(404.661)
<b>B) TECHNICAL RESULT FROM LIFE OPERATIONS (10 + 11 + 12 + 13 + 14 + 15 + 16 + 17 + 18 + 19 + 20)</b>	<b>1240</b>			400.940	379.949
<b>C) TECHNICAL RESULT (A + B)</b>	<b>1245</b>			981.400	993.151
(+) 21. Revenue from tangible assets and investments	1246			56.994	50.116
(+) 22. Negative consolidation differences	1250				
(-) 23. Expenses from tangible assets and investments	1247			(55.784)	(45.780)
(+) 24. Other revenue	1248			235.236	208.273
(-) 25. Other expenses	1249			(283.322)	(301.074)
<b>E) RESULT BEFORE TAX (C + 21 + 22 + 23 + 24 + 25)</b>	<b>1265</b>			934.524	904.686
(+/-) 26. Corporate Income Tax	1270			(281.006)	(306.485)
<b>F) RESULT BEFORE TAX FROM ONGOING OPERATIONS (E + 26)</b>	<b>1280</b>			653.518	598.201
(+/-) 27. Result after tax from discontinued operations	1285				
<b>G) RESULT FOR THE PERIOD (F + 27)</b>	<b>1288</b>			653.518	598.201
a) Result attributable to the controlling company	1300			415.113	380.410
b) Result attributable to minority interests	1289			238.405	217.791
<b>EARNINGS PER SHARE</b>		<b>Amount (X,XX euros)</b>	<b>Amount (X,XX euros)</b>	<b>Amount (X,XX euros)</b>	<b>Amount (X,XX euros)</b>
Reported	1290			0,13	0,12
Diluted	1295			0,13	0,12

In the 6M financial report corresponding to the first half of the year, the data relating to the current period coincides with the accumulated data, and therefore does not need to be filled in.

<b>IV. SELECTED FINANCIAL INFORMATION</b>
<b>8. STATEMENT OF RECOGNISED CONSOLIDATED INCOME AND EXPENSES</b>
<i>IFRS</i>

Units: Thousands of euros

		CURRENT PERIOD 06/30/2017	PREVIOUS PERIOD 06/30/2016
<b>A) CONSOLIDATED PROFIT AND LOSS OF THE YEAR</b>	<b>1305</b>	653.518	598.201
<b>B) OTHER GLOBAL RESULTS - ITEMS NOT RECLASSIFIED TO THE RESULT FOR THE PERIOD</b>	<b>1310</b>		
<b>1. Actuarial gains/(losses) for long-term remuneration for employees:</b>	<b>1370</b>		
<b>2. Participation in other recognized global results from investments in joint and associated businesses:</b>	<b>1371</b>		
<b>3. Other income and expenses not reclassified to the result for the period:</b>	<b>1372</b>		
<b>4. Tax effect:</b>	<b>1373</b>		
<b>C) OTHER GLOBAL RESULTS - ITEMS THAT CAN BE SUBSEQUENTLY RECLASSIFIED TO THE RESULT FOR THE PERIOD</b>	<b>1345</b>	(544.177)	549.571
<b>1. Financial assets available for sale:</b>	<b>1315</b>	(421.519)	1.098.652
a) Gains/(Losses) due to valuation	<b>1316</b>	(313.430)	1.233.465
b) Amounts transferred to the income statement	<b>1317</b>	(107.885)	(137.572)
c) Other reclassifications	<b>1318</b>	(204)	2.759
<b>2. Cash flow hedging:</b>	<b>1320</b>		
a) Gains/(Losses) due to valuation	<b>1321</b>		
b) Amounts transferred to the income statement	<b>1322</b>		
c) Amounts recognised at initial value of paid up items	<b>1323</b>		
d) Other reclassifications	<b>1324</b>		
<b>3. Hedging of net investments in businesses abroad:</b>	<b>1325</b>	(72)	
a) Gains/(Losses) due to valuation	<b>1326</b>		
b) Amounts transferred to the income statement	<b>1327</b>		
c) Other reclassifications	<b>1328</b>	(72)	
<b>4. Foreign exchange differences:</b>	<b>1330</b>	(530.049)	367.280
a) Gains/(Losses) due to valuation	<b>1331</b>	(529.342)	368.219
b) Amounts transferred to the income statement	<b>1332</b>	(82)	(799)
c) Other reclassifications	<b>1333</b>	(625)	(140)
<b>5. Correction of accounting asymmetries:</b>	<b>1335</b>	401.873	(824.642)
a) Gains/(Losses) due to valuation	<b>1336</b>	382.582	(826.275)
b) Amounts transferred to the income statement	<b>1337</b>	19.371	1.633
c) Other reclassifications	<b>1338</b>	(80)	
<b>6. Assets held for sale:</b>	<b>1340</b>		
a) Gains/(Losses) due to valuation	<b>1341</b>		
b) Amounts transferred to the income statement	<b>1342</b>		
c) Other reclassifications	<b>1343</b>		
<b>7. Participation in other recognized global results from investments in joint and associated businesses:</b>	<b>1350</b>	(1.954)	(48)
a) Gains/(Losses) due to valuation	<b>1351</b>	(2.019)	52
b) Amounts transferred to the income statement	<b>1352</b>	(3)	
c) Other reclassifications	<b>1353</b>	68	(100)
<b>8. Other income and expenses that can be subsequently reclassified to the result for the period</b>	<b>1355</b>	81	(18.672)
<b>9. Tax effect</b>	<b>1360</b>	7.463	(72.999)
<b>TOTAL GLOBAL RESULT FOR THE PERIOD (A+B+C)</b>	<b>1400</b>	109.341	1.147.772
a) Attributable to the controlling company	<b>1398</b>	21.474	657.410
b) Attributable to minority interests	<b>1399</b>	87.867	490.362

**IV. SELECTED FINANCIAL INFORMATION**  
**9. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (1/2)**  
*IFRS*

Units: Thousands of euros

CURRENT PERIOD		Equity of the controlling company						Minority interests	Total equity
		Shareholders' Equity					Adjustments for changes in value		
		Capital	Share premium and other reserves(1)	Shares and participations in equity	Result for the period attributable to the controlling company	Other equity instruments			
<b>Opening balance as at 01/01/217</b>	<b>3110</b>	307.955	8.363.432	(60.234)	775.451	9.685	(269.778)	2.316.985	11.443.496
Adjustments for changes in accounting criteria	<b>3111</b>								
Adjustments for errors	<b>3112</b>								
<b>Adjusted opening balance</b>	<b>3115</b>	307.955	8.363.432	(60.234)	775.451	9.685	(269.778)	2.316.985	11.443.496
<b>I. Total income / (expenses) recognised</b>	<b>3120</b>				415.113		(393.639)	87.867	109.341
<b>II. Operations with shareholders or owners</b>	<b>3125</b>		(261.763)	49				(388.818)	(650.532)
1. Increases (Reductions) in capital	<b>3126</b>								
2. Conversion of financial liabilities to equity	<b>3127</b>								
3. Dividend distributions	<b>3128</b>		(261.763)					(390.636)	(652.399)
4. Operations with treasury stock or participations in equity (net)	<b>3129</b>			49					49
5. Increases / (Decreases) due to business combinations	<b>3130</b>							1.818	1.818
6. Other operations with shareholders or owners	<b>3132</b>								
<b>III. Other variations in equity</b>	<b>3135</b>		744.765		(775.451)	4.057		(12.192)	(38.821)
1. Payments based on equity instruments	<b>3136</b>					4.057			4.057
2. Transfers between equity items	<b>3137</b>		775.451		(775.451)				
3. Other variations	<b>3138</b>		(30.686)					(12.192)	(42.878)
<b>Final Balance as at 06/30/2017</b>	<b>3140</b>	307.955	8.846.434	(60.185)	415.113	13.742	(663.417)	2.003.842	10.863.484

(1) The column "Share premium and other reserves", for the purpose of this statement, includes the following items of the net equity: 2) Share premium reserve; 3) Reserves; 5) Prior years' results; 6) Other contributions from partners and 8) Less: interim dividend

**IV. SELECTED FINANCIAL INFORMATION**  
**9. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (2/2)**  
**IFRS**

Units: Thousands of euros

PREVIOUS PERIOD	Equity of the controlling company							Minority interests	Total equity
	Shareholders' Equity					Adjustments for changes in value			
	Capital	Share premium and other reserves(1)	Shares and participations in equity	Result for the period attributable to the controlling company	Other equity instruments				
<b>Opening balance as at 01/01/2016 (comparison period)</b>	<b>3150</b>	307.955	8.069.685	(2.393)	708.779		(510.301)	1.834.544	10.408.269
Adjustments for changes in accounting criteria	<b>3151</b>								
Adjustments for errors	<b>3152</b>								
<b>Adjusted opening balance (comparison period)</b>	<b>3155</b>	307.955	8.069.685	(2.393)	708.779		(510.301)	1.834.544	10.408.269
<b>I. Total income / (expenses) recognised</b>	<b>3160</b>				380.410		277.000	490.362	1.147.772
<b>II. Operations with shareholders or owners</b>	<b>3165</b>		(218.256)	(57.841)				(128.471)	(404.568)
1. Increases (Reductions) in capital	<b>3166</b>							55.000	55.000
2. Conversion of financial liabilities to equity	<b>3167</b>								
3. Dividend distributions	<b>3168</b>		(215.569)					(173.311)	(388.880)
4. Operations with treasury stock or participations in equity (net)	<b>3169</b>		(32)	(57.841)					(57.873)
5. Increases / (Decreases) due to changes in business combinations	<b>3170</b>								
6. Other operations with shareholders or owners	<b>3172</b>		(2.655)					(10.160)	(12.815)
<b>III. Other variations in equity</b>	<b>3175</b>		694.717		(708.779)	5.093		36.514	27.545
1. Payments based on equity instruments	<b>3176</b>								
2. Transfers between equity items	<b>3177</b>		708.779		(708.779)				0
3. Other variations	<b>3178</b>		(14.062)			5.093		36.514	27.545
<b>Final Balance as at 06/30/2016 (comparison period)</b>	<b>3180</b>	307.955	8.546.146	(60.234)	380.410	5.093	(233.301)	2.232.949	11.179.018

(1) The column "Share premium and other reserves", for the purpose of this statement, includes the following items of the net equity: 2) Share premium reserve; 3) Reserves; 5) Prior years' results; 6) Other contributions from partners and 8) Less: interim dividend



**IV. SELECTED FINANCIAL INFORMATION**  
**10.A. CONSOLIDATED CASH FLOW STATEMENT (DIRECT METHOD)**  
**IFRS**

Units: Thousands of euros

		CURRENT PERIOD 06/30/2017	PREVIOUS PERIOD 06/30/2016
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (1 + 2 + 3)</b>	<b>8435</b>	113.050	321.163
<b>1. Insurance activities:</b>	<b>8405</b>	442.971	728.208
(+) Inflows from insurance activities	8406	11.721.770	11.578.008
(-) Outflows from insurance activities	8407	(11.278.799)	(10.849.800)
<b>2. Other operating activities:</b>	<b>8410</b>	(73.266)	(176.200)
(+) Other operating activities cash inflows	8415	531.715	313.016
(-) Other operating activities cash outflows	8416	(604.981)	(489.216)
<b>3. Inflows/(outflows) due to corporate income tax</b>	<b>8425</b>	(256.655)	(230.845)
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (1 + 2)</b>	<b>8460</b>	271.125	123.503
<b>1. Inflows from investment activities:</b>	<b>8450</b>	10.905.408	9.893.420
(+) Tangible assets	8451	14.060	3.230
(+) Investments in property, plant and equipment	8452	73.621	15.217
(+) Intangible assets	8453	530	207
(+) Financial instruments	8454	9.441.942	8.695.238
(+) Participations	8455	715.164	426.189
(+) Dependent companies and other business units	8457	19.191	45.446
(+) Collected interests	8456	545.780	614.229
(+) Collected dividends	8459	34.294	37.087
(+) Other income related to investment activities	8458	60.826	56.577
<b>2. Payments related to investment activities:</b>	<b>8440</b>	(10.634.283)	(9.769.917)
(-) Tangible assets	8441	(93.535)	(25.827)
(-) Investments in property, plant and equipment	8442	(16.132)	(6.623)
(-) Intangible assets	8443	(43.557)	(47.053)
(-) Financial instruments	8444	(9.329.173)	(8.921.879)
(-) Participations	8445	(1.092.824)	(670.526)
(-) Dependent companies and other business units	8447	(16.574)	(78.643)
(-) Other payments related to investment activities	8448	(42.488)	(19.366)
<b>C) CASH FLOW FROM FINANCING ACTIVITIES (1 + 2)</b>	<b>8490</b>	(270.300)	167.531
<b>1. Inflows from financing activities:</b>	<b>8480</b>	959.060	1.145.095
(+) Subordinated liabilities	8481	600.000	
(+) Inflows from the issue of equity instruments and capital increases	8482		55.000
(+) Capital contributions from owners or mutual members	8483		
(+) Sale of treasury stock	8485		
(+) Other income related to financing activities	8486	359.060	1.090.095
<b>2. Payments related to financing activities:</b>	<b>8470</b>	(1.229.360)	(977.564)
(-) Dividends	8471	(641.909)	(374.783)
(-) Interests paid	8475	(23.745)	(15.907)
(-) Subordinated liabilities	8472	(2.600)	
(-) Capital contributions returned to shareholders	8473		(379)
(-) Capital contributions returned to owners or mutual members	8474		
(-) Acquisition of treasury stock	8477		(57.873)
(-) Other payments related to financing activities	8478	(561.106)	(528.622)
<b>D) EFFECT OF FOREIGN EXCHANGE VARIATIONS</b>	<b>8492</b>	(45.679)	(23.657)
<b>E) NET INCREASE / (DECREASE) IN CASH AND EQUIVALENTS (A + B + C + D)</b>	<b>8495</b>	68.196	588.540
<b>F) OPENING CASH BALANCE AND EQUIVALENTS</b>	<b>8499</b>	1.451.117	989.072
<b>G) CLOSING CASH BALANCES AND EQUIVALENTS (E + F)</b>	<b>8500</b>	1.519.313	1.577.612

COMPONENTS OF CASH AND EQUIVALENTS AT PERIOD END		CURRENT PERIOD 06/30/2017	PREVIOUS PERIOD 06/30/2016
(+) Cash and banks	8550	1.399.494	1.362.635
(+) Other financial assets	8552	119.819	214.977
(-) Less: Bank overdrafts payable on demand	8553		
<b>TOTAL CLOSING CASH AND EQUIVALENTS</b>	<b>8600</b>	1.519.313	1.577.612

**IV. SELECTED FINANCIAL INFORMATION**  
**10.B. CONSOLIDATED CASH FLOW STATEMENT (INDIRECT METHOD)**  
**IFRS**

Units: Thousands of euros

	CURRENT PERIOD 06/30/2017	PREVIOUS PERIOD 06/30/2016
<b>A) CASH FLOW FROM OPERATING ACTIVITIES (1 + 2 + 3 + 4)</b>	<b>1435</b>	
<b>1. Result before taxes</b>	<b>1405</b>	
<b>2. Result adjustments:</b>	<b>1410</b>	
(+/-) Variation in provisions	1415	
(+/-) Other adjustments	1419	
<b>3. Net increase/(decrease) of operating assets and liabilities</b>	<b>1420</b>	
<b>4. Other cash flows from operating activities:</b>	<b>1431</b>	
(+/-) Inflows/(outflows) due to corporate income tax	1430	
(+/-) Other inflows/(outflows) from operating activities	1432	
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (1 + 2)</b>	<b>1460</b>	
<b>1. Inflows from investment activities:</b>	<b>1450</b>	
(+) Tangible assets	1451	
(+) Investments in property, plant and equipment	1452	
(+) Intangible assets	1453	
(+) Financial instruments	1454	
(+) Participations	1455	
(-) Dependent companies and other business units	1457	
(+) Receivable interests	1456	
(+) Receivable dividends	1459	
(+) Other income related to investment activities	1458	
<b>2. Payments related to investment activities:</b>	<b>1440</b>	
(-) Tangible assets	1441	
(-) Investments in property, plant and equipment	1442	
(-) Intangible assets	1443	
(-) Financial instruments	1444	
(-) Participations	1445	
(-) Dependent companies and other business units	1447	
(-) Other payments related to investment activities	1448	
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (1 + 2)</b>	<b>1490</b>	
<b>1. Inflows from financing activities:</b>	<b>1480</b>	
(+) Subordinated liabilities	1481	
(+) Inflows from the issue of equity instruments and capital increases	1482	
(+) Capital contributions from owners or mutual members	1483	
(+) Sale of treasury stock	1485	
(+) Other income related to financing activities	1486	
<b>2. Payments related to financing activities:</b>	<b>1470</b>	
(-) Dividends	1471	
(-) Interests paid	1475	
(-) Subordinated liabilities	1472	
(-) Capital contributions returned to shareholders	1473	
(-) Capital contributions returned to owners or mutual members	1474	
(-) Acquisition of treasury stock	1477	
(-) Other payments related to financing activities	1478	
<b>D) EFFECT OF FOREIGN EXCHANGE VARIATIONS</b>	<b>1492</b>	
<b>E) NET INCREASE / (DECREASE) IN CASH AND EQUIVALENTS (A + B + C + D)</b>	<b>1495</b>	
<b>F) OPENING CASH BALANCE AND EQUIVALENTS</b>	<b>1499</b>	
<b>G) CLOSING CASH BALANCES AND EQUIVALENTS (E + F)</b>	<b>1500</b>	

COMPONENTS OF CASH AND EQUIVALENTS AT PERIOD END	CURRENT PERIOD 06/30/2017	PREVIOUS PERIOD 06/30/2016
(+) Cash and banks	1550	
(+) Other financial assets	1552	
(-) Less: Bank overdrafts payable on demand	1553	
<b>TOTAL CLOSING CASH AND EQUIVALENTS</b>	<b>1600</b>	

**IV. SELECTED FINANCIAL INFORMATION**  
**11. CHANGES IN THE COMPOSITION OF THE GROUP**

**Table 1:**

BUSINESS COMBINATIONS OR OTHER ACQUISITIONS OR INCREASE IN INTERESTS IN CONTROLLED COMPANIES, JOINT BUSINESSES AND/OR INVESTMENTS IN ASSOCIATED COMPANIES (CURRENT PERIOD)						
Name of undertaking (or line of activity) acquired or merged	Category	Effective date of the operation (mm-dd-yyyy)	(Net) cost of the combination (a)+ (b)		% of voting rights acquired	% of total voting rights in the undertaking subsequent to the acquisition
			(Net) amount paid in the acquisition + other costs directly attributable to the combination (a)	Fair value of the net equity issued for the acquisition of the undertaking (b)		
MAPFRE WARRANTY CORPORATION OF FLORIDA	Other	04/27/2017	92		100,00	100,00
PT ASURANSI BINA DANA ARTA TBK ABDA	Controlled	06/01/2017	90.300		31,00	51,00
MAPFRE VIDA S.A SEGUROS Y REASEGUROS SOBRE LA VIDA HUMANA	Controlled	06/30/2017	15			99,91

**Table 2:**

REDUCTION OF INTERESTS IN CONTROLLED COMPANIES, JOINT BUSINESSES AND/OR INVESTMENTS IN ASSOCIATED COMPANIES OR OTHER SIMILAR OPERATIONS (CURRENT PERIOD)						
Name of the company (or line of activity) divested, split, or wound up	Category	Effective date of the operation (mm-dd-yyyy)	% of voting rights divested	% of total voting rights in the undertaking subsequent to the acquisition	Gain/(loss) generated (thousands of euros)	
CENTRO INTERNACIONAL DE SERVICIOS Y ASISTENCIA S.A.	Controlled	05/31/2017	100,00			
DUERO PENSIONES ENTIDAD GESTORA DE FONDOS DE PENSIONES S.A.	Controlled	05/31/2017	50,00		3,040	
SERVICIOS Y GESTIÓN FUNERARIA S.A	Controlled	05/01/2017	100,00			
TANATORI BENIDORM,S.L	Controlled	05/01/2017	100,00			
FUNETXEA, S.L	Controlled	05/01/2017	100,00			
UNION DUERO COMPAÑIA DE SEGUROS DE VIDA S.A	Controlled	05/31/2017	50,00		2,740	
FUNERARIA PEDROLA S.L	Controlled	05/01/2017	0,00			

**IV. SELECTED FINANCIAL INFORMATION**

**12. DIVIDENDS PAID**

		CURRENT PERIOD			PREVIOUS PERIOD		
		As % of nominal value	Euros per share (X,XX)	Amount (thousand Euros)	As % of nominal value	Euros per share (X,XX)	Amount (thousand Euros)
Ordinary shares	<b>2158</b>	90,00	0,09	261.760	70,00	0,07	215.569
Other shares (non-voting, redeemable, etc)	<b>2159</b>						
<b>Total dividendos paid</b>	<b>2160</b>			261.760			215.569
a) Dividends paid out against results	<b>2155</b>	90,00	0,09	261.760	70,00	0,07	215.569
b) Dividends paid out against reserves or share premium reserve	<b>2156</b>						
c) Dividends in kind	<b>2157</b>						

**IV. SELECTED FINANCIAL INFORMATION**

**13. BREAKDOWN OF FINANCIAL INSTRUMENTS BY NATURE AND CATEGORY(1/2)**

Units: Thousands of euros

FINANCIAL ASSETS: NATURE/ CATEGORY		CURRENT PERIOD				
		Financial assets held for trading	Other financial assets at FV with changes in P&L	Financial assets available for sale	Loans and receivables	Investments held to maturity
Derivatives	2062					
Equity instruments	2063			563		
Debt securities	2064					
Hybrid instruments	2065					
Loans	2066				506.886	
Deposits established for accepted reinsurance and other deposits	2067					
Receivables on direct insurance, reinsurance, and coinsurance	2068					
Investments on behalf of life insurance policy holders bearing investment risk	2069					
Other financial assets	2070				95.029	
<b>TOTAL (INDIVIDUAL)</b>	<b>2075</b>			<b>563</b>	<b>601.915</b>	

Derivatives	2162	542.243					
Equity instruments	2163	266.156	675.728	3.131.526			
Debt securities	2164	2.607.364	791.237	31.195.952			2.085.419
Hybrid instruments	2165		291.344				
Loans	2166			9.491	53.272		13.162
Deposits established for accepted reinsurance and other deposits	2167				719.694		
Receivables on direct insurance, reinsurance, and coinsurance	2168				6.057.213		
Investments on behalf of life insurance policy holders bearing investment risk	2169		2.267.391				
Other financial assets	2170	137.588	361	20.250	1.799.003		4.150
<b>TOTAL (CONSOLIDATED)</b>	<b>2175</b>	<b>3.553.351</b>	<b>4.026.061</b>	<b>34.357.219</b>	<b>8.629.182</b>		<b>2.102.731</b>

		CURRENT PERIOD		
		Financial liabilities held for trading	Other financial liabilities at FV with changes in P&L	Debts and payables
Derivatives	2076			
Subordinated liabilities	2077			1.211.798
Deposits received on ceded reinsurance	2079			
Due on direct insurance, reinsurance and coinsurance operations	2080			
Debentures and other negotiable securities	2081			994.721
Due to credit institutions	2082			320.059
Due on preparatory operations for insurance contracts	2083			
Other financial liabilities	2084			530
<b>TOTAL (INDIVIDUAL)</b>	<b>2090</b>			<b>530</b>

Derivatives	2176		234.205		257
Subordinated liabilities	2177				1.211.798
Deposits received on ceded reinsurance	2179				72.275
Due on direct insurance, reinsurance and coinsurance operations	2180				2.427.004
Debentures and other negotiable securities	2181				994.721
Due to credit institutions	2182				437.427
Due on preparatory operations for insurance contracts	2183				106.038
Other financial liabilities	2184			490.302	1.578.309
<b>TOTAL (CONSOLIDATED)</b>	<b>2190</b>		<b>234.205</b>		<b>6.827.829</b>

(Abbreviations- FV: Fair Value / P&L: profit and loss account)

**IV. SELECTED FINANCIAL INFORMATION**

**13. BREAKDOWN OF FINANCIAL INSTRUMENTS BY NATURE AND CATEGORY (2/2)**

Units: Thousands of euros

FINANCIAL ASSETS: NATURE/ CATEGORY		PREVIOUS PERIOD				
		Financial assets held for trading	Other financial assets at FV with changes in P&L	Financial assets available for sale	Loans and receivables	Investments held to maturity
Derivatives	<b>5062</b>					
Equity instruments	<b>5063</b>			563		
Debt securities	<b>5064</b>					
Hybrid instruments	<b>5065</b>					
Loans	<b>5066</b>				384.390	
Deposits established for accepted reinsurance and other deposits	<b>5067</b>					
Receivables on direct insurance, reinsurance, and coinsurance	<b>5068</b>					
Investments on behalf of life insurance policy holders bearing investment risk	<b>5069</b>					
Other financial assets	<b>5070</b>				10.703	
<b>TOTAL (INDIVIDUAL)</b>	<b>5075</b>			<b>563</b>	<b>395.093</b>	

Derivatives	<b>5162</b>	492.217				
Equity instruments	<b>5163</b>	207.988	604.546	2.427.087		
Debt securities	<b>5164</b>	2.563.711	790.399	32.642.404		2.403.279
Hybrid instruments	<b>5165</b>		199.380			
Loans	<b>5166</b>			9.729	37.434	14.704
Deposits established for accepted reinsurance and other deposits	<b>5167</b>				650.224	
Receivables on direct insurance, reinsurance, and coinsurance	<b>5168</b>				5.191.641	
Investments on behalf of life insurance policy holders bearing investment risk	<b>5169</b>		2.013.965			
Other financial assets	<b>5170</b>	160.343		23.385	1.636.015	1.773
<b>TOTAL (CONSOLIDATED)</b>	<b>5175</b>	<b>3.424.259</b>	<b>3.608.290</b>	<b>35.102.605</b>	<b>7.515.314</b>	<b>2.419.756</b>

		PREVIOUS PERIOD		
		Financial liabilities held for trading	Other financial liabilities at FV with changes in P&L	Debts and payables
Derivatives	<b>5076</b>		2.922	
Subordinated liabilities	<b>5077</b>			593.958
Deposits received on ceded reinsurance	<b>5079</b>			
Due on direct insurance, reinsurance and coinsurance operations	<b>5080</b>			
Debentures and other negotiable securities	<b>5081</b>			1.002.545
Due to credit institutions	<b>5082</b>			480.085
Due on preparatory operations for insurance contracts	<b>5083</b>			
Other financial liabilities	<b>5084</b>		530	493.148
<b>TOTAL (INDIVIDUAL)</b>	<b>5090</b>		<b>3.452</b>	<b>2.569.736</b>

Derivatives	<b>5176</b>	264.015	2.922	
Subordinated liabilities	<b>5177</b>			593.958
Deposits received on ceded reinsurance	<b>5179</b>			49.366
Due on direct insurance, reinsurance and coinsurance operations	<b>5180</b>			1.925.364
Debentures and other negotiable securities	<b>5181</b>			1.002.545
Due to credit institutions	<b>5182</b>			606.356
Due on preparatory operations for insurance contracts	<b>5183</b>			73.476
Other financial liabilities	<b>5184</b>		436.267	1.550.113
<b>TOTAL (CONSOLIDATED)</b>	<b>5190</b>	<b>264.015</b>	<b>439.189</b>	<b>5.801.178</b>

(Abbreviations- FV: Fair Value / P&L: profit and loss account)

**IV. SELECTED FINANCIAL INFORMATION**  
**14. INFORMATION BY SEGMENTS**

Units: Thousands of euros

**Table 1:**

GEOGRAPHICAL AREA		Distribution of net premiums attributed to business by geographical area			
		INDIVIDUAL		CONSOLIDATED	
		CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
Domestic market	2210			3.360.124	3.206.374
Exports:	2215			6.515.273	6.280.747
a) European Union	2216			1.291.856	1.230.914
b) O.E.C.D. countries	2217			1.988.727	2.029.988
c) Other countries	2218			3.234.690	3.019.845
<b>TOTAL</b>	<b>2220</b>			<b>9.875.397</b>	<b>9.487.121</b>

**Table 2:**

SEGMENTOS		Ordinary revenue					
		CONSOLIDATED					
		Ordinary revenues from external clients		Ordinary revenues between segments		Total ordinary revenues	
CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD		
IBERIA	2221	4.309.574	4.124.352	60.985	57.388	4.370.559	4.181.740
LATAM NORTH	2222	1.252.980	742.002			1.252.980	742.002
LATAM SOUTH	2223	1.004.319	983.401			1.004.319	983.401
BRAZIL	2224	2.500.539	2.203.384			2.500.539	2.203.384
EMEA	2225	1.336.809	1.402.553			1.336.809	1.402.553
NORTH AMERICA	2226	1.513.000	1.477.880			1.513.000	1.477.880
APAC	2227	76.220	74.110			76.220	74.110
REINSURANCE	2228	1.253.639	1.246.290	1.072.126	1.027.572	2.325.765	2.273.862
	2229						
	2230						
(-) Adjustments and eliminations of ordinary revenue between segments	2231			(1.133.111)	(1.084.960)	(1.133.111)	(1.084.960)
<b>TOTAL</b>	<b>2235</b>	<b>13.247.080</b>	<b>12.253.972</b>	<b>0</b>	<b>0</b>	<b>13.247.080</b>	<b>12.253.972</b>

**Table 3:**

SEGMENTS		Result	
		CURRENT PERIOD	PREVIOUS PERIOD
IBERIA	2250	304.275	202.767
LATAM NORTH	2251	22.508	37.880
LATAM SOUTH	2252	34.211	20.600
BRAZIL	2253	237.265	232.881
EMEA	2254	(3.846)	(20.868)
NORTH AMERICA	2255	36.597	42.717
APAC	2256	(9.099)	(6.873)
REINSURANCE	2257	101.681	90.358
	228		
	2259		
<b>Total result of the segments reported</b>	<b>2260</b>	<b>723.592</b>	<b>599.462</b>
(+/-) Unallocated results	2261	(68.795)	
(+/-) Elimination of internal results (between segments)	2262	(1.280)	(1.261)
(+/-) Other results	2263	0	
(+/-) Tax on profits and/or result of discontinued operations	2264	281.007	306.485
<b>RESULT BEFORE TAXES</b>	<b>2270</b>	<b>934.524</b>	<b>904.686</b>

**IV. SELECTED FINANCIAL INFORMATION**  
**15. AVERAGE WORK FORCE**

		INDIVIDUAL		CONSOLIDATED	
		CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
<b>AVERAGE WORK FORCE</b>	<b>2295</b>	492	462	37.218	37.912
Men	<b>2296</b>	248	232	17.007	17.016
Women	<b>2297</b>	244	230	20.211	20.896

**IV. SELECTED FINANCIAL INFORMATION**  
**16. REMUNERATION RECEIVED BY DIRECTORS AND MANAGERS**

**DIRECTORS**

**Remuneration**

		Amount (thousands of euros)	
		CURRENT PERIOD	PREVIOUS PERIOD
Fixed remuneration	<b>2310</b>	1.570	1.940
Variable remuneration	<b>2311</b>	3.260	5.430
Other	<b>2312</b>		
Bylaw prerequisites	<b>2313</b>	1.250	1.300
Operations with shares and/or financial instruments	<b>2314</b>		
Other	<b>2315</b>	110	130
<b>TOTAL</b>	<b>2320</b>	6.190	8.800

**Other benefits**

Advances	<b>2326</b>		
Loans granted	<b>2327</b>		
Pension plans and funds: Contributions	<b>2328</b>	2.530	1.740
Pension plans and funds: Contractual obligations	<b>2329</b>		
Life insurance premiums	<b>2330</b>		
Guarantees provided by the company for the Directors	<b>2331</b>		

**MANAGERS**

		Amount (thousands of euros)	
		CURRENT PERIOD	PREVIOUS PERIOD
Total remuneration received by managers	<b>2325</b>	1.340	2.040



**IV. SELECTED FINANCIAL INFORMATION**  
**17. TRANSACTIONS WITH RELATED PARTIES (1/2)**

Units: Thousands of euros

**RELATED OPERATIONS**

		CURRENT PERIOD				Total
		Significant shareholders	Directors and Managers	People, companies or undertakings of the Group	Other related parties	
<b>REVENUE AND EXPENSES:</b>						
1) Financial expenses	2340					
2) Management or collaboration contracts	2341					
12) R&D transfers and licensing agreements	2342					
4) Leases	2343					
5) Reception of services	2344					
6) Purchase of goods (completed or in progress)	2345					
7) Valuation corrections for bad or doubtful debts	2346					
8) Losses arising from write-off or disposal of assets	2347					
9) Other expenses	2348				(6)	(6)
<b>EXPENSES (1 + 2 + 3 + 4 + 5 + 6 + 7 + 8 + 9)</b>	<b>2350</b>				<b>(6)</b>	<b>(6)</b>
10) Financial income	2351					
11) Management and collaboration contracts	2352					
12) R&D transfers and licensing agreements	2353					
13) Dividends received	2354					
14) Leases	2355		97		18	115
15) Provisions of services	2356					
16) Sale of goods (completed or in progress)	2357					
17) Earnings arising from write-off or disposal of assets	2358					
18) Other revenue	2359		203		1	204
<b>REVENUE (10 + 11 + 12 + 13 + 14 + 15 + 16 + 17 + 18)</b>	<b>2360</b>		<b>300</b>		<b>19</b>	<b>319</b>

		CURRENT PERIOD				Total
		Significant shareholders	Directors and Managers	People, companies or undertakings of the Group	Other related parties	
<b>OTHER TRANSACTIONS:</b>						
Acquisition of tangible, intangible or other assets	2371					
Financing agreements, credit and capital contributions (lender)	2372					
Financial lease agreements (lessor)	2373					
Amortization or cancellation of credit and lease agreements (lessor)	2377					
Sale of tangible, intangible or other assets	2374					
Financing agreements, credit and capital contributions (borrower)	2375					
Financial lease agreements (lessee)	2376					
Amortization or cancellation of credit and lease agreements (lessee)	2378					
Guarantees and sureties provided	2381					
Guarantees and sureties received	2382		24		6	30
Commitments made	2383					
Commitments/Guarantees cancelled	2384					
Dividends and other benefits distributed	2386		178.827			178.827
Other operations	2385					

**IV. SELECTED FINANCIAL INFORMATION**  
**17. TRANSACTIONS WITH RELATED PARTIES (2/2)**

Units: Thousands of euros

**RELATED OPERATIONS**

		PREVIOUS PERIOD				Total
		Significant shareholders	Directors and Managers	People, companies or undertakings of the Group	Other related parties	
<b>REVENUE AND EXPENSES:</b>						
1) Financial expenses	6340	1.137				1.137
2) Management or collaboration contracts	6341					
12) R&D transfers and licensing agreements	6342					
4) Leases	6343				1.421	1.421
5) Reception of services	6344					
6) Purchase of goods (completed or in progress)	6345					
7) Valuation corrections for bad or doubtful debts	6346					
8) Losses arising from write-off or disposal of assets	6347					
9) Other expenses	6348				111	111
<b>EXPENSES (1 + 2 + 3 + 4 + 5 + 6 + 7 + 8 + 9)</b>	<b>6350</b>	<b>1.137</b>			<b>1.532</b>	<b>2.669</b>
10) Financial income	6351					
11) Management and collaboration contracts	6352					
12) R&D transfers and licensing agreements	6353					
13) Dividends received	6354					
14) Leases	6355	98			18	116
15) Provisions of services	6356				28	28
16) Sale of goods (completed or in progress)	6357					
17) Earnings arising from write-off or disposal of assets	6358					
18) Other revenue	6359	138				138
<b>REVENUE (10 + 11 + 12 + 13 + 14 + 15 + 16 + 17 + 18)</b>	<b>6360</b>	<b>236</b>			<b>46</b>	<b>282</b>

		PREVIOUS PERIOD				Total
		Significant shareholders	Directors and Managers	People, companies or undertakings of the Group	Other related parties	
<b>OTHER TRANSACTIONS:</b>						
Acquisition of tangible, intangible or other assets	6371					
Financing agreements, credit and capital contributions (lender)	6372					
Financial lease agreements (lessor)	6373					
Amortization or cancellation of credit and lease agreements (lessor)	6377	200.000				200.000
Sale of tangible, intangible or other assets	6374					
Financing agreements, credit and capital contributions (borrower)	6375	60.000				60.000
Financial lease agreements (lessee)	6376					
Amortization or cancellation of credit and lease agreements (lessee)	6378					
Guarantees and sureties provided	6381					
Guarantees and sureties received	6382	24			6	30
Commitments made	6383					
Commitments/Guarantees cancelled	6384					
Dividends and other benefits distributed	6386	145.943				145.943
Other operations	6385					

**CONDENSED INTERIM CONSOLIDATED FINANCIAL  
STATEMENTS**

**CONSOLIDATED INTERIM MANAGEMENT REPORT**

**LIABILITY STATEMENT**

**JUNE 30, 2017**

**MAPFRE S.A.**

# **CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2017**

**MAPFRE S.A.**

# **CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2017**

- A) Consolidated balance sheet**
- B) Consolidated statement of comprehensive income**
- C) Consolidated statement of changes in equity**
- D) Consolidated Cash Flow Statement**
- E) Notes on financial statements**

**MAPFRE S.A.**

## A) CONSOLIDATED BALANCE SHEET AS ON JUNE 30, 2017 AND DECEMBER 31, 2016

ASSETS	Notes	June 30, 2017	December 31, 2016
<b>A) INTANGIBLE ASSETS</b>		<b>3,671.84</b>	<b>3,798.92</b>
I. Goodwill		2,002.50	1,990.05
II. Other intangible assets		1,669.34	1,808.87
<b>B) PROPERTY, PLANT AND EQUIPMENT</b>		<b>1,217.24</b>	<b>1,296.57</b>
I. Real estate for own use		927.90	1,002.97
II. Other property, plant and equipment		289.34	293.60
<b>C) INVESTMENTS</b>		<b>44,496.21</b>	<b>45,087.98</b>
I. Real estate investments		1,273.39	1,274.81
II. Financial investments			
1. Held-to-maturity portfolio	5.1	2,102.72	2,419.76
2. Available-for-sale portfolio	5.1	34,357.22	35,102.61
3. Trading portfolio	5.1	5,312.03	5,018.59
III. Investments recorded by applying the equity method		201.61	242.57
IV. Deposits established for accepted reinsurance	5.1	719.70	650.22
V. Other investments	5.1	529.54	379.42
<b>D) INVESTMENTS ON BEHALF OF LIFE INSURANCE POLICYHOLDERS BEARING THE INVESTMENT RISK</b>	<b>5.2</b>	<b>2,267.39</b>	<b>2,013.96</b>
<b>E) INVENTORIES</b>		<b>63.95</b>	<b>75.04</b>
<b>F) PARTICIPATION OF REINSURANCE IN TECHNICAL PROVISIONS</b>		<b>4,576.07</b>	<b>3,934.36</b>
<b>G) DEFERRED TAX ASSETS</b>		<b>319.15</b>	<b>335.32</b>
<b>H) RECEIVABLES</b>		<b>7,522.45</b>	<b>6,651.86</b>
I. Receivables on direct insurance and co-insurance operations	5.1	5,146.96	4,315.06
II. Receivables on reinsurance operations	5.1	910.25	876.57
III. Tax receivables			
1. Tax on profits receivable		142.50	166.22
2. Other tax receivables	5.1	181.57	137.57
IV. Corporate and other receivables	5.1	1,141.17	1,156.44
V. Shareholders, called capital		--	--
<b>I) CASH</b>		<b>1,519.33</b>	<b>1,451.13</b>
<b>J) ACCRUAL ADJUSTMENTS</b>		<b>2,203.45</b>	<b>2,179.96</b>
<b>K) OTHER ASSETS</b>		<b>106.25</b>	<b>145.50</b>
<b>L) NON-CURRENT ASSETS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS</b>	<b>5.3</b>	<b>163.69</b>	<b>911.16</b>
<b>TOTAL ASSETS</b>		<b>68,127.02</b>	<b>67,881.76</b>

Figures in millions of euros

**A) CONSOLIDATED BALANCE SHEET AS ON JUNE 30, 2017 AND DECEMBER 31, 2016**

EQUITY AND LIABILITIES	Notes	June 30, 2017	December 31, 2016
<b>A) EQUITY</b>		<b>10,863.48</b>	<b>11,443.48</b>
I. Paid-up capital	6	307.95	307.95
II. Share premium		1,506.74	1,506.74
III. Reserves		7,339.71	7,041.47
IV. Interim dividend		--	(184.77)
V. Treasury stock	6	(60.19)	(60.23)
VI. Result for the period attributable to controlling company		415.10	775.45
VII. Other equity instruments		13.73	9.68
VIII. Valuation change adjustments		647.43	654.67
IX. Currency conversion differences		(1,310.84)	(924.46)
<b>Equity attributable to the controlling company's shareholders</b>		<b>8,859.63</b>	<b>9,126.50</b>
<b>Non-controlling interests</b>		<b>2,003.85</b>	<b>2,316.98</b>
<b>B) SUBORDINATED LIABILITIES</b>	<b>5.4</b>	<b>1,211.80</b>	<b>593.96</b>
<b>C) TECHNICAL PROVISIONS</b>		<b>45,568.75</b>	<b>45,226.13</b>
I. Provisions for unearned premiums and unexpired risks		9,595.28	8,636.53
II. Provisions for life insurance		24,996.94	25,664.78
III. Provision for outstanding claims		10,103.76	10,086.76
IV. Other technical provisions		872.77	838.06
<b>D) TECHNICAL PROVISIONS FOR LIFE INSURANCE WHERE POLICYHOLDERS BEAR INVESTMENT RISK</b>		<b>2,267.39</b>	<b>2,013.96</b>
<b>E) PROVISIONS FOR RISKS AND EXPENSES</b>		<b>655.43</b>	<b>752.75</b>
<b>F) DEPOSITS RECEIVED ON CEDED AND RETROCEDED REINSURANCE</b>		<b>72.28</b>	<b>49.37</b>
<b>G) DEFERRED TAX LIABILITIES</b>		<b>688.04</b>	<b>730.71</b>
<b>H) DEBT</b>		<b>6,511.57</b>	<b>6,141.27</b>
I. Issue of debentures and other negotiable securities		994.72	1,002.55
II. Due to credit institutions	7	437.43	606.35
III. Other financial liabilities	5.5	772.65	752.09
IV. Due on direct insurance and co-insurance operations		962.64	953.02
V. Due on reinsurance operations		1,570.41	1,045.83
VI. Tax liabilities			
1. Tax on profits to be paid		195.15	231.32
2. Other tax liabilities		513.77	440.22
VII. Other debts		1,064.80	1,109.89
<b>I) ACCRUAL ADJUSTMENTS</b>		<b>283.64</b>	<b>240.85</b>
<b>J) LIABILITIES LINKED TO NON-CURRENT ASSETS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS</b>	<b>5.3</b>	<b>4.64</b>	<b>689.28</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>68,127.02</b>	<b>67,881.76</b>

Figures in millions of euros

**B) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR HALF-YEARS ENDED JUNE 30, 2017 AND 2016**
**B.1) CONSOLIDATED INCOME STATEMENT**

ITEM	Notes	2017	2016
<b>I. REVENUE FROM INSURANCE BUSINESS</b>			
1. Premiums allocated to the period, net			
a) Written premiums, direct insurance	9.1	11,182.68	10,179.90
b) Premiums from accepted reinsurance	9.1	1,890.45	1,899.61
c) Premiums from ceded reinsurance		(2,569.51)	(1,971.09)
d) Variations in provisions for unearned premiums and unexpired risks			
Direct insurance		(1,205.85)	(610.19)
Accepted reinsurance		(92.28)	(145.31)
Ceded reinsurance		669.88	134.22
2. Share in profits from equity-accounted companies		2.71	3.68
3. Revenue from investments			
a) From operations		1,323.57	1,357.20
b) From equity		88.42	65.77
4. Unrealized gains on investments on behalf of life insurance policyholders bearing the investment risk		89.41	440.02
5. Other technical revenue		29.86	24.49
6. Other non-technical revenue		59.87	32.13
7. Positive foreign exchange differences		523.28	395.13
8. Reversal of the asset impairment provision		15.70	16.65
<b>TOTAL REVENUE FROM INSURANCE BUSINESS</b>		<b>12,008.19</b>	<b>11,822.21</b>
<b>II. EXPENSES FROM INSURANCE BUSINESS</b>			
1. Incurred claims for the period, net			
a) Claims paid and variation in provision for claims, net			
Direct insurance		(6,309.97)	(6,172.22)
Accepted reinsurance		(1,133.71)	(1,036.30)
Ceded reinsurance		1,040.64	843.96
b) Claims-related expenses		(431.20)	(412.00)
2. Variation in other technical provisions, net		(517.13)	(298.31)
3. Profit sharing and returned premiums		(19.87)	(21.77)
4. Net operating expenses			
a) Acquisition expenses		(2,487.89)	(2,305.25)
b) Administration expenses		(378.63)	(404.05)
c) Commissions and participation in reinsurance		301.13	199.83
5. Share in losses from equity-accounted companies		(0.01)	(1.59)
6. Expenses from investments			
a) From operations		(361.25)	(288.27)
b) From equity and financial accounts		(24.83)	(15.43)
7. Unrealized losses on investments on behalf of life insurance policyholders bearing the investment risk		(11.54)	(404.66)
8. Other technical expenses		(61.52)	(43.97)
9. Other non-technical expenses		(44.97)	(77.52)
10. Negative foreign exchange differences		(550.57)	(369.27)
11. Allowance to the asset impairment provision	8	(24.72)	(50.45)
<b>TOTAL EXPENSES FROM INSURANCE BUSINESS</b>		<b>(11,016.04)</b>	<b>(10,857.27)</b>
<b>RESULT FROM THE INSURANCE BUSINESS</b>		<b>992.15</b>	<b>964.94</b>
<b>III. OTHER ACTIVITIES</b>			
1. Operating revenue		173.94	174.45
2. Operating expenses		(221.99)	(218.21)
3. Net financial income			
a) Financial income		54.72	48.21
b) Financial expenses		(55.69)	(45.37)
4. Result from non-controlling interests			
a) Share in profits from equity-accounted companies		2.27	1.91
b) Share in losses from equity-accounted companies		--	(0.45)
5. Reversal of asset impairment provision		1.42	1.70
6. Allowance to the asset impairment provision	8	(16.41)	(5.36)
7. Result from the disposal of non-current assets classified as held for sale, not included in discontinued operations		--	--
<b>RESULT FROM OTHER ACTIVITIES</b>		<b>(61.74)</b>	<b>(43.12)</b>
<b>IV. RESULT ON RESTATEMENT OF FINANCIAL ACCOUNTS</b>		<b>4.09</b>	<b>(17.13)</b>
<b>V. RESULT BEFORE TAXES FROM ONGOING OPERATIONS</b>	<b>9.2</b>	<b>934.50</b>	<b>904.69</b>
<b>VI. TAX ON PROFIT FROM ONGOING OPERATIONS</b>		<b>(281.00)</b>	<b>(306.49)</b>
<b>VII. RESULT AFTER TAX FROM ONGOING OPERATIONS</b>		<b>653.50</b>	<b>598.20</b>
<b>VIII. RESULT AFTER TAX FROM DISCONTINUED OPERATIONS</b>	<b>9.2</b>	<b>--</b>	<b>--</b>
<b>IX. RESULT FOR THE PERIOD</b>		<b>653.50</b>	<b>598.20</b>
1. Attributable to non-controlling interests		238.40	217.79
2. Attributable to controlling company	9.2	415.10	380.41
<b>Figures in millions of euros</b>			
Basic and diluted earnings per share (euros)		0.12	0.10



**B.2) CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**

ITEM	GROSS AMOUNT		TAX ON PROFITS		ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		ATTRIBUTABLE TO CONTROLLING COMPANY	
	2017	2016	2017	2016	2017	2016	2017	2016
<b>A) CONSOLIDATED RESULT IN THE PERIOD</b>	<b>934.50</b>	<b>904.69</b>	<b>(281.00)</b>	<b>(306.49)</b>	<b>238.40</b>	<b>217.79</b>	<b>415.10</b>	<b>380.41</b>
<b>B) OTHER RECOGNIZED REVENUE (EXPENSES)</b>	<b>(551.62)</b>	<b>622.57</b>	<b>7.47</b>	<b>(73.00)</b>	<b>(150.53)</b>	<b>272.57</b>	<b>(393.62)</b>	<b>277.00</b>
<b>1. Financial assets available for sale</b>	<b>(421.51)</b>	<b>1,098.70</b>	<b>121.78</b>	<b>(284.87)</b>	<b>(57.51)</b>	<b>157.93</b>	<b>(242.22)</b>	<b>655.90</b>
a) Valuation gains (losses)	(313.43)	1,233.51	94.70	(318.06)				
b) Amounts transferred to the income statement	(107.88)	(137.57)	27.03	33.18				
c) Other reclassifications	(0.20)	2.76	0.05	0.01				
<b>2. Currency conversion differences</b>	<b>(530.04)</b>	<b>367.27</b>	<b>0.27</b>	<b>0.44</b>	<b>(143.39)</b>	<b>259.92</b>	<b>(386.38)</b>	<b>107.79</b>
a) Valuation gains (losses)	(529.33)	368.22	0.27	0.44				
b) Amounts transferred to the income statement	(0.08)	(0.80)	--	--				
c) Other reclassifications	(0.63)	(0.15)	--	--				
<b>3. Shadow accounting</b>	<b>401.86</b>	<b>(824.64)</b>	<b>(114.58)</b>	<b>206.14</b>	<b>50.32</b>	<b>(145.02)</b>	<b>236.96</b>	<b>(473.48)</b>
a) Valuation gains (losses)	382.57	(826.27)	(109.74)	206.55				
b) Amounts transferred to the income statement	19.37	1.63	(4.84)	(0.41)				
c) Other reclassifications	(0.08)	--	--	--				
<b>4. Equity-accounted entities</b>	<b>(1.95)</b>	<b>(0.05)</b>	<b>--</b>	<b>--</b>	<b>0.00</b>	<b>--</b>	<b>(1.95)</b>	<b>(0.05)</b>
a) Valuation gains (losses)	(2.02)	0.05	--	--				
b) Amounts transferred to the income statement	--	--	--	--				
c) Other reclassifications	0.07	(0.10)	--	--				
<b>5. Other recognized comprehensive income</b>	<b>0.02</b>	<b>(18.71)</b>	<b>--</b>	<b>5.29</b>	<b>0.05</b>	<b>(0.26)</b>	<b>(0.03)</b>	<b>(13.16)</b>
<b>Total</b>	<b>382.88</b>	<b>1,527.26</b>	<b>(273.53)</b>	<b>(379.49)</b>	<b>87.87</b>	<b>490.36</b>	<b>21.48</b>	<b>657.41</b>

Figures in millions of euros

All the items included in the consolidated statement of comprehensive income may be reclassified to the consolidated income statement in line with IFRS-EU.

C) CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS ON JUNE 30, 2017 AND 2016

ITEM	EQUITY ATTRIBUTABLE TO THE CONTROLLING COMPANY									NON-CONTROLLING INTERESTS	TOTAL EQUITY
	SHAREHOLDERS' EQUITY										
	SHARE CAPITAL	SHARE PREMIUM	RESERVES	INTERIM DIVIDEND	TREASURY STOCK	RESULT FOR THE PERIOD ATTRIBUTABLE TO CONTROLLING COMPANY	OTHER EQUITY INSTRUMENTS	VALUATION CHANGE ADJUSTMENTS	CURRENCY CONVERSION DIFFERENCES		
<b>OPENING BALANCE AS ON JANUARY 1, 2016</b>	<b>307.95</b>	<b>1,506.74</b>	<b>6,747.74</b>	<b>(184.77)</b>	<b>(2.39)</b>	<b>708.77</b>	--	<b>632.19</b>	<b>(1,142.49)</b>	<b>1,834.55</b>	<b>10,408.29</b>
1. Changes in accounting policies	--	--	--	--	--	--	--	--	--	--	--
2. Correction of errors	--	--	--	--	--	--	--	--	--	--	--
<b>ADJUSTED OPENING BALANCE</b>	<b>307.95</b>	<b>1,506.74</b>	<b>6,747.74</b>	<b>(184.77)</b>	<b>(2.39)</b>	<b>708.77</b>	--	<b>632.19</b>	<b>(1,142.49)</b>	<b>1,834.55</b>	<b>10,408.29</b>
<b>I. TOTAL RECOGNIZED REVENUE (EXPENSES)</b>	--	--	--	--	--	<b>380.41</b>	--	<b>169.21</b>	<b>107.79</b>	<b>490.36</b>	<b>1,147.77</b>
<b>II. OPERATIONS WITH THE CONTROLLING COMPANY'S SHAREHOLDERS AND NON-CONTROLLING INTERESTS</b>	--	--	<b>(218.26)</b>	--	<b>(57.84)</b>	--	--	--	--	<b>(128.47)</b>	<b>(404.57)</b>
1. Capital increases (decreases)	--	--	--	--	--	--	--	--	--	55.00	55.00
2. Distribution of dividends (Note 4)	--	--	(215.57)	--	--	--	--	--	--	(173.31)	(388.88)
3. Increases (decreases) from business combinations	--	--	--	--	--	--	--	--	--	--	--
4. Other operations with the controlling company's shareholders and non-controlling interests	--	--	(2.69)	--	(57.84)	--	--	--	--	(10.16)	(70.69)
<b>III. OTHER VARIATIONS IN EQUITY</b>	--	--	<b>509.94</b>	<b>184.77</b>	--	<b>(708.77)</b>	<b>5.09</b>	--	--	<b>36.50</b>	<b>27.53</b>
1. Transfers among equity items	--	--	524.00	184.77	--	(708.77)	--	--	--	--	--
2. Other variations	--	--	(14.06)	--	--	--	5.09	--	--	36.50	27.53
<b>CLOSING BALANCE AS ON JUNE 30, 2016</b>	<b>307.95</b>	<b>1,506.74</b>	<b>7,039.42</b>	--	<b>(60.23)</b>	<b>380.41</b>	<b>5.09</b>	<b>801.40</b>	<b>(1,034.70)</b>	<b>2,232.94</b>	<b>11,179.02</b>

<b>OPENING BALANCE AS ON JANUARY 1, 2017</b>	<b>307.95</b>	<b>1,506.74</b>	<b>7,041.47</b>	<b>(184.77)</b>	<b>(60.23)</b>	<b>775.45</b>	<b>9.68</b>	<b>654.67</b>	<b>(924.46)</b>	<b>2,316.98</b>	<b>11,443.48</b>
1. Changes in accounting policies	--	--	--	--	--	--	--	--	--	--	--
2. Correction of errors	--	--	--	--	--	--	--	--	--	--	--
<b>ADJUSTED OPENING BALANCE</b>	<b>307.95</b>	<b>1,506.74</b>	<b>7,041.47</b>	<b>(184.77)</b>	<b>(60.23)</b>	<b>775.45</b>	<b>9.68</b>	<b>654.67</b>	<b>(924.46)</b>	<b>2,316.98</b>	<b>11,443.48</b>
<b>I. TOTAL RECOGNIZED REVENUE (EXPENSES)</b>	--	--	--	--	--	<b>415.10</b>	--	<b>(7.24)</b>	<b>(386.38)</b>	<b>87.87</b>	<b>109.35</b>
<b>II. OPERATIONS WITH THE CONTROLLING COMPANY'S SHAREHOLDERS AND NON-CONTROLLING INTERESTS</b>	--	--	<b>(261.76)</b>	--	<b>0.04</b>	--	--	--	--	<b>(388.82)</b>	<b>(650.54)</b>
1. Capital increases (decreases)	--	--	--	--	--	--	--	--	--	--	--
2. Distribution of dividends (Note 4)	--	--	(261.76)	--	--	--	--	--	--	(390.64)	(652.40)
3. Increases (decreases) from business combinations	--	--	--	--	--	--	--	--	--	1.82	1.82
4. Other operations with the controlling company's shareholders and non-controlling interests	--	--	--	--	0.04	--	--	--	--	--	0.04
<b>III. OTHER VARIATIONS IN EQUITY</b>	--	--	<b>560.00</b>	<b>184.77</b>	--	<b>(775.45)</b>	<b>4.05</b>	--	--	<b>(12.18)</b>	<b>(38.81)</b>
1. Transfers among equity items	--	--	590.68	184.77	--	(775.45)	--	--	--	--	--
2. Other variations	--	--	(30.68)	--	--	--	4.05	--	--	(12.18)	(38.81)
<b>CLOSING BALANCE AS ON JUNE 30, 2017</b>	<b>307.95</b>	<b>1,506.74</b>	<b>7,339.71</b>	--	<b>(60.19)</b>	<b>415.10</b>	<b>13.73</b>	<b>647.43</b>	<b>(1,310.84)</b>	<b>2,003.85</b>	<b>10,863.48</b>

Figures in millions of euros

**D) CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF-YEARS ENDED JUNE 30, 2017 AND 2016**

ITEM	2017	2016
<b>1. Insurance activity:</b>	<b>442.97</b>	<b>728.21</b>
Cash received from insurance activity	11,721.77	11,578.01
Cash payments from insurance activity	(11,278.80)	(10,849.80)
<b>2. Other operating activity:</b>	<b>(73.26)</b>	<b>(176.20)</b>
Cash received from other operating activity	531.72	313.02
Cash payments from other operating activity	(604.98)	(489.22)
<b>3. Receipt (payment) of income tax</b>	<b>(256.65)</b>	<b>(230.85)</b>
<b>4. Discontinued operations</b>	--	--
<b>NET CASH FLOWS FROM OPERATING ACTIVITY</b>	<b>113.06</b>	<b>321.16</b>
<b>1. Proceeds from investment activity:</b>	<b>10,905.40</b>	<b>9,893.44</b>
Property, plant and equipment	14.06	3.23
Real estate investments	73.62	15.22
Intangible fixed assets	0.53	0.21
Financial instruments	9,441.94	8,695.24
Equity instruments	715.16	426.19
Controlled companies and other business units	19.19	45.45
Interest collected	545.78	614.23
Dividends collected	34.29	37.09
Other receipts related to investment activity	60.83	56.58
<b>2. Payments from investment activity:</b>	<b>(10,634.27)</b>	<b>(9,769.92)</b>
Property, plant and equipment	(93.53)	(25.83)
Real estate investments	(16.13)	(6.62)
Intangible fixed assets	(43.56)	(47.05)
Financial instruments	(9,329.17)	(8,921.88)
Equity instruments	(1,092.82)	(670.53)
Controlled companies and other business units	(16.57)	(78.64)
Other payments related to investment activity	(42.49)	(19.37)
<b>3. Discontinued operations</b>	--	--
<b>NET CASH FLOWS FROM INVESTMENT ACTIVITY</b>	<b>271.13</b>	<b>123.52</b>
<b>1. Proceeds from financing activity</b>	<b>959.06</b>	<b>1,145.10</b>
Subordinated liabilities	600.00	--
Proceeds from issuing of equity instruments and capital increases	--	55.00
Proceeds from sale of treasury stock	--	--
Other proceeds related to financing activity	359.06	1,090.10
<b>2. Payments from financing activity</b>	<b>(1,229.36)</b>	<b>(977.56)</b>
Dividends paid to shareholders	(641.91)	(374.78)
Interest paid	(23.74)	(15.91)
Subordinated liabilities	(2.60)	--
Payments on return of shareholders' contributions	--	(0.38)
Purchase of treasury stock	--	(57.87)
Other payments related to financing activity	(561.11)	(528.62)
<b>3. Discontinued operations</b>	--	--
<b>NET CASH FLOW FROM FINANCING ACTIVITY</b>	<b>(270.30)</b>	<b>167.54</b>
<b>Conversion differences in cash flow and cash balances</b>	<b>(45.69)</b>	<b>(23.70)</b>
<b>Cash balance at June 30 from discontinued operations</b>	--	--
<b>NET INCREASE (DECREASE) IN CASH FLOW</b>	<b>68.20</b>	<b>588.52</b>
<b>OPENING CASH BALANCE</b>	<b>1,451.13</b>	<b>989.09</b>
<b>CLOSING CASH BALANCE</b>	<b>1,519.33</b>	<b>1,577.61</b>

Figures in millions of euros

9. MAPFRE S.A. and subsidiaries – June 2017



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

## **E) NOTES ON THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

### **1. GENERAL INFORMATION REGARDING THE COMPANY AND ITS ACTIVITIES**

MAPFRE S.A. (hereinafter the “controlling company”) is a listed company, parent of a number of companies engaged in insurance in its various lines of business, both Life and Non-Life, finance, property and services.

MAPFRE S.A. is a subsidiary of CARTERA MAPFRE, S.L., Sociedad Unipersonal (hereinafter CARTERA MAPFRE), which is 100 percent controlled by Fundación MAPFRE.

The scope of activity of the controlling company and its subsidiaries (hereinafter “MAPFRE”, “the Group” or “MAPFRE GROUP”) includes the Spanish territory, European Economic Area countries, and other countries.

The controlling company was incorporated in Spain and has its registered office in Majadahonda (Madrid), Carretera de Pozuelo, 52.

### **2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES**

#### **2.1. BASIS OF PRESENTATION**

The condensed, interim consolidated financial statements for the half-year ended June 30, 2017 (hereinafter “interim financial statements”) were prepared in accordance with the International Accounting Standard (IAS) no. 34 on interim financial information. The aforementioned interim financial statements do not include all the information that would be required by complete consolidated annual accounts prepared in accordance with the International Financial Reporting Standards (IFRS-EU) adopted by the European Union, so the attached interim financial statements should be read together with the consolidated annual accounts of the Group for the financial year ended on December 31, 2016.

The interim financial statements were approved by the Board of Directors of MAPFRE, S.A. at the meeting held on July 24, 2017.

#### **2.2. ACCOUNTING POLICIES**

The accounting policies and methods used in the preparation of the consolidated interim financial statements for the interim period are consistent with those applied in the preparation of the latest consolidated annual accounts approved, for the financial year 2016.

## 2.3. CHANGES IN THE SCOPE OF CONSOLIDATION

The breakdown of the most significant changes in the consolidation scope during the half-year ended on June 30, 2017 is as follows:

### 1. Acquisitions or shareholding increases

COMPANY NAME (COUNTRY)	ITEM	EFFECTIVE DATE	AMOUNTS (MILLIONS OF EUROS)	VOTING RIGHTS %	
				ACQUISITION	TOTAL
MAPFRE WARRANTY CORPORATION OF FLORIDA	INCORPORATE	04.27.2017	0.09	100.00%	100.00%
PT ASURANSI BINA DANA ARTA TBK ABDA	INCREASE	06.01.2017	90.3	31.00%	51.00%
MAPFRE VIDA S.A. SEGUROS Y REASEGUROS SOBRE LA VIDA HUMANA	INCREASE	06.31.2017	0.02	0.002%	99.91%

### 2. Disposals of shareholdings and other corporate operations

COMPANY NAME	ITEM	EFFECTIVE DATE	VOTING RIGHTS %		RESULT (IN MILLIONS OF EUROS)
			DECREASE	AS AT 06.30.17	
CENTRO INTERNACIONAL DE SERVICIOS Y ASISTENCIA S.A	DISSOLUTION	05.31.2017	100.00%	--	--
UNION DEL DUERO COMPAÑÍA DE SEGUROS DE VIDA S.A. (Note 5.3)	LOSS OF CONTROL	05.31.2017	50.00%	--	2.74
DUERO PENSIONES ENTIDAD GESTORA DE FONDOS DE PENSIONES S.A. (Note 5.3)	LOSS OF CONTROL	05.31.2017	50.00%	--	3.04
SERVICIOS Y GESTION FUNERARIA, S.A.	MERGER	05.01.2017	100.00%	--	--
TANATORI BENIDORM, S.L.	MERGER	05.01.2017	100.00%	--	--
FUNERARIA PEDROLA, S.L.	MERGER	05.01.2017	100.00%	--	--
FUNETXEA, S.L.	MERGER	05.01.2017	100.00%	--	--

## 2.4. CONVERSION OF THE FINANCIAL STATEMENTS OF FOREIGN COMPANIES INCLUDED IN THE CONSOLIDATION

In the first half of 2017, the Group has maintained from previous periods the criteria regarding the exchange rate for Venezuela, applying an estimated rate that is updated based on the loss of exchange value in line with the estimated inflation. Had the official exchange rate been applied, net equity and the attributable result for the controlling company for the period would have grown by 3.20 and 28.94 million euros, respectively.

## 3. SEASONABILITY OF OPERATIONS

In the insurance business, the seasonality component is considered in the temporal premium allocation, since this is done in accordance with the temporal distribution of the claims ratio over the coverage period of the contract.

## 4. DIVIDENDS PAID

The breakdown of the dividends paid by the controlling company in the half-years ended on June 30, 2017 and 2016 is as follows:

ITEM	TOTAL DIVIDEND (MILLION EUROS)		DIVIDEND PER SHARE (IN CENTS OF EUROS)	
	2017	2016	2017	2016
Supplementary dividend for the previous financial year	261.76	215.57	8.50	7.00
Interim dividend for current financial year	--	--	--	--
<b>Total</b>	<b>261.76</b>	<b>215.57</b>	<b>8.50</b>	<b>7.00</b>

This dividend payout was approved by the Ordinary Annual General Meeting and complies with the requirements and limitations that are laid down in the legal regulations and the corporate bylaws.

## 5. FINANCIAL INSTRUMENTS

### 5.1. FINANCIAL ASSETS

The breakdown by nature and category of financial assets on June 30, 2017 and December 31, 2016 is as follows:

ITEM	PORTFOLIO MATURITY		AVAILABLE-FOR-SALE PORTFOLIO		TRADING PORTFOLIO		LOANS AND RECEIVABLES	
	2017	2016	2017	2016	2017	2016	2017	2016
Derivatives	--	--	--	--	542.24	492.22	--	--
Equity instruments and mutual funds	--	--	3,131.53	2,427.08	941.89	812.54	--	--
Debt securities	2,085.41	2,403.28	31,195.95	32,642.40	3,398.60	3,354.11	--	--
Hybrid instruments	--	--	--	--	291.34	194.80	--	--
Loans	13.16	14.70	9.49	9.73	--	--	53.27	37.43
Deposits established for accepted reinsurance	--	--	--	--	--	--	719.70	650.22
Receivables on direct insurance, coinsurance and reinsurance operations	--	--	--	--	--	--	6,057.21	5,191.63
Other financial assets	4.15	1.78	20.25	23.40	137.96	164.92	1,799.01	1,636.00
<b>Total</b>	<b>2,102.72</b>	<b>2,419.76</b>	<b>34,357.22</b>	<b>35,102.61</b>	<b>5,312.03</b>	<b>5,018.59</b>	<b>8,629.19</b>	<b>7,515.28</b>

The fair value measurements of the financial investments included in the available-for-sale portfolio and in the trading portfolio have been classified according to the levels of the variables used to measure them:

- Level 1. Quotation price: Unadjusted price quoted in active markets.
- Level 2. Observable data: Prices quoted in active markets for instruments similar to the one being measured or other measurement techniques in which all the significant variables are based on observable market data. The measurement is made via a model that discounts future flows using a rate curve with two main components:
  - Zero coupon swap curve of the currency of the issue, which is considered to be the best approximation to the interest rate without any risk.
  - Spread of the additional risk, which will be the spread added to the zero coupon swap curve that reflects the risks inherent to the issue measured, such as: credit risk, liquidity and optionality.

- Level 3. Other measurements: Variables specific to each case. Financial assets at this level represent 0.15 percent of the total portfolio measured at fair value. For these purposes, it is possible to distinguish between:
  - Variable equity investments, where in general the realization value is estimated according to the individual characteristics of the asset.
  - Fixed-income assets with complex future flow structures (interest rates linked to financial variables, with caps and/or floors) and one or more early amortizations, and in which the issuer has no similar issues on the market or any unquoted issues from an issuer with no similar issues. In these cases, the assets are usually measured by requesting a valuation from a benchmark third party.

With regard to the sensitivity of fair value measurements, changes in the observable variables used in the aforementioned individual measurements would not significantly alter the fair value obtained.

The process for measuring financial assets is as follows:

- a) When the asset is acquired, it is assigned to a specific portfolio (held-to-maturity, available-for-sale or trading) depending on the characteristics of the liabilities to which it is going to be assigned, and on the local and international legislation for accounting and insurance.
- b) The accounting nature of the portfolios dictates the type of measurement performed. However, at least once a month all assets are measured against the market using the aforementioned measurement methods: quotation price in active markets (Level 1); based on observable market data, such as quotation prices for similar assets, flow discounts based on the issuer's curve rate, etc. (Level 2); and specific measurements not based on market variables (Level 3).
- c) The measurements are performed directly by the Group's entities, although in some countries an independent financial institution carries them out in line with the local regulations.

The measurement policy is decided by the Investment Committee and/or Risk Committee, and is reviewed at least once a quarter.

Furthermore, the Executive Committee of the controlling company regularly analyzes the value of all investments and capital gains and losses.

Investments in the available-for-sale portfolio and in the trading portfolio on June 30, 2017 and December 31, 2016, classified according to the levels and variables used to measure them are shown below:



ITEM	MARKET VALUE (BOOK VALUE)						TOTAL VALUE BOOK	
	LEVEL 1. QUOTATION PRICE		LEVEL 2. OBSERVABLE DATA		LEVEL 3. OTHER MEASUREMENTS		(FAIR VALUE)	
	2017	2016	2017	2016	2017	2016	2017	2016
<b>AVAILABLE FOR SALE PORTFOLIO</b>								
Equity instruments and mutual funds	3,054.66	2,360.23	40.99	42.95	35.88	23.90	3,131.53	2,427.08
Debt securities	27,069.15	28,301.94	4,110.61	4,315.62	16.19	24.84	31,195.95	32,642.40
Other financial assets	24.82	28.68	4.90	4.45	0.02	--	29.74	33.13
<b>TOTAL AVAILABLE FOR SALE PORTFOLIO</b>	<b>30,148.63</b>	<b>30,690.85</b>	<b>4,156.50</b>	<b>4,363.02</b>	<b>52.09</b>	<b>48.74</b>	<b>34,357.22</b>	<b>35,102.61</b>
<b>TRADING PORTFOLIO</b>								
Derivatives (non-hedging)	6.55	5.91	535.69	486.31	--	--	542.24	492.22
Equity instruments and mutual funds	906.63	776.54	33.85	34.59	1.41	1.41	941.89	812.54
Debt securities	3,365.47	3,315.71	33.13	38.40	--	--	3,398.60	3,354.11
Hybrids	193.85	194.80	90.21	--	7.28	--	291.34	194.80
Other financial assets	1.09	8.61	136.87	156.31	--	--	137.96	164.92
<b>TOTAL TRADING PORTFOLIO</b>	<b>4,473.59</b>	<b>4,301.57</b>	<b>829.75</b>	<b>715.61</b>	<b>8.69</b>	<b>1.41</b>	<b>5,312.03</b>	<b>5,018.59</b>

Quotation values are monitored and verified on a regular basis in order to decide whether any transfers between levels are required:

1. If the quotation source for a particular asset is no longer representative, it is transferred from Level 1 to Level 2.
2. Assets are transferred from Levels 2 and 3 to Level 1 if a reasonable quotation source is verified.
3. Assets are transferred to Level 3 when there are no longer any observable market data.

There have been no significant transfers between the different Levels or modifications to the measurement techniques used at Levels 2 and 3 of the fair value hierarchy during the half-year ending June 30, 2017.

A reconciliation of the opening and closing balances on June 30, 2017 for Level 3 financial assets in the available-for-sale portfolio is shown below:

	EQUITY INSTRUMENTS AND INVESTMENT FUNDS	DEBT SECURITIES	OTHER FINANCIAL ASSETS	TOTAL
<b>OPENING BALANCE</b>	23.90	24.84	--	48.74
Additions	9.70	--	--	9.70
Disposals	--	(7.96)	--	(7.96)
Transfer from level 1 or 2	1.86	--	--	1.86
Transfer to level 1 or 2	--	--	--	--
Amortization	--	--	--	--
Gains and losses	--	--	--	--
Other	0.42	(0.69)	0.02	(0.25)
<b>CLOSING BALANCE</b>	35.88	16.19	0.02	52.09

Figures in millions of euros

The investments classified in the held-to-maturity portfolio, as on June 30, 2017 and December 31, 2016 are shown below:

ITEM	BOOK VALUE (AMORTIZED COST)		FAIR VALUE						TOTAL	
			LEVEL 1. QUOTATION PRICE		LEVEL 2. OBSERVABLE DATA		LEVEL 3. OTHER MEASUREMENTS			
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Debt securities	2,085.41	2,403.28	1,988.24	2,112.65	129.71	165.62	40.31	31.12	2,158.26	2,309.39
Other investments	17.31	16.48	4.92	4.91	0.27	0.33	10.70	11.23	15.89	16.47
<b>Total</b>	<b>2,102.72</b>	<b>2,419.76</b>	<b>1,993.16</b>	<b>2,117.56</b>	<b>129.98</b>	<b>165.95</b>	<b>51.01</b>	<b>42.35</b>	<b>2,174.15</b>	<b>2,325.86</b>

Figures in millions of euros

At June 30, 2017 the Group had guaranteed, for financial swap operations, fixed-income securities amounting to 287.19 million euros (338.26 million euros as on December 31, 2016). These financial assets are classified in the available-for-sale portfolio. At June 30, 2017 the fixed-income securities received as collateral amounted to 486.56 million euros (487.68 million euros as on December 31, 2016). In both cases the guarantee matures on a daily basis, at which time a new guarantee is established, the existing one is maintained, or definitively canceled. The existence of these guarantees mitigates the counterparty risk (CVA/DVA) on most of the Group's derivatives.

## 5.2. INVESTMENTS ON BEHALF OF LIFE INSURANCE POLICYHOLDERS BEARING THE INVESTMENT RISK

The following table shows the composition of the "Investments on behalf of life insurance policyholders bearing the investment risk" heading, as on June 30, 2017 and December 31, 2016:

ITEM	BOOK VALUE (FAIR VALUE)							
	LEVEL 1. QUOTATION PRICE		LEVEL 2. OBSERVABLE DATA		LEVEL 3. OTHER MEASUREMENTS		TOTAL	
	2017	2016	2017	2016	2017	2016	2017	2016
Equity instruments	209.97	136.67	--	--	--	--	209.97	136.67
Debt securities and other	753.79	418.62	488.55	483.68	--	--	1,242.34	902.30
Mutual Funds	745.11	904.52	69.97	70.47	--	--	815.08	974.99
<b>Total</b>	<b>1,708.87</b>	<b>1,459.81</b>	<b>558.52</b>	<b>554.15</b>	<b>--</b>	<b>--</b>	<b>2,267.39</b>	<b>2,013.96</b>

Figures in millions of euros

## 5.3. NON-CURRENT ASSETS HELD FOR SALE AND ASSOCIATED LIABILITIES

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 879.90 million euros and associated liabilities for the amount of 689.28 million euros, corresponding to both dependent undertakings.

In June, 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 141.70 million euros. The completion of the transaction is dependent upon receiving the corresponding regulatory and supervisory authorizations, upon whose receipt 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 consolidated 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 5.77 million euros at the close of June 2017.

## 5.4. ISSUING, REPURCHASES AND REIMBURSEMENTS OF DEBT SECURITIES

As on June 30, 2017 the balance of subordinated liabilities includes the redeemed cost of the subordinated notes issued by the controlling Company, net of the amount of the notes bought on the market.

In the first half of the year, the most relevant operation regarding debt securities was the issuance of the following subordinated notes:

### Issuance from March 2017:

The most relevant terms and conditions of the issuance are listed below:

- Nature of the issuance: subordinated notes represented by book entries.
- Total amount: 600 million euros.
- Date of issue: March 31, 2017.
- Maturity date: March 31, 2047, with a first call option on March 31, 2027.
- Special case redemption: In the case of the reform or modification of tax legislation, disqualification as issuer's own funds, or change in ratings from the ratings agencies.
- Interests from issuance to the date of the first call option: 4.375 percent per annum, payable March 31 of each year.
- Interests from (and including) the date of the first call option: floating rate equal to the euribor at 3 months plus 4.543 percent, payable quarterly.
- Interest deferral: The issuer will be obligated to defer interest payment should any Solvency Capital Requirement or Minimum Capital requirement compliance breach exist, or should the Relevant Regulator prohibit the Issuer from making interest payments, or should the Issuer be unable to meet regularly its due and payable liabilities
- Listing: AIAF market
- Jurisdiction: Spanish.
- Rating: BBB- (Standard & Poor's).

The accrued unpaid interests at June 30, 2017 stood at 6.54 million euros and the notes trade at 106.80 percent of their nominal value.

### Issuance from July 2007:

On June 29, 2017 the Board of Directors approved the early redemption, on the first call date, of the total amount of the subordinated notes issued by the controlling Company in July 2007, for a total net redemption amount of 575.85 million euros (607.76 million euros including interest), and redeemed on July 24, 2017.

## 5.5. OTHER FINANCIAL LIABILITIES

The other financial liabilities balance at June 30, 2017 and December 31, 2016 includes, among other elements, fair value liabilities with changes in profits and losses amounting to 724.5 and 703.2 million euros, respectively. The amount shown in this account corresponds to the valuation of financial swaps for the exchange of flows and other fair value financial liabilities with changes in profits and losses, its fair value hierarchy being Level 2. No transfers between the different hierarchy levels have been made.

No adjustments were made for own credit risk in connection with the financial liabilities derived from financial swap transactions, given that they are cash flow exchange operations whose current net value leads to a balance in favor of the counterparty. In any event, the application of adjustments for own credit risk in these transactions would not have a material effect on the income statement or on equity.

## 6. SHARE CAPITAL

The share capital of the controlling company as on June 30, 2017 is represented by 3,079,553,273 shares, each with a nominal value of 0.10 euros, fully subscribed and paid-up. All shares carry identical voting and dividend rights.

CARTERA MAPFRE directly held 67.60 percent of the share capital as on June 30, 2017 and December 31, 2016.

All shares representing the share capital of the controlling company are admissible for official trading on the Madrid and Barcelona stock markets.

As part of the remuneration included in the medium-term Incentives Plan, in the first half of the year there was a delivery of 24,523 shares of the controlling Company, resulting in a treasury stock balance on June 30, 2017 of 30,475,477 treasury stock shares, representing 0.99 percent of total capital.

As on June 30, 2017 and December 31, 2016, no other Group company held shares in the controlling company.

## 7. DUE TO CREDIT INSTITUTIONS

As on June 30, 2017 and December 31, 2016 the breakdown of the main credit lines is as follows:

COMPANY	MATURITY	LIMIT		DRAWN DOWN	
		2017	2016	2017	2016
Banco de Santander	12.11.2021	1,000.00	1,000.00	320.00	480.00
<b>Total</b>		<b>1,000.00</b>	<b>1,000.00</b>	<b>320.00</b>	<b>480.00</b>

Figures in millions of euros

Banco de Santander is the agent bank of the credit line described, which is a syndicated loan facility with other entities. The loan accrues interest at a rate linked to market variables.

## 8. ASSET IMPAIRMENT

The breakdown of asset impairment accounted for during the half-years ending June 30, 2017 and 2016 is as follows:

IMPAIRMENT IN	2017	2016
Intangible assets	--	--
Real estate investments / Inventories	16.47	5.21
Financial investments	6.88	30.61
Receivables	17.78	19.99
<b>Total</b>	<b>41.13</b>	<b>55.81</b>

Figures in millions of euros

## 9. FINANCIAL INFORMATION PER SEGMENT

### 9.1. DISTRIBUTION OF PREMIUMS BY REGIONAL AREAS AND BUSINESS UNITS

The breakdown by Regional Area and Business Unit of direct insurance and accepted reinsurance premiums and of the results, for the half-years ending June 30, 2017 and 2016 is as follows:

REGIONAL AREA / BUSINESS UNIT	PREMIUMS		RESULT			
			BEFORE TAX		ATTRIBUTABLE TO CONTROLLING COMPANY	
	2017	2016	2017	2016	2017	2016
Iberia	4,219.77	4,027.05	395.47	364.99	262.54	243.45
LATAM North	1,236.17	726.06	29.65	50.12	18.07	32.83
LATAM South*	972.93	945.06	43.66	30.06	27.43	13.96
Brazil	2,480.59	2,186.64	374.50	398.74	64.93	67.96
EMEA	1,322.91	1,390.14	(0.44)	(27.09)	(8.48)	(24.29)
North America	1,497.40	1,462.24	54.42	60.74	36.43	42.48
APAC	70.60	69.19	(5.95)	(6.93)	(9.53)	(6.89)
Total Regional Areas	11,800.37	10,806.38	891.31	870.63	391.39	369.50
Reinsurance	2,325.76	2,273.86	139.66	118.95	101.68	90.36
Total Business Units	14,126.13	13,080.24	1,030.97	989.58	493.07	459.86
Corporate Areas, Consolidation Adjustments and Others	(1,053.00)	(1,000.73)	(96.47)	(84.89)	(77.97)	(79.45)
<b>Total</b>	<b>13,073.13</b>	<b>12,079.51</b>	<b>934.50</b>	<b>904.69</b>	<b>415.10</b>	<b>380.41</b>

Figures in millions of euros

(\* ) In order to provide clear information, and given its insignificance, MAPFRE VENEZUELA is not included in the LATAM SOUTH. Said information is included in “Corporate Areas, Consolidation Adjustments and Others”. In order to improve the comparison of the information, the same criteria used in 2016 is applied, therefore the information does not coincide with that included in the interim financial statements from the previous year..

## 9.2. ORDINARY REVENUES AND RESULTS BY ACTIVITY

The breakdown of the ordinary revenues and results by activity for the half-years ended on June 30, 2017 and 2016 is as follows:

ACTIVITY	ORDINARY REVENUES		RESULT			
			BEFORE TAX		ATTRIBUTABLE TO CONTROLLING COMPANY	
	2017	2016	2017	2016	2017	2016
Direct insurance:						
· Life	2,419.42	2,196.39	410.25	371.05	130.19	81.81
· Automobile	3,827.03	3,771.57	160.84	139.77	95.22	73.42
· Other Non-Life	5,001.83	4,273.12	297.85	296.85	133.72	138.95
Reinsurance	3,188.60	3,117.56	155.20	154.38	109.58	110.87
Other Activities	458.88	456.77	122.57	113.43	144.49	113.69
Total ongoing operations	14,895.76	13,815.41	1,146.71	1,075.48	613.20	518.74
Result from discontinued operations					--	--
Consolidation Adjustments and Holdings	(1,648.69)	(1,561.45)	(212.21)	(170.79)	(198.10)	(138.33)
<b>Total</b>	<b>13,247.07</b>	<b>12,253.96</b>	<b>934.50</b>	<b>904.69</b>	<b>415.10</b>	<b>380.41</b>

Figures in millions of euros

The ordinary revenues include the direct insurance written premiums and the written premiums from accepted reinsurance for the insurance business, as well as operating revenues from other activities.

Inter-activity transactions arise mainly due to reinsurance operations and dividend payments among Group companies which have been eliminated in the consolidation process, and the value of which is included in "Consolidation Adjustments."

## **10. BUSINESS COMBINATIONS**

In June 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., which is completely owned by MAPFRE S.A.

Thanks to this acquisition, MAPFRE, which already owned 20 percent of ABDA's share capital, holds a majority interest in the company, takes management control, and culminates its entry into the Indonesian insurance market, begun in 2013. This allows MAPFRE to increase its presence in southeast Asia and position itself in a market with serious potential. 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.

Derived from this business combination in stages, the original 20 percent participation held in the aforementioned company has been registered at fair value, and a positive effect of 13.50 million euros, net of taxes, in the Group consolidated income statement at the close of June 2017 has been recorded.

In the half year ending June 30 2016, BANKINTER and MAPFRE reached an agreement with Barclays to acquire the financial entity's Life and Pension business in Portugal, which business is considered one single cash-generating unit. The operation, which amounted to 75 million euros, was carried out through BANKINTER SEGUROS DE VIDA, of which MAPFRE and BANKINTER each own 50 percent.

The fair value of the identifiable assets and liabilities of the business combinations in the first half-years of 2017 and 2016 are shown below:



ITEM	2017	2016
	PT Asuransi Bina Dana Arta Tbk	Bankinter Vida Sucursal de Portugal
<b>ASSETS</b>		
Other intangible assets-Portfolio acquisition expenses	6.04	69.66
Investments	86.96	903.65
Participation of reinsurance in technical provisions	3.05	2.15
Receivables	16.40	24.25
Cash	76.63	35.92
Other assets	2.45	8.10
<b>TOTAL ASSETS</b>	<b>191.53</b>	<b>1,043.73</b>
<b>LIABILITIES</b>		
Technical provisions	99.13	527.43
Deferred tax liabilities	3.96	0.32
Debt	3.77	446.04
Other Liabilities	5.22	0.28
<b>TOTAL LIABILITIES</b>	<b>112.08</b>	<b>974.07</b>
Fair value of net assets	79.45	69.66
Interest purchased	51%	100%
Fair value of the percentage of purchased net assets	40.52	69.66
First consolidation difference	106.13	5.34
<b>Business combination costs</b>	<b>146.65</b>	<b>75.00</b>

Figures in millions of euros

The above stated fair values relating to the business combinations carried out in 2017 have been temporarily assigned since the correct identification and determination of these values are being studied.

The net acquisition costs for the combination have been fully discharged, and no deferred payments existed as on June 30, 2017 and 2016. The cost corresponding to the combination in 2017 were obtained by deducting from the price paid the amount of dividends against 2016 results received after the date of acquisition. As such, the cost of the combination consists of 57.51 and 89.14 million euros which come from the fair value of the 20 percent the Group already owned and of the 31 percent acquired in June 2017, respectively.

The costs directly attributable to the combinations for the first half of 2017 and 2016, such as independent professional, legal and financial advisory fees, for a total amount of 0.31 and of 0.74 million euros, respectively, have been expensed in the consolidated income statement.

The above-mentioned combinations were incorporated into the consolidated Group on June 1, 2017 (that acquired during the first-half of 2017) and April 1, 2016 (that acquired during the first-half of 2016), contributing in said periods 6.58 and 29.06 million euros to the Group's premiums, and 0.50 and 1.45 million euros to the net result attributable to the

controlling company. Had the combinations occurred at the beginning of each year, they would have contributed 39.78 and 64.96 million euros to the Group's premiums, and 3.38 and 2.95 million euros to the net result attributable to the controlling company, respectively.

## 11. RELATED PARTIES TRANSACTIONS

### 11.1. EXPENSES AND REVENUE

The breakdown of expenses and revenue with related parties for the half-years ended on June 30, 2017 and 2016 is as follows:

ITEM	SIGNIFICANT SHAREHOLDERS		OTHER RELATED PARTIES		TOTAL	
	2017	2016	2017	2016	2017	2016
Financial expenses	--	1.14	--	--	--	1.14
Management or collaboration contracts	--	--	--	--	--	--
Leasing	--	--	--	1.42	--	1.42
Services received	--	--	--	--	--	--
Valuation corrections for bad or doubtful debts	--	--	--	--	--	--
Results arising from write-off or disposal of assets	--	--	--	--	--	--
Other expenses	--	--	0.01	0.11	0.01	0.11
<b>Total</b>	<b>--</b>	<b>1.14</b>	<b>0.01</b>	<b>1.53</b>	<b>0.01</b>	<b>2.67</b>
Financial income	--	--	--	--	--	--
Management or collaboration contracts	--	--	--	--	--	--
Dividends received	--	--	--	--	--	--
Leasing	0.10	0.10	0.02	0.02	0.12	0.12
Provision of services	--	--	--	0.03	--	0.03
Results arising from write-off or disposal of assets	--	--	--	--	--	--
Other revenues	0.20	0.14	--	--	0.20	0.14
<b>Total</b>	<b>0.30</b>	<b>0.24</b>	<b>0.02</b>	<b>0.05</b>	<b>0.32</b>	<b>0.29</b>

Figures in millions of euros

### 11.2. OTHER TRANSACTIONS

The breakdown of other transactions with related parties for the half-years ended on June 30, 2017 and 2016 is as follows:

ITEM	SIGNIFICANT SHAREHOLDERS		OTHER RELATED PARTIES		TOTAL	
	2017	2016	2017	2016	2017	2016
Acquisition of tangible, intangible or other assets	--	--	--	--	--	--
Financing agreements: Credits and capital contributions delivered	--	--	--	--	--	--
Finance lease contracts (lessor)	--	--	--	--	--	--
Amortization or cancellation of credit and lease contracts (lessor)	--	200.00	--	--	--	200.00
Sale of tangible, intangible or other assets.	--	--	--	--	--	--
Financing agreements, loans and capital contributions received	--	60.00	--	--	--	60.00
Finance lease contracts (lessee)	--	--	--	--	--	--
Amortization or cancellation of credit and lease contracts (lessee)	--	--	--	--	--	--
Guarantees and sureties provided	--	--	--	--	--	--
Guarantees and sureties received	0.02	0.02	0.01	0.01	0.03	0.03
Commitments made	--	--	--	--	--	--
Commitments/Guarantees cancelled	--	--	--	--	--	--
Dividends and other profits assigned	178.83	145.94	--	--	178.83	145.94
Other operations	--	--	--	--	--	--

### 11.3. REMUNERATION OF KEY MANAGEMENT STAFF

The breakdown of remuneration of the controlling Company's Board of Directors for the half-years ended on June 30, 2017 and 2016 is as follows:

ITEM	2017	2016
· Fixed remuneration	1.57	1.94
· Variable remuneration	2.62	2.19
· Bylaw perquisites	1.25	1.30
· Other	0.11	0.13
<b>Total</b>	<b>5.55</b>	<b>5.56</b>

Figures in millions of euros

Executive directors (who are deemed to be both the company's executives and those performing executive duties in other MAPFRE GROUP entities) receive the remuneration established in their contracts, including fixed salary, incentives with varying amounts linked to results, life and disability insurance, and other general benefits established for the company's staff. They also receive certain retirement-related pension entitlements, externalized through a life insurance policy. All of these payments are pursuant to the compensation policy established by the Group for its senior managers, whether or not they are directors. Contributions to defined benefit plans totaling 2.53 million euros (1.74 million euros in the first-half of 2016) were recorded as expenses for the first-half of 2017, in which period 0.64 million euros of variable remuneration accrued, pending payment. The medium-term incentive plan (2013-2015) was settled during the first-half of 2016. The fully reserved, settled amount was 3.24 million euros. Furthermore, 0.99 million euros were reserved in 2017 as medium-term incentives (1.07 million euros in the first-half of 2016).

The breakdown of remuneration of senior management for the half-years ended on June 30, 2017 and 2016 is as follows:

ITEM	2017	2016
· Num. of senior management	4	6
· Fixed remuneration	0.69	0.89
· Variable remuneration	0.61	1.09
· Other	0.04	0.06
<b>Total</b>	<b>1.34</b>	<b>2.04</b>

Figures in millions of euros

In the first half of 2017, 0.26 million euros of variable remuneration accrued and is pending payment. Further, 0.41 million euros were reserved as medium-term incentives in said period (0.64 million euros in the same period in 2016).

Contributions to defined benefit plans totaling 0.44 million euros were recorded as expenses in the first half of 2017 (1.16 million euros in 2016).

#### 11.4. AVERAGE WORKFORCE

The table below shows the average number of Group employees for the half-years ending June 30, 2017 and 2016.

AVERAGE STAFF	2017	2016
Men	17,007	17,016
Women	20,211	20,896
<b>Total</b>	<b>37,218</b>	<b>37,912</b>

#### 12. OTHER INFORMATION

Between June 30, 2017 and the approval date of these interim financial statements, no significant post-balance events occurred other than those above mentioned.

2017

Consolidated Interim  
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## 1. Key Figures

ITEM	JUNE 2016	JUNE 2017	Δ %
<b>Results</b>			
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%
<b>Balance sheet</b>			
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%
<b>Ratios</b>			
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
<b>Employees at the close of the period</b>			
Total	37,877	37,076	-2.1%
- Spain	10,706	10,839	1.2%
- Other countries	27,171	26,237	-3.4%
<b>MAPFRE share</b>			
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%	--
<b>Solvency</b>			
Solvency ratio	210.0%	211.5%	1.5 p.p

Figures in millions of euros

## 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%
<b>Total consolidated revenue</b>	<b>14,640.8</b>	<b>15,438.3</b>	<b>5.4%</b>

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 %
<b>NON-LIFE BUSINESS</b>			
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%
<b>Result of Non-Life business</b>	<b>588.0</b>	<b>565.1</b>	<b>-3.9%</b>
<b>LIFE BUSINESS</b>			
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%
<b>Result of Life business</b>	<b>376.9</b>	<b>427.0</b>	<b>13.3%</b>
<b>OTHER ACTIVITIES</b>			
Net operating revenues and expenses	(43.7)	(48.0)	-9.7%
Net financial income and other	0.6	(13.7)	--
<b>Result from other business activities</b>	<b>(43.1)</b>	<b>(61.7)</b>	<b>-43.1%</b>
Hyperinflation adjustments	(17.1)	4.1	123.9%
<b>Result before tax</b>	<b>904.7</b>	<b>934.5</b>	<b>3.3%</b>
Tax on profits	(306.5)	(281.0)	-8.3%
Result after tax from discontinued operations	0.0	0.0	--
<b>Result for the period</b>	<b>598.2</b>	<b>653.5</b>	<b>9.2%</b>
Result attributable to non-controlling interests	217.8	238.4	9.5%
<b>Result attributable to the controlling Company</b>	<b>380.4</b>	<b>415.1</b>	<b>9.1%</b>

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
<b>TOTAL ASSETS</b>	<b>69,088.7</b>	<b>67,881.8</b>	<b>68,127.0</b>
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
<b>Equity</b>	<b>11,179.0</b>	<b>11,443.5</b>	<b>10,863.5</b>
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
<b>TOTAL LIABILITIES</b>	<b>69,088.7</b>	<b>67,881.8</b>	<b>68,127.0</b>

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.

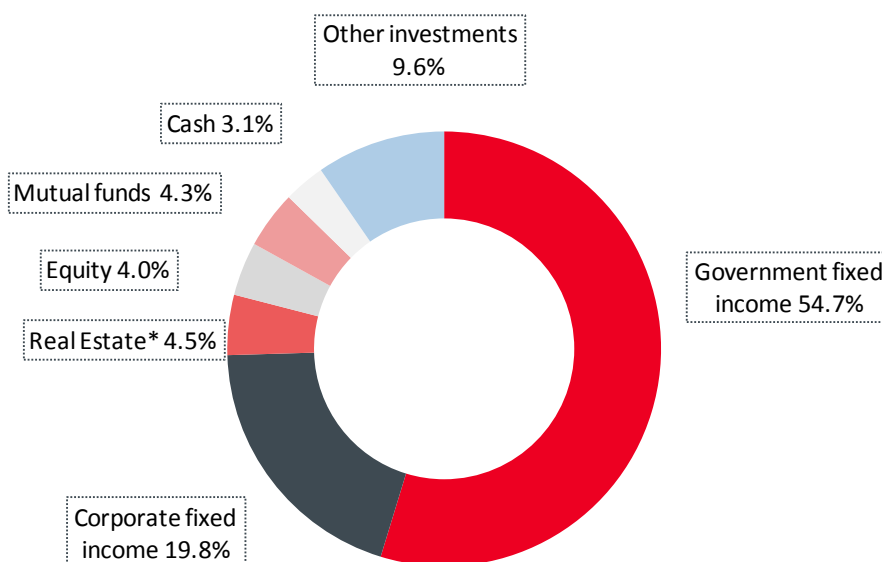
## 5.2. Investment Portfolio

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%
<b>TOTAL</b>	<b>49,655.3</b>	<b>49,210.8</b>	<b>-0.9%</b>

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
<b>TOTAL</b>	<b>26,932.4</b>	<b>9,747.6</b>	<b>7,599.1</b>	<b>2,148.5</b>	<b>36,680.0</b>

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
<b>Non Life (IBERIA + MAPFRE RE + GLOBAL RISKS)</b>				
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%
<b>Life (IBERIA)</b>				
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
<b>BALANCE AT 31/12 PREVIOUS YEAR</b>	<b>8,573.7</b>	<b>9,126.5</b>
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)
<b>TOTAL</b>	<b>220.5</b>	<b>(393.6)</b>
Result for the period	775.5	415.1
Dividends	(400.3)	(261.8)
Other changes in net equity	(42.8)	(26.6)
<b>BALANCE AS AT PERIOD END</b>	<b>9,126.5</b>	<b>8,859.7</b>

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
<b>Capital, retained earnings and reserves</b>	<b>8,389.0</b>	<b>8,898.8</b>	<b>9,086.4</b>	<b>9,446.8</b>	<b>9,569.5</b>
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)
<b>Attributable equity</b>	<b>7,833.5</b>	<b>9,152.7</b>	<b>8,573.7</b>	<b>9,126.5</b>	<b>8,859.7</b>

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%
<b>Subtotal</b>	<b>38,187.7</b>	<b>38,808.0</b>	<b>1.6%</b>

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%
<b>TOTAL</b>	<b>58,281.8</b>	<b>59,322.7</b>	<b>1.8%</b>

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%
<b>TOTAL INSURANCE</b>	<b>9,841.3</b>	<b>10,808.4</b>	<b>9.8%</b>	<b>366.3</b>	<b>429.3</b>	<b>17.2%</b>	<b>97.6%</b>	<b>97.2%</b>
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%	--	--
<b>MAPFRE S.A.</b>	<b>12,079.5</b>	<b>13,073.1</b>	<b>8.2%</b>	<b>380.4</b>	<b>415.1</b>	<b>9.1%</b>	<b>97.5%</b>	<b>97.2%</b>

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 INTERNACIONAL due to previously mentioned lower issuing in Turkey.
2. Results have evolved positively in insurance entities in IBERIA, LATAM and INTERNACIONAL, 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.

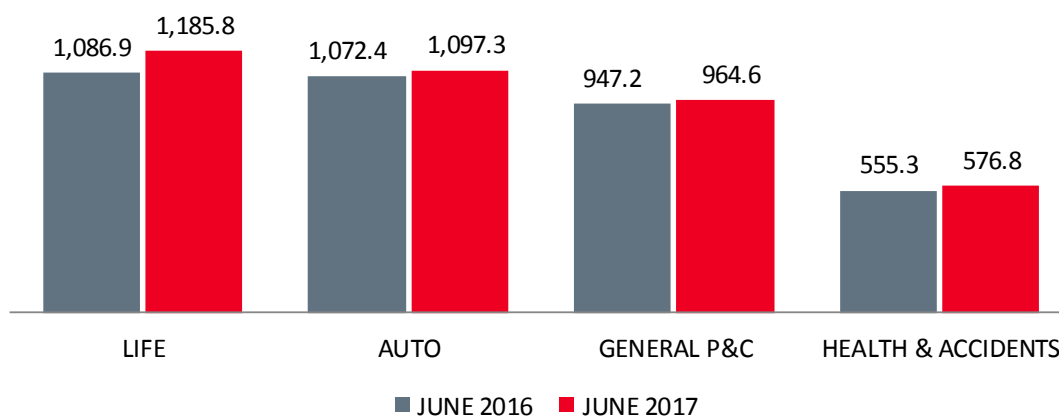
#### Information by country

ITEM	Premiums			Attributable result			Combined ratio	
	JUNE 2016	JUNE 2017	Δ %	JUNE 2016	JUNE 2017	Δ %	JUNE 2016	JUNE 2017
<b>IBERIA</b>	<b>3,780.2</b>	<b>3,947.4</b>	<b>4.4%</b>	<b>223.8</b>	<b>260.7</b>	<b>16.5%</b>	<b>94.0%</b>	<b>95.1%</b>
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

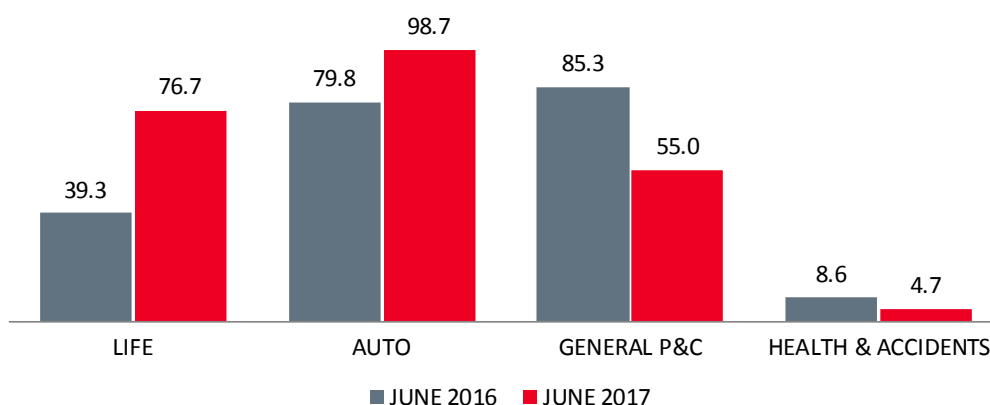
Excellent performance of premiums in IBERIA, with 4.4 percent growth.

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.

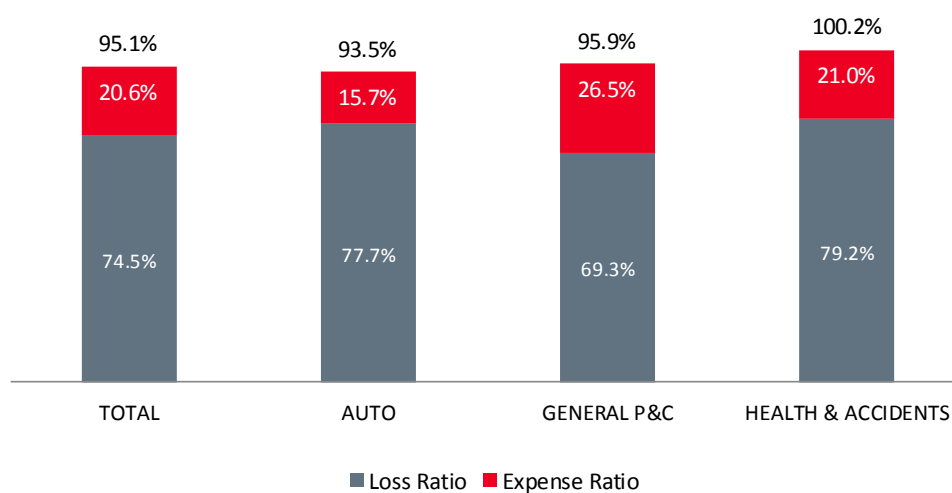
## Result

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

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 %
<b>Gross written and accepted premiums</b>	<b>1,113.6</b>	<b>1,206.1</b>	<b>8.3%</b>
<b>Gross result</b>	<b>131.2</b>	<b>183.1</b>	<b>39.6%</b>
Tax on profits	(31.8)	(38.5)	21.1%
Non-controlling interests	(33.1)	(41.3)	24.7%
<b>Attributable net result</b>	<b>66.3</b>	<b>103.3</b>	<b>55.9%</b>
<b>Investments, real estate and cash</b>	<b>25,104.7</b>	<b>24,003.1</b>	<b>-4.4%</b>
<b>Shareholders' equity</b>	<b>1,771.3</b>	<b>1,773.4</b>	<b>0.1%</b>
<b>ROE</b>	<b>16.0%</b>	<b>11.7%</b>	<b>-4.3 p.p.</b>
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%
<b>TOTAL PREMIUMS</b>	<b>1,113.6</b>	<b>1,206.1</b>	<b>8.3%</b>
- 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 %
<b>Technical provisions</b>	<b>22,661.4</b>	<b>21,658.7</b>	<b>-4.4%</b>
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%
<b>Mutual funds and other</b>	<b>2,954.1</b>	<b>3,622.8</b>	<b>22.6%</b>
<b>Pension funds</b>	<b>4,407.2</b>	<b>4,875.0</b>	<b>10.6%</b>
MAPFRE AM	2,009.2	2,212.4	10.1%
OTHER	2,398.0	2,662.6	11.0%
<b>TOTAL MANAGED SAVINGS</b>	<b>30,022.7</b>	<b>30,156.5</b>	<b>0.4%</b>

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.

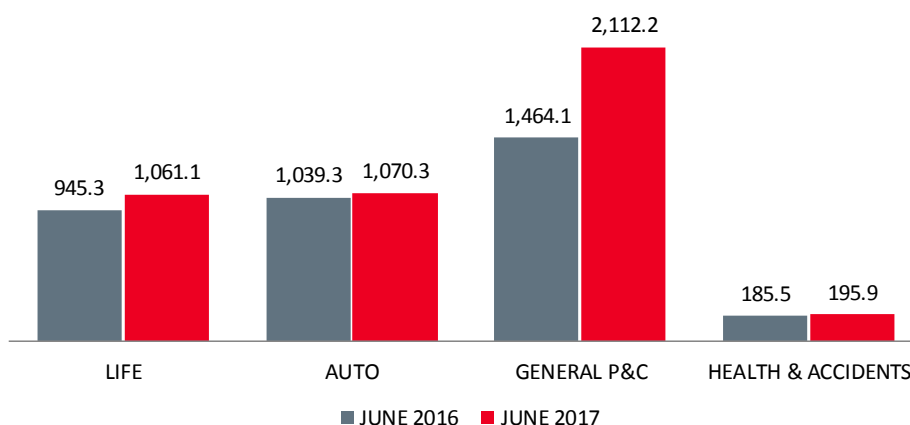
### Information by region

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

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

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

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.

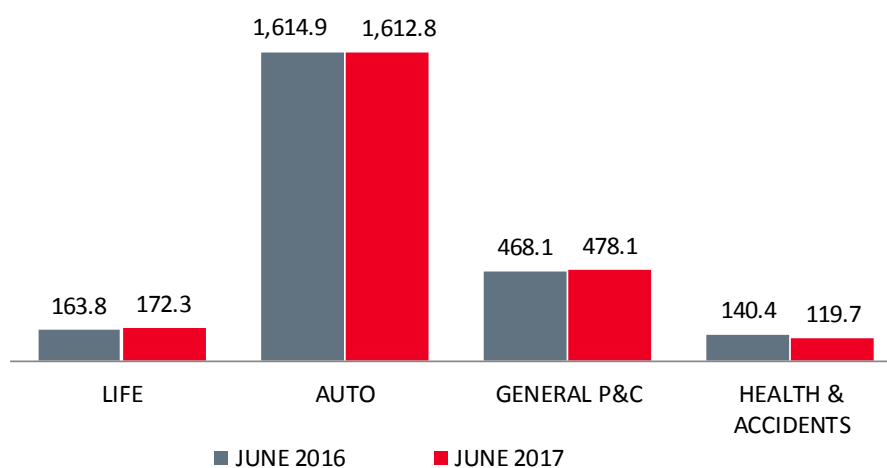
#### Information by Area

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

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

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

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

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

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

ITEM	%
<b>By Ceding company:</b>	
MAPFRE	45.4%
Others	54.6%
<b>By Insurance Lines:</b>	
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 %
<b>Gross written and accepted premiums</b>	<b>635.8</b>	<b>725.0</b>	<b>14.0%</b>
<b>Net premiums earned</b>	<b>165.8</b>	<b>170.0</b>	<b>2.5%</b>
<b>Gross result</b>	<b>31.6</b>	<b>(17.2)</b>	<b>-154.6%</b>
Tax on profits	(6.1)	4.3	-169.3%
Non-controlling interests	0.0	0.0	--
<b>Attributable net result</b>	<b>25.4</b>	<b>(13.0)</b>	<b>-151.0%</b>
<b>Combined ratio</b>	<b>91.7%</b>	<b>119.3%</b>	<b>27.6 p.p.</b>
Expense ratio	28.8%	32.6%	3.8 p.p.
Loss ratio	62.9%	86.7%	23.8 p.p.
<b>Investments, real estate and cash</b>	<b>997.6</b>	<b>992.5</b>	<b>-0.5%</b>
<b>Technical provisions</b>	<b>1,867.0</b>	<b>2,095.3</b>	<b>12.2%</b>
<b>Shareholders' equity</b>	<b>400.1</b>	<b>370.0</b>	<b>-7.5%</b>
<b>ROE</b>	<b>13.7%</b>	<b>2.3%</b>	<b>-11.4 p.p.</b>

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

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.

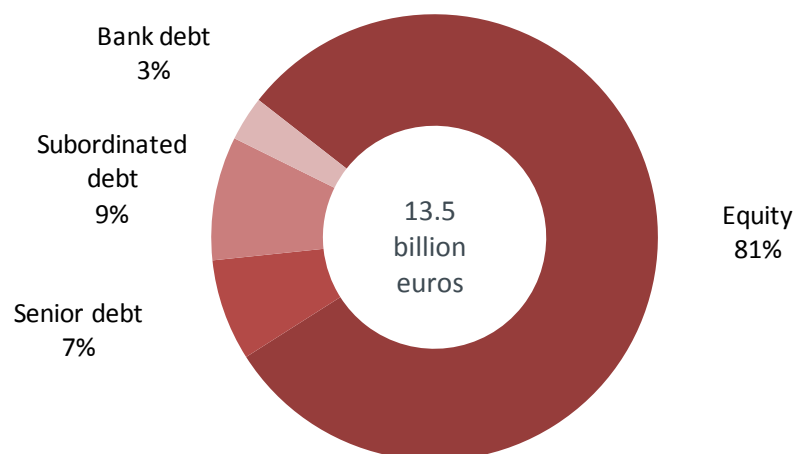
In the first half of the year, costs were provisioned for the closing and liquidation of various MAPFRE ASISTENCIA service companies, as well as for the closing of operations and the exit of MAPFRE ASISTENCIA in Japan, for a total net amount of 7.6 million euros.



## 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
<b>Total Equity</b>	<b>11,179.0</b>	<b>11,443.5</b>	<b>10,863.5</b>
<b>Total debt</b>	<b>2,312.1</b>	<b>2,202.9</b>	<b>2,643.9</b>
- 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
<b>Earnings before tax &amp; financial expenses (EBIT)</b>	<b>940.8</b>	<b>1,869.2</b>	<b>981.3</b>
<b>Leverage</b>	<b>17.1%</b>	<b>16.1%</b>	<b>19.6%</b>
<b>Equity / Debt</b>	<b>4.8</b>	<b>5.2</b>	<b>4.1</b>
<b>EBIT / financial expenses (x)</b>	<b>26.1</b>	<b>29.2</b>	<b>21.0</b>

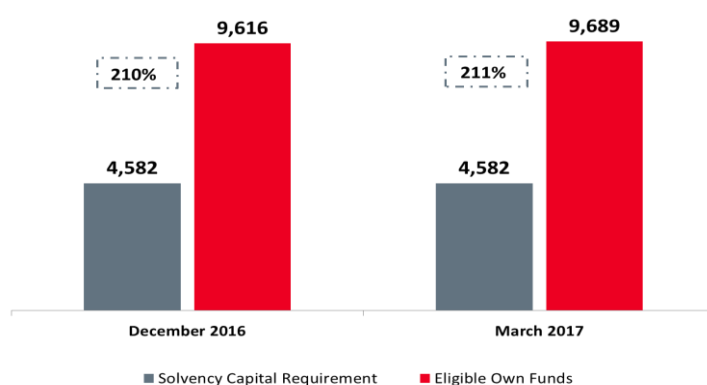
Figures in millions of euros

## 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*).

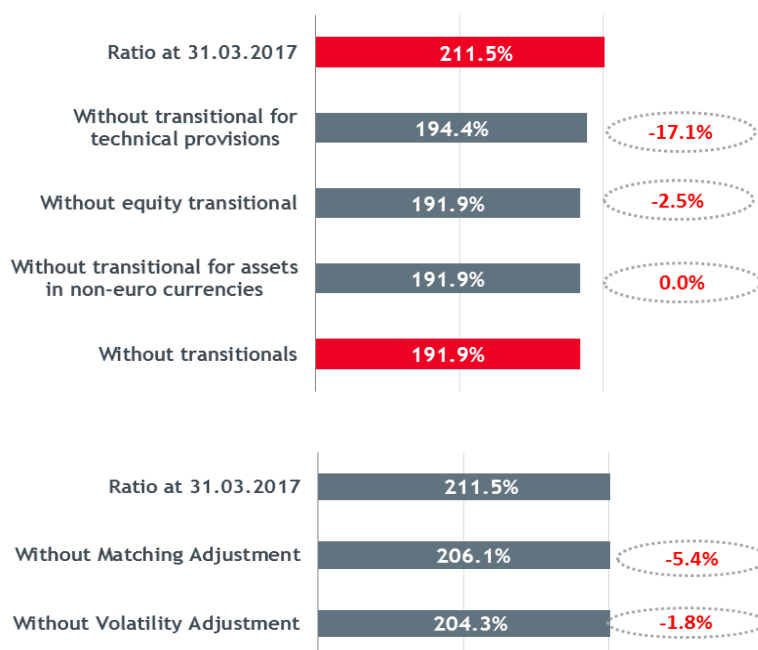
The ratio shows a high level of solidity and stability, backed by high diversification and strict investment and ALM policies, as can be seen in the charts below:

### Solvency margin breakdown (Solvency II)

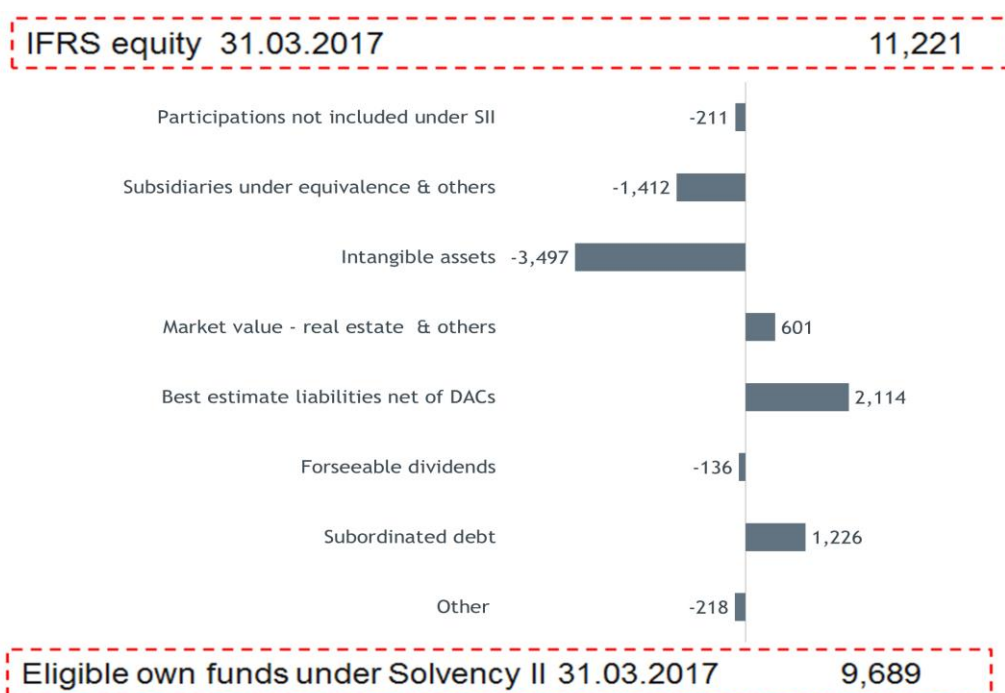


Figures in millions of euros

### Impact of transitional measures and matching and volatility adjustments

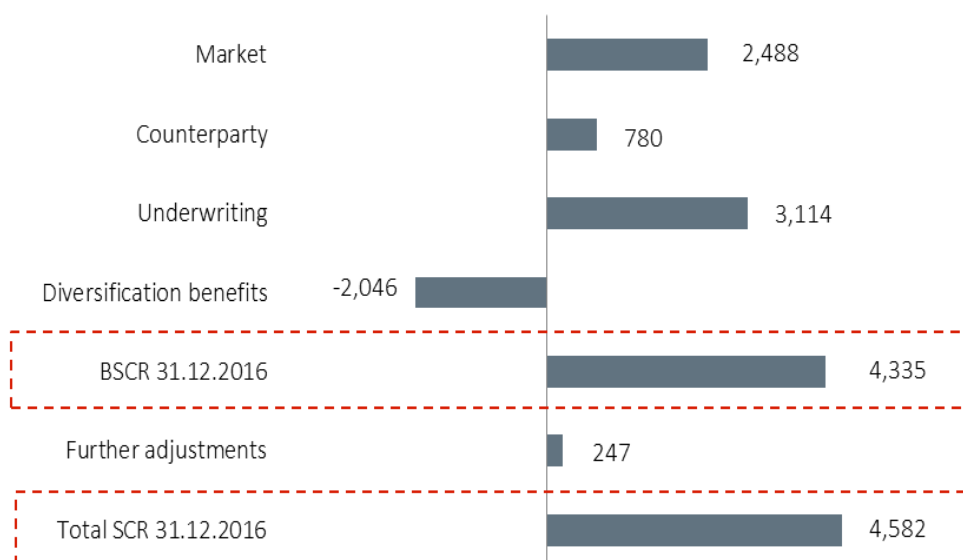


## IFRS and Solvency II Capital Reconciliation



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

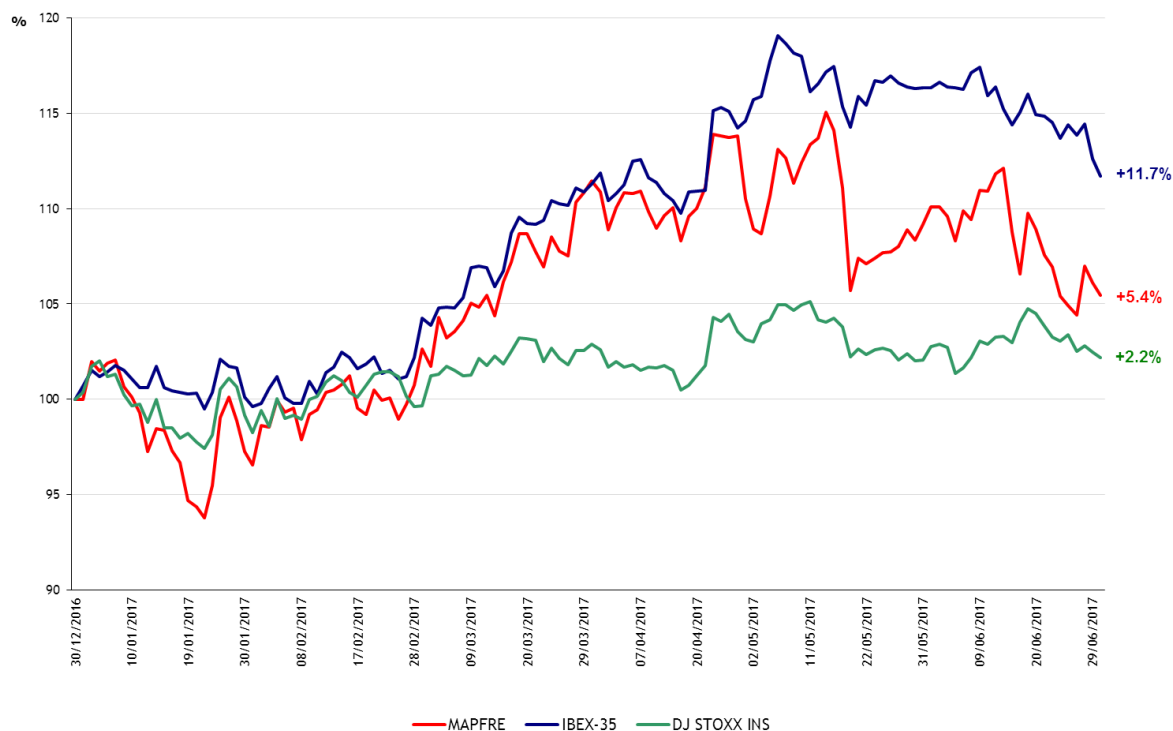
The chart below includes information regarding MAPFRE's shares, which show a very favorable development.

### 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

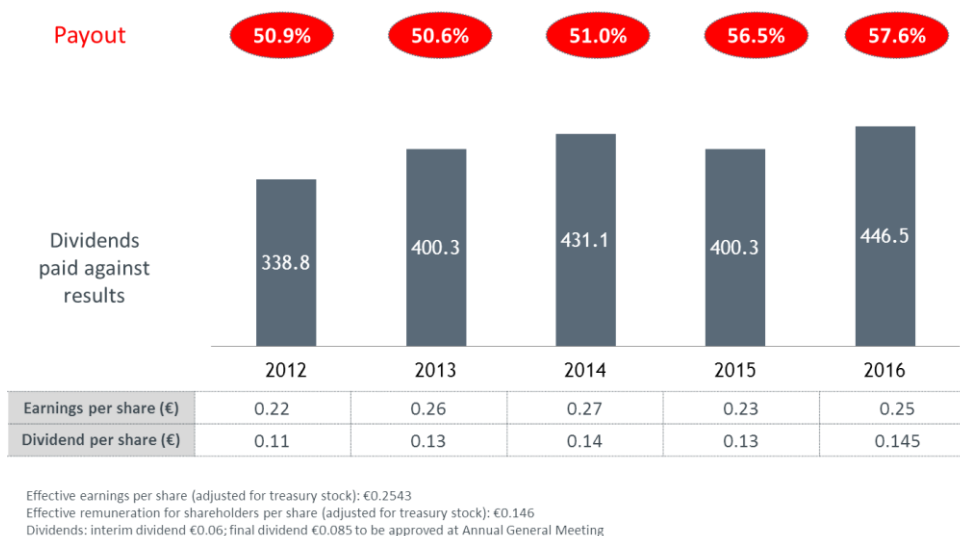


### Target price and share price: April 1, 2015 – June 30, 2017



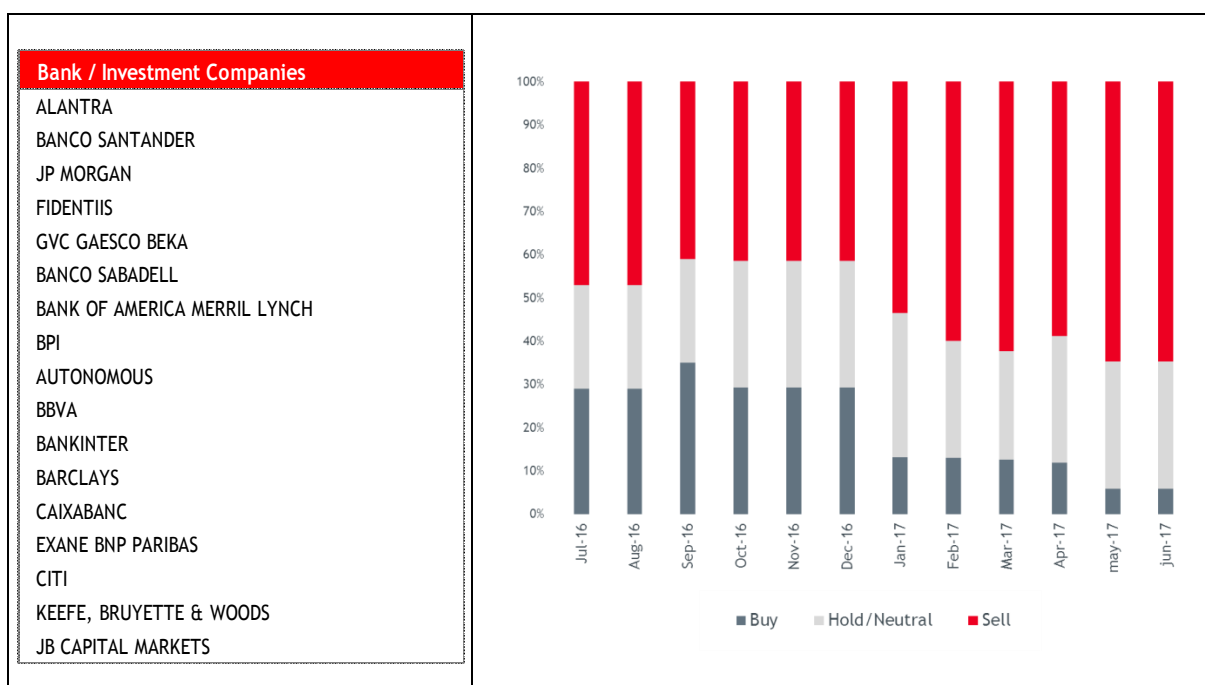
## Dividend and Payout

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



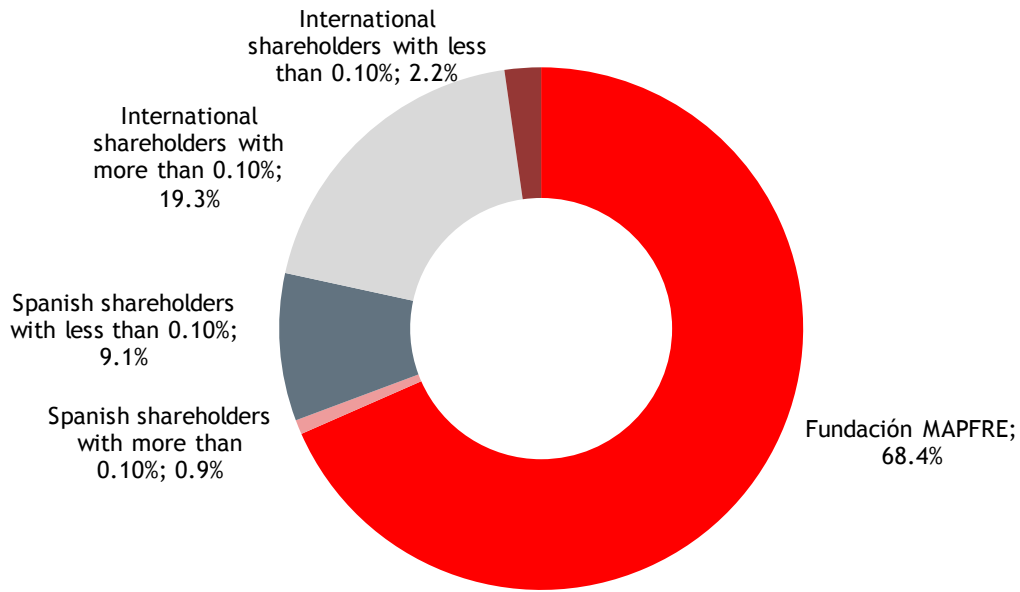
Figures in millions of euros

## 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
<b>A) INTANGIBLE ASSETS</b>	<b>3,792.1</b>	<b>3,798.9</b>	<b>3,671.8</b>
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>B) PROPERTY, PLANT AND EQUIPMENT</b>	<b>1,253.3</b>	<b>1,296.6</b>	<b>1,217.2</b>
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
<b>C) INVESTMENTS</b>	<b>45,298.6</b>	<b>45,088.0</b>	<b>44,496.2</b>
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
<b>D) INVESTMENTS ON BEHALF OF LIFE INSURANCE POLICYHOLDERS BEARING THE INVESTMENT RISK</b>	<b>1,810.5</b>	<b>2,014.0</b>	<b>2,267.4</b>
<b>E) INVENTORIES</b>	<b>75.7</b>	<b>75.0</b>	<b>63.9</b>
<b>F) PARTICIPATION OF REINSURANCE IN TECHNICAL PROVISIONS</b>	<b>4,096.4</b>	<b>3,934.4</b>	<b>4,576.1</b>
<b>G) DEFERRED TAX ASSETS</b>	<b>292.0</b>	<b>335.3</b>	<b>319.2</b>
<b>H) RECEIVABLES</b>	<b>7,557.6</b>	<b>6,651.9</b>	<b>7,522.4</b>
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
<b>I) CASH</b>	<b>1,577.6</b>	<b>1,451.1</b>	<b>1,519.3</b>
<b>J) ACCRUAL ADJUSTMENTS</b>	<b>2,197.1</b>	<b>2,180.0</b>	<b>2,203.5</b>
<b>K) OTHER ASSETS</b>	<b>145.4</b>	<b>145.5</b>	<b>106.3</b>
<b>L) NON-CURRENT ASSETS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS</b>	<b>992.5</b>	<b>911.2</b>	<b>163.7</b>
<b>TOTAL ASSETS</b>	<b>69,088.7</b>	<b>67,881.8</b>	<b>68,127.0</b>

Figures in millions of euros

ITEM	JUNE 2016	DECEMBER 2016	JUNE 2017
<b>A) EQUITY</b>	<b>11,179.0</b>	<b>11,443.5</b>	<b>10,863.5</b>
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)
<b>Equity attributable to the controlling company's shareholders</b>	<b>8,946.1</b>	<b>9,126.5</b>	<b>8,859.6</b>
<b>Non-controlling interests</b>	<b>2,232.9</b>	<b>2,317.0</b>	<b>2,003.8</b>
<b>B) SUBORDINATED LIABILITIES</b>	<b>611.4</b>	<b>594.0</b>	<b>1,211.8</b>
<b>C) TECHNICAL PROVISIONS</b>	<b>45,992.2</b>	<b>45,226.1</b>	<b>45,568.8</b>
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
<b>D) TECHNICAL PROVISIONS FOR LIFE INSURANCE WHERE POLICYHOLDERS BEAR THE INVESTMENT RISK</b>	<b>1,810.5</b>	<b>2,014.0</b>	<b>2,267.4</b>
<b>E) PROVISIONS FOR RISKS AND EXPENSES</b>	<b>738.7</b>	<b>752.8</b>	<b>655.4</b>
<b>F) DEPOSITS RECEIVED ON CEDED AND RETROCEDED REINSURANCE</b>	<b>90.5</b>	<b>49.4</b>	<b>72.3</b>
<b>G) DEFERRED TAX LIABILITIES</b>	<b>788.9</b>	<b>730.7</b>	<b>688.1</b>
<b>H) DEBT</b>	<b>6,838.3</b>	<b>6,141.3</b>	<b>6,511.6</b>
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
<b>I) ACCRUAL ADJUSTMENTS</b>	<b>263.2</b>	<b>239.8</b>	<b>283.6</b>
<b>J) LIABILITIES LINKED TO NON-CURRENT ASSETS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS</b>	<b>776.2</b>	<b>690.3</b>	<b>4.6</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>69,088.7</b>	<b>67,881.8</b>	<b>68,127.0</b>

Figures in millions of euros

## 14.2. Consolidated Income Statement

ITEM	JUNE 2016	JUNE 2017
<b>I. REVENUE FROM INSURANCE BUSINESS</b>		
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
<b>TOTAL REVENUE FROM INSURANCE BUSINESS</b>	<b>11,822.2</b>	<b>12,008.2</b>
<b>II. INSURANCE BUSINESS EXPENSES</b>		
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)
<b>TOTAL EXPENSES FROM INSURANCE BUSINESS</b>	<b>(10,857.3)</b>	<b>(11,016.1)</b>
<b>RESULT FROM THE INSURANCE BUSINESS</b>	<b>964.9</b>	<b>992.1</b>
<b>III. OTHER ACTIVITIES</b>		
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
<b>RESULT FROM OTHER ACTIVITIES</b>	<b>(43.1)</b>	<b>(61.7)</b>
<b>IV. RESULT ON RESTATEMENT OF FINANCIAL ACCOUNTS</b>	<b>(17.1)</b>	<b>4.1</b>
<b>V. RESULT BEFORE TAXES FROM ONGOING OPERATIONS</b>	<b>904.7</b>	<b>934.5</b>
<b>VI. TAX ON PROFITS FROM ONGOING OPERATIONS</b>	<b>(306.5)</b>	<b>(281.0)</b>
<b>VII. RESULT AFTER TAX FROM ONGOING OPERATIONS</b>	<b>598.2</b>	<b>653.5</b>
<b>VIII. RESULT AFTER TAX FROM DISCONTINUED OPERATIONS</b>	<b>0.0</b>	<b>0.0</b>
<b>IX. RESULT FOR THE FINANCIAL YEAR</b>	<b>598.2</b>	<b>653.5</b>
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.		
<b>Consolidated figures</b>								
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.
<b>Figures by business unit</b>								
<b>Written and accepted premiums - Total</b>								
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%
<b>Written and accepted premiums - Non-Life</b>								
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%
<b>Written and accepted premiums - Life</b>								
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.		
<b>Net result</b>								
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%
<b>Combined ratio</b>								
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.
<b>Loss ratio</b>								
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.
<b>Expense ratio</b>								
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
<b>A) CONSOLIDATED RESULT FOR THE YEAR</b>	<b>904.7</b>	<b>934.5</b>	<b>(306.5)</b>	<b>(281.0)</b>	<b>217.8</b>	<b>238.4</b>	<b>380.4</b>	<b>415.1</b>
<b>B) OTHER RECOGNIZED REVENUE (EXPENSES)</b>	<b>622.6</b>	<b>(551.6)</b>	<b>(73.0)</b>	<b>7.5</b>	<b>272.6</b>	<b>(150.5)</b>	<b>277.0</b>	<b>(393.6)</b>
<b>1. Financial assets available for sale</b>	<b>1,098.7</b>	<b>(421.5)</b>	<b>(284.9)</b>	<b>121.8</b>	<b>157.9</b>	<b>(57.5)</b>	<b>655.9</b>	<b>(242.2)</b>
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				
<b>2. Currency conversion differences</b>	<b>367.3</b>	<b>(530.0)</b>	<b>0.4</b>	<b>0.3</b>	<b>259.9</b>	<b>(143.4)</b>	<b>107.8</b>	<b>(386.4)</b>
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				
<b>3. Shadow accounting</b>	<b>(824.6)</b>	<b>401.9</b>	<b>206.1</b>	<b>(114.6)</b>	<b>(145.0)</b>	<b>50.3</b>	<b>(473.5)</b>	<b>237.0</b>
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				
<b>4. Equity-accounted entities</b>	<b>(0.0)</b>	<b>(2.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(2.0)</b>
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				
<b>5. Other recognized revenue and expenses</b>	<b>(18.7)</b>	<b>0.0</b>	<b>5.3</b>	<b>0.0</b>	<b>(0.3)</b>	<b>0.1</b>	<b>(13.2)</b>	<b>(0.1)</b>
<b>TOTALS</b>	<b>1,527.3</b>	<b>382.9</b>	<b>(379.5)</b>	<b>(273.5)</b>	<b>490.4</b>	<b>87.9</b>	<b>657.4</b>	<b>21.5</b>

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)
<b>Technical result</b>	<b>135.2</b>	<b>102.0</b>	<b>41.4</b>	<b>55.2</b>	<b>(2.8)</b>	<b>(14.1)</b>	<b>(37.6)</b>	<b>(29.5)</b>	<b>(1.2)</b>	<b>(8.6)</b>
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
<b>Result of Non-Life business</b>	<b>243.1</b>	<b>224.9</b>	<b>136.0</b>	<b>127.1</b>	<b>64.8</b>	<b>53.3</b>	<b>(24.6)</b>	<b>(4.3)</b>	<b>32.4</b>	<b>24.4</b>
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)
<b>Technical result</b>	<b>(346.6)</b>	<b>(320.6)</b>	<b>122.5</b>	<b>124.2</b>	<b>(0.7)</b>	<b>(0.7)</b>	<b>(8.9)</b>	<b>(20.7)</b>	<b>(54.3)</b>	<b>(44.9)</b>
<b>Financial result and other non-technical revenue</b>	<b>438.3</b>	<b>461.1</b>	<b>132.5</b>	<b>113.4</b>	<b>0.3</b>	<b>0.3</b>	<b>13.3</b>	<b>26.8</b>	<b>53.0</b>	<b>62.5</b>
<b>Result of Life business</b>	<b>91.7</b>	<b>140.5</b>	<b>255.0</b>	<b>237.6</b>	<b>(0.4)</b>	<b>(0.4)</b>	<b>4.4</b>	<b>6.1</b>	<b>(1.4)</b>	<b>17.6</b>
<b>Result from other business activities</b>	<b>30.1</b>	<b>30.1</b>	<b>7.7</b>	<b>9.8</b>	<b>(3.6)</b>	<b>1.5</b>	<b>(7.0)</b>	<b>(2.2)</b>	<b>(1.0)</b>	<b>1.7</b>
Hyperinflation adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Result before tax</b>	<b>365.0</b>	<b>395.5</b>	<b>398.7</b>	<b>374.5</b>	<b>60.7</b>	<b>54.4</b>	<b>(27.1)</b>	<b>(0.4)</b>	<b>30.1</b>	<b>43.7</b>
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
<b>Attributable net result</b>	<b>243.5</b>	<b>262.5</b>	<b>68.0</b>	<b>64.9</b>	<b>42.5</b>	<b>36.4</b>	<b>(24.3)</b>	<b>(8.5)</b>	<b>14.0</b>	<b>27.4</b>
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%
<b>Combined ratio</b>	<b>93.5%</b>	<b>95.2%</b>	<b>96.3%</b>	<b>95.4%</b>	<b>100.3%</b>	<b>101.3%</b>	<b>104.7%</b>	<b>104.2%</b>	<b>100.3%</b>	<b>101.8%</b>

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)
<b>Technical result</b>	<b>11.1</b>	<b>11.5</b>	<b>(4.3)</b>	<b>(0.9)</b>	<b>38.0</b>	<b>87.7</b>	<b>(5.0)</b>	<b>(0.5)</b>	<b>174.8</b>	<b>202.7</b>
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)
<b>Result of Non-Life business</b>	<b>29.9</b>	<b>22.7</b>	<b>(2.8)</b>	<b>(0.2)</b>	<b>100.1</b>	<b>122.8</b>	<b>9.0</b>	<b>(5.5)</b>	<b>588.0</b>	<b>565.1</b>
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)
<b>Technical result</b>	<b>7.4</b>	<b>(3.5)</b>	<b>0.0</b>	<b>0.0</b>	<b>(32.9)</b>	<b>(37.6)</b>	<b>0.2</b>	<b>8.2</b>	<b>(313.3)</b>	<b>(295.7)</b>
<b>Financial result and other non-technical revenue</b>	<b>14.0</b>	<b>12.4</b>	<b>0.0</b>	<b>0.0</b>	<b>51.7</b>	<b>54.4</b>	<b>(12.9)</b>	<b>(8.3)</b>	<b>690.2</b>	<b>722.7</b>
<b>Result of Life business</b>	<b>21.3</b>	<b>8.9</b>	<b>0.0</b>	<b>0.0</b>	<b>18.9</b>	<b>16.9</b>	<b>(12.7)</b>	<b>(0.1)</b>	<b>376.9</b>	<b>427.0</b>
<b>Result from other business activities</b>	<b>(1.1)</b>	<b>(1.9)</b>	<b>(4.2)</b>	<b>(5.7)</b>	<b>0.0</b>	<b>0.0</b>	<b>(64.1)</b>	<b>(94.9)</b>	<b>(43.1)</b>	<b>(61.7)</b>
Hyperinflation adjustments	0.0	0.0	0.0	0.0	0.0	0.0	(17.1)	4.1	(17.1)	4.1
<b>Result before tax</b>	<b>50.1</b>	<b>29.6</b>	<b>(6.9)</b>	<b>(5.9)</b>	<b>118.9</b>	<b>139.7</b>	<b>(84.9)</b>	<b>(96.4)</b>	<b>904.7</b>	<b>934.5</b>
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
<b>Attributable net result</b>	<b>32.8</b>	<b>18.1</b>	<b>(6.9)</b>	<b>(9.5)</b>	<b>90.4</b>	<b>101.7</b>	<b>(79.5)</b>	<b>(77.9)</b>	<b>380.4</b>	<b>415.1</b>
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%
<b>Combined ratio</b>	<b>96.9%</b>	<b>96.6%</b>	<b>109.1%</b>	<b>101.8%</b>	<b>96.8%</b>	<b>92.3%</b>			<b>97.5%</b>	<b>97.2%</b>

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)
<b>Technical result</b>	<b>121.9</b>	<b>101.4</b>	<b>40.7</b>	<b>53.2</b>	<b>(10.6)</b>	<b>(16.7)</b>	<b>(21.3)</b>	<b>2.5</b>	<b>4.9</b>	<b>1.0</b>	<b>(2.4)</b>	<b>10.0</b>
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)
<b>Result of Non-Life business</b>	<b>218.9</b>	<b>221.9</b>	<b>134.3</b>	<b>123.4</b>	<b>57.2</b>	<b>50.1</b>	<b>(8.7)</b>	<b>26.6</b>	<b>38.4</b>	<b>32.7</b>	<b>16.0</b>	<b>19.9</b>
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)
<b>Technical result</b>	<b>(346.6)</b>	<b>(320.6)</b>	<b>122.5</b>	<b>124.2</b>	<b>(0.7)</b>	<b>(0.7)</b>	<b>(8.9)</b>	<b>(20.7)</b>	<b>(54.3)</b>	<b>(44.9)</b>	<b>7.4</b>	<b>(3.5)</b>
<b>Financial result and other non-technical revenue</b>	<b>438.3</b>	<b>461.1</b>	<b>132.5</b>	<b>113.4</b>	<b>0.3</b>	<b>0.3</b>	<b>13.3</b>	<b>26.8</b>	<b>53.0</b>	<b>62.5</b>	<b>14.0</b>	<b>12.4</b>
<b>Result of Life business</b>	<b>91.7</b>	<b>140.5</b>	<b>255.0</b>	<b>237.6</b>	<b>(0.4)</b>	<b>(0.4)</b>	<b>4.4</b>	<b>6.1</b>	<b>(1.4)</b>	<b>17.6</b>	<b>21.3</b>	<b>8.9</b>
<b>Result from other business activities</b>	<b>30.4</b>	<b>30.3</b>	<b>8.0</b>	<b>10.9</b>	<b>0.1</b>	<b>0.1</b>	<b>(1.2)</b>	<b>(1.3)</b>	<b>0.0</b>	<b>2.5</b>	<b>(0.2)</b>	<b>(0.3)</b>
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
<b>Result before tax</b>	<b>341.0</b>	<b>392.7</b>	<b>397.4</b>	<b>372.0</b>	<b>56.8</b>	<b>49.8</b>	<b>(5.5)</b>	<b>31.3</b>	<b>37.0</b>	<b>52.8</b>	<b>37.1</b>	<b>28.6</b>
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
<b>Attributable net result</b>	<b>223.8</b>	<b>260.7</b>	<b>67.2</b>	<b>63.0</b>	<b>39.6</b>	<b>32.3</b>	<b>(6.1)</b>	<b>22.3</b>	<b>20.3</b>	<b>34.7</b>	<b>23.3</b>	<b>17.2</b>
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%
<b>Combined ratio</b>	<b>94.0%</b>	<b>95.1%</b>	<b>96.3%</b>	<b>95.4%</b>	<b>101.1%</b>	<b>101.6%</b>	<b>104.1%</b>	<b>99.5%</b>	<b>98.7%</b>	<b>99.8%</b>	<b>100.8%</b>	<b>96.5%</b>
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)
<b>Technical result</b>	<b>(3.1)</b>	<b>(0.0)</b>	<b>38.0</b>	<b>87.7</b>	<b>13.7</b>	<b>(32.9)</b>	<b>(2.8)</b>	<b>(5.3)</b>	<b>(4.4)</b>	<b>1.7</b>	<b>174.8</b>	<b>202.7</b>
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)
<b>Result of Non-Life business</b>	<b>(1.7)</b>	<b>1.4</b>	<b>100.1</b>	<b>122.8</b>	<b>31.6</b>	<b>(17.2)</b>	<b>(6.9)</b>	<b>(9.6)</b>	<b>9.0</b>	<b>(7.0)</b>	<b>588.0</b>	<b>565.1</b>
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)
<b>Technical result</b>	<b>0.0</b>	<b>0.0</b>	<b>(32.9)</b>	<b>(37.6)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>	<b>8.2</b>	<b>(313.3)</b>	<b>(295.7)</b>
<b>Financial result and other non-technical revenue</b>	<b>0.0</b>	<b>0.0</b>	<b>51.7</b>	<b>54.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(12.9)</b>	<b>(8.3)</b>	<b>690.2</b>	<b>722.7</b>
<b>Result of Life business</b>	<b>0.0</b>	<b>0.0</b>	<b>18.9</b>	<b>16.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(12.7)</b>	<b>(0.1)</b>	<b>376.9</b>	<b>427.0</b>
<b>Result from other business activities</b>	<b>0.1</b>	<b>(1.1)</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(15.8)</b>	<b>(8.9)</b>	<b>(64.6)</b>	<b>(93.9)</b>	<b>(43.1)</b>	<b>(61.7)</b>
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
<b>Result before tax</b>	<b>(1.6)</b>	<b>0.3</b>	<b>118.9</b>	<b>139.7</b>	<b>31.6</b>	<b>(17.2)</b>	<b>(22.7)</b>	<b>(18.6)</b>	<b>(85.4)</b>	<b>(96.7)</b>	<b>904.7</b>	<b>934.5</b>
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
<b>Attributable net result</b>	<b>(1.8)</b>	<b>(0.8)</b>	<b>90.4</b>	<b>101.7</b>	<b>25.4</b>	<b>(13.0)</b>	<b>(21.9)</b>	<b>(24.5)</b>	<b>(79.8)</b>	<b>(78.4)</b>	<b>380.4</b>	<b>415.1</b>
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%
<b>Combined ratio</b>	<b>121.9%</b>	<b>100.0%</b>	<b>96.8%</b>	<b>92.3%</b>	<b>91.7%</b>	<b>119.3%</b>	<b>100.7%</b>	<b>101.4%</b>			<b>97.5%</b>	<b>97.2%</b>
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
<b>Total managed assets</b>	Includes total balance sheet assets, pension funds, and mutual funds
<b>Managed savings</b>	Includes third party Life technical reserves, pensions funds and mutual funds
<b>Corporate Areas and Consolidation adjustments</b>	Includes the result attributable to MAPFRE RE and MAPFRE INTERNACIONAL's non-controlling interests and other concepts
<b>Gross result</b>	Before taxes and non-controlling interests
<b>Minimum capital requirement (MCR)</b>	Minimum level of capital below which the amount of financial resources should not fall
<b>Solvency capital requirement (SCR)</b>	Reflects a level of eligible own funds that enables insurance and reinsurance undertakings to absorb significant losses and meet their obligations to policyholders
<b>Financial debt</b>	Includes subordinated debt, senior debt and debt due to credit institutions
<b>Senior debt</b>	Issue of debentures and other negotiable securities
<b>Subordinated debt</b>	Subordinated liabilities
<b>Marginal lending facility</b>	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.

<b>Eligible Own Funds/ EOF</b>	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.
<b>Solvency margin</b>	The difference between Eligible Own Funds and Solvency Capital Requirement
<b>Technical and financial margin – Life</b>	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
<b>Other business activities</b>	<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"> <li>• Activities of the holding companies of MAPFRE S.A. and MAPFRE INTERNACIONAL</li> <li>• Non-insurance activities of the Group developed by its subsidiaries, mainly including: <ul style="list-style-type: none"> <li>• MAPFRE INVERSIÓN (MAPFRE ASSET MANAGEMENT)</li> <li>• MAPFRE ASISTENCIA: Assistance and Specialty Risks</li> <li>• MAPFRE ESPAÑA: FUNESPAÑA (funeral services), MULTIMAP, CENTROS MÉDICOS MAPFRE SALUD (medical services), CESVIMAP (research and training services)</li> <li>• MAPFRE INTERNACIONAL: GENEL SERVIS (vehicle repair shops in Turkey), BEE INSURANCE (advisory services in Malta), GROWTH INVESTMENTS (investment services in Malta)</li> </ul> </li> </ul>
<b>Payout</b>	(Total dividend charged against earnings / Result for the year attributable to the controlling company) x 100.



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

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.



KPMG Auditores, S.L.  
Paseo de la Castellana, 259 C  
28046 Madrid

## Limited Review Report on the Condensed Consolidated Interim Financial Statements

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the Shareholders of  
MAPFRE, S.A. as commissioned by the Board of Directors:

### Report on the condensed consolidated interim financial statements

#### *Introduction*

We have carried out a limited review of the accompanying condensed consolidated interim financial statements (hereinafter the "interim financial statements") of MAPFRE, S.A. (hereinafter the "Parent Company") and subsidiaries (hereinafter the "Group"), which comprise the balance sheet as at 30 June 2017, the income statement, the statement of other comprehensive income, the statement of changes in equity, the cash flows statement and explanatory notes, all condensed and consolidated, corresponding to the six-month period then ended. Pursuant to article 12 of Royal Decree 1362/2007, the Directors of the Parent Company are responsible for the preparation of these interim financial statements in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" as adopted by the European Union, for the preparation of condensed interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

#### *Scope of review*

We conducted our limited review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Spanish Standards of Auditing, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.

#### *Conclusion*

Based on our limited review, which can under no circumstances be considered an audit, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements for the six-month period ended 30 June 2017 have not been prepared, in all material respects, in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting", as adopted by the European Union, for the preparation of condensed interim financial statements, pursuant to article 12 of Royal Decree 1362/2007.

*Emphasis of matter*

We draw your attention to the accompanying note 2.1, which states that these interim financial statements do not include all the information required in a complete consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The accompanying interim financial statements should therefore be read in conjunction with the Group's consolidated annual accounts for the year ended 31 December 2016. This matter does not modify our conclusion.

Report on other legal and regulatory requirements

The accompanying consolidated interim management report for the six-month period ended 30 June 2017 contains such explanations as the Directors of the Parent Company consider relevant with respect to the significant events that have taken place in this period and their effect on the interim financial statements presented, of which it is not a part, as well as the disclosures required by article 15 of Royal Decree 1362/2007. We have verified that the accounting information contained in the aforementioned management report is consistent with the interim financial statements for the six-month period ended 30 June 2017. Our work is limited to verifying the interim consolidated management report in accordance with the scope described in this paragraph and does not include a review of information other than that obtained from the accounting records of MAPFRE, S.A. and subsidiaries.

Paragraph on other matters

This report has been prepared at the request of the Board of Directors of the Parent Company in relation to the publication of the six-month period financial report required by article 35 of Law 24/1988 of 28 July 1988 governing the securities market, enacted by Royal Decree 1362/2007 of 19 October 2007.

KPMG Auditores, S.L.

*(Signed on original in Spanish)*

Hilario Albarracín Santa Cruz  
July 25, 2017