

2017

Financial Report

December



**MAPFRE**

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## 1. Key Figures

ITEM	DECEMBER 2016	DECEMBER 2017	Δ %
<b>Results</b>			
Revenue	27,092.1	27,983.7	3.3%
Total written and accepted premiums	22,813.2	23,480.7	2.9%
- Non-Life	17,699.8	18,154.5	2.6%
- Life	5,113.3	5,326.2	4.2%
Attributable net result	775.5	700.5	-9.7%
Earnings per share (euros)	0.25	0.23	-9.7%
<b>Balance sheet</b>			
Total assets	67,881.8	67,569.5	-0.5%
Assets under management	58,871.7	60,082.0	2.1%
Shareholders' equity	9,126.5	8,611.3	-5.6%
Debt	2,202.9	2,327.4	5.7%
<b>Ratios</b>			
Non-Life Loss Ratio	70.0%	70.7%	0.7 p.p
Non-Life Expense Ratio	27.4%	27.5%	0.1 p.p
Non-Life Combined Ratio	97.4%	98.1%	0.7 p.p
ROE	8.8%	7.9%	-0.9 p.p
<b>Employees at the close of the period</b>			
Total	37,020	36,271	-2.0%
- Spain	10,721	10,894	1.6%
- Other countries	26,299	25,377	-3.5%
<b>MAPFRE share</b>			
Market capitalization (million euros)	8,930.7	8,247.0	-7.7%
Share price (euros)	2.900	2.678	-7.7%
Share price variation since January 1	25.4%	-7.7%	--
<b>ITEM</b>			
	DECEMBER 2016	SEPTEMBER 2017	Δ %
<b>Solvency</b>			
Solvency ratio	210.0%	189.4%	-20.6 p.p

Figures in millions of euros

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

## 2. Significant Corporate Events

### 2017 Catastrophic Events

This past September 25, MAPFRE informed, via relevant fact, of the impact of hurricanes Harvey, Irma and Maria on the Atlantic coast of North America and the Caribbean, and their exceptional size and frequency, along with the impact of the earthquakes in Mexico, estimating a net cost after taxes and minorities of between 150 and 200 million euros on MAPFRE's attributable result for the year, according to preliminary estimates carried out by the company.

At the close of the year, the Group confirms that the loss retention for these events is in the lower part of the range, 156.8 million euros at the time of this report. The breakdown by undertaking and catastrophic event is shown in the Consolidated Result section of this report.

### Corporate Transactions and Changes in Scope

- **Capital Increases in Group Companies**

In 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 D.L. 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.

In the fourth quarter of 2017, capital increases were carried out in MAPFRE ASISTENCIA S.A. and MAPFRE COLOMBIA SEGUROS GENERALES for the amounts of 50.0 and 11.5 million euros, respectively, which were allocated to raise the solvency level of both companies.

- **Sale of Caja Duero and Duero Pensiones Shares.**

In June 2017, MAPFRE and Banco CEISS entered into a contract by virtue of which MAPFRE transferred to Banco CEISS the whole of its participation for a total of 141.7 million euros. Final confirmation of the transaction is pending authorization from the *Dirección General de Seguros*, at which point the shares will be transferred and paid for.

On the date of entering into said contract, control was lost in both undertakings, therefore revenue and expenses from them included in the balance sheet only correspond to the first five months of the year. As such, under the balance sheet heading "Assets held for sale" shows only the fair value of the asset deriving from the contract, which led to a positive net accounting gain of 5.8 million euros.

- **Acquisition of 31% of ABDA and Public Take-Over Bid**

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.

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 the income statement as of this past June. 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.

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. In September, the ABDA share acquisition process was completed, bringing MAPFRE to control 62.3 percent of this company. The acquisition of 42.3 percent of ABDA capital in 2017 implied a cost of 121.5 million euros for MAPFRE.

- **Business Restructuring in the United States**

On December 1, 2017, MAPFRE announced its plan to restructure its business in the United States, through which it will reduce the presence of its business there by exiting the states of New York, New Jersey, Kentucky, Tennessee and Indiana, with the aim of reaching more profitable growth, in line with the global policy of the Group.

Additionally, MAPFRE will focus its efforts in the key lines of business (Autos and Homeowners), and in the digital transformation of the business, with the launch of Verti USA.

- **Surety Portfolio Agreement between MAPFRE GLOBAL RISKS and SOLUNION**

In December, the companies MAPFRE GLOBAL RISKS and SOLUNION signed an agreement by means of which MAPFRE GLOBAL RISKS committed to carry out the necessary activity in order for its current surety line clients to renew their policies with SOLUNION as of January 1, 2018, and as such exiting operations in the surety line, limiting activity to run-off management.

The consideration from this agreement has implied an extraordinary result of 5 million euros before taxes for the Group.

- **Integration of the Regional Areas EMEA and APAC into EURASIA**

MAPFRE's operations in the regions of EMEA and APAC have been merged into one new region called EURASIA, affecting operations as of January 1, 2018. In this report, detailed information about the new structure is given.

### **Bond Issuance and Early Redemption of Subordinated Debt in July 2017**

In March 2017, MAPFRE successfully placed the notes of a 30-year subordinated bond, with the call option at 10 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 listed on the AIAF market.

On July 24, 2017, MAPFRE redeemed in advance the total amount of the "First Issue of Subordinated Notes of MAPFRE S.A.", in line with the Securities Note for the issuance of the subordinated notes.

### **Acquisition and Sale of Treasury Stock**

In 2017, treasury stock was reduced by a total of 3,988,894 shares or 0.1295 percent of the capital, for the amount of 7.9 million euros. On December 31, 2017 the total balance was 26,511,106 treasury stock, representing 0.8609 percent of the capital, for a total amount of 52.4 million euros.

### 3. Macroeconomic Overview and Financial Markets

#### General aspects

Global economic activity grew by 3.4 percent in 2017 within the context of a more synchronized cycle that accelerated in both developed and emerging economies. This data shows solid global growth supported by still lax monetary policies implemented by the G4 central banks (United States, Japan, Eurozone, United Kingdom), although in the United States the Federal Reserve is already starting to raise interest rates and it has defined a pathway to reducing its balance sheet, and the European Central Bank (ECB) has announced a schedule for monetary normalization.

Given the strength of the global economy, growth throughout the world in 2018 is expected to maintain the 2017 rate, which is anticipated to be around 3.7 percent, reflecting an acceleration in the contribution from developed markets (already above 2 percent) and emerging markets (around 4.9 percent). The latter are led by China's resilient growth and Brazil and Russia coming out of recessions. In general, the actual indicators are converging towards expectations, driven by global trade, property and plant investments and, in some countries, by investments in residential housing.

The United States and the Eurozone follow dynamics appropriate for developed countries (2.7 percent and 2.1 percent for 2018, respectively), while China continues to maintain its controlled deceleration agenda, targeting 6.3 percent in 2018. The context in other emerging markets is varied, depending on the global environment and, particularly, on the monetary policy implemented in the United States, as well as on idiosyncratic political and geopolitical factors.

Politics played a fundamental role in developed countries in 2017, but the political cycle in emerging countries (notably Latin America) will reach a zenith in 2018 with elections in Colombia, Brazil and Mexico, and in Argentina the following year. The cyclical recovery of Brazil and Russia also consolidated in 2017, while the effect on Mexico of the economic policy in the United States was lower than expected.

Inflation, which accelerated in developed markets during the first half of the year, lost traction due to a deceleration of underlying inflation and salary expectations through the end of 2017, though slight indications of recovery can be seen at the beginning of the year. Additionally, if oil prices maintain their current levels in 2018, a positive contribution to the rise of inflation throughout the year could be seen. The dynamism in employment in developed countries is still not translating into actual salary gains, which is a concern in terms of monetary policy as it puts the relationship between growth and inflation in question. Global inflation stood at around 3.5 percent at the end of the fourth quarter of 2017, bringing the average to above 3 percent over the course of the year, and developed markets saw a rate of 2 percent and emerging markets 4.5 percent.

The United States Federal Reserve raised interest rates in December, raising its upper target range to 1.5 percent. The reappointment of the Chairman and the Federal Reserve Board gives credence to a certain continuity as regards gradual future increases. More importantly, the Federal Reserve has already set a schedule for normalizing its balance sheet, and while it is believed to be gradual (approximately 1.3 trillion US dollars over three years, equivalent to one third of the stock accumulated since the start of the crisis), it will have repercussions on liquidity and the cost of global financing. In October the ECB announced that it is extending the asset purchase program for nine months (until September 2018), but it will reduce the rate of purchases to 30 billion euros. The schedule for monetary normalization in Europe was already anticipated, and any increase in interest rates before the end of 2019 has been ruled out.

The divergence of monetary policies in emerging markets remains in place. The same or a less restrictive bias is expected with respect to the monetary policy implemented by the Central Bank in Mexico, given the improved outlook for inflation. However, the need to accommodate political uncertainty and trade negotiations with the United States, together with the possible extraordinary financial effect of the September earthquakes, could alter this outlook. Given the low inflation and the still incipient economic activity in Brazil, monetary relaxation continued with a 50 basis point cut in interest rates in December, bringing it to the lowest level in recent history (7 percent). Turkey once again raised the marginal interest rate on credit facilities in order to control its currency, which is currently sharply down to around 3.8 TRL/USD.

A more detailed analysis of the most important markets in which MAPFRE operates is presented below:

### **Eurozone**

The gross domestic product (GDP) in the Eurozone is visibly gaining traction, with a 2.8 percent growth rate during the third quarter, bringing the estimate for all of 2017 to 2.4 percent (year-on-year), with Spain and Germany leading the growth, while acceleration is also observed in France and Italy. The synchronized recovery of the global economic cycle and monetary stimuli in the Eurozone are clearly producing positive results. The estimate for 2018 is for GDP growth to be 2.1 percent. Exports are decisively contributing to growth after the spike in investments during the third quarter, while consumption remains flat and still has a margin for improvement. Average inflation in 2017 closed at 1.4 percent and underlying inflation at 0.9 percent, below the central bank's objective. The Euro Stoxx 50 index closed the year up 6.5 percent to 3,504 points after the publication of positive business data and the upward revision of growth expectations driven by the synchronized global recovery.

The ECB accepts the results obtained in terms of Eurozone growth, but given the fact that inflation continues to evade the objective, it has decided to extend the asset purchase program until September 2018, though reducing the purchase rate from 60 to 30 billion euros. Despite having



announced the schedule for monetary normalization, there has been no indication of a reduction in its balance sheet or increases in interest rates. The expectation is that rate increases will only start to be seen once the asset purchase program is exhausted and the deposit rate has normalized (second half of 2019). Although economic activity continues to be solid, there are risks that could rapidly change the scenario. These include a disorderly exit from the European Union by the United Kingdom, and any future resurgence of the "convertibility risk<sup>1</sup>" associated with the Italian elections and the negotiations regarding the Greek write-down (which will restart in 2018).

## **Spain**

Spain continues to lead growth among the large Eurozone economies. After recording 3.1 percent growth (year-on-year) during the third quarter of 2017, the same figure is expected for the year as a whole. The main factors that contributed to this strength include consumer and investor confidence, lax monetary conditions and job creation (unemployment fell to 16.4 percent during the third quarter). The most dynamic components of aggregate demand are exports and investments. It is noteworthy that investments in residential housing have begun to increase thanks to mortgage reactivation, as well as institutional investment flows into real estate. Spending remained strong, although slowing down, and increases would require higher actual gains in disposable income through salary increases, or certain fiscal encouragement, and not only savings resources. A slight deceleration in growth could be expected in 2018 due to, among other reasons, the effect the instability in Catalonia could have on investors and consumers (with an estimated effect of between -0.2 percent and -0.5 percent in growth that will have delayed confirmation over the course of 2018), as well as the fact that increasing oil prices will erode disposable income. The IBEX 35 index performed poorly from May (as a result of the instability in Catalonia and concerns in the banking sector – including the Banco Popular crisis), finishing the year at 10,044 points, a rise of 7.4 percent.

## **United States**

GDP growth in the United States during the fourth quarter (3.2 percent) confirmed the strength of that economy, which allows for the forecast that it will end the year with 2.3 percent growth, driven by consumer spending and investments. Based on information up to November, employment continued to strengthen and the unemployment rate was 4.1 percent and

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<sup>1</sup> The European Commission and Eurozone countries are aware of the defects in the design of Monetary Union, which in the long-term put the survival of the euro at risk. Germany and France are leading a project that will result in higher fiscal, political, banking and regulatory union. This will involve, among other things, a common banking supervisor, a single banking resolution mechanism, a deposit guarantee fund, tax harmonization, a growing common budget and the possibility of issuing Eurobonds. Attaining these objectives will naturally require higher political union.

underemployment was 8.1 percent. However, despite the strength of the job market, the moderation of growth in nominal and actual salaries is notable, which means that actual disposable income grew by 1.9 percent, and spending is being sustained mainly by savings erosion (the savings rate is 2.9 percent).

Despite the convergence of actual indicators and forecasts, the fact that indicators such as industrial production (+3.4 percent year-on-year) or capacity utilization (77 percent) are still far from the exuberance shown by the purchasing managers' index (PMI), which continues to grow with the hope that the government's reflation policy will materialize. Inflation stood at 2.1 percent in December. It is notable that underlying inflation remains low (1.8 percent), indicating that salary expectations are anchored, reflected by the extreme moderation of service prices (particularly those of a digital nature). The Federal Reserve's current guidance takes this into account. Monetary policy (which is tightening although it continues to be expansionary) shows caution regarding low inflation rates. At the October meeting of the Federal Open Market Committee (FOMC), the sum and schedule of the process for normalizing the Federal Reserve balance sheet was announced, and it is expected to reduce the assets on the balance sheet by one third (1.3 trillion US dollars) over the next three years starting in October. Although at its December meeting the Federal Reserve increased interest rates by 25 basis points to 1.5 percent, the narrative of its action and the reconfiguration resulting from the appointment of the new Chairman (Jerome H. Powell) leads to the expectation that this gradual tightening will be maintained. Two additional interest rate increases are expected over the course of 2018.

The 10-year interest rate was at 2.4 percent at the end of the year, but a gradual flattening of the curve is expected as a result of the lowering of the term premium, given the absence of structural inflation and the persistence of duration risk. As a result, the dollar ended the year lower than the December forecast at around 1.2 dollars to the euro, essentially due to the tightening of long rate spreads with the Eurozone. The S&P 500 closed the year at 2,674 points, showing a rise of 19.4 percent in U.S. dollars, (4.8 percent in euros).

## **Brazil**

GDP in Brazil grew by 1.4 percent (year-on-year) in the third quarter of 2017, confirming the exit from recession and, therefore, the outlook for average growth over the year would be 1.1 percent year-on-year), suggesting GDP growth of 2.5 percent for 2018. The advance recorded by the Brazilian economy was fundamentally supported by improvements in spending and investments. The sustained reduction in inflation (3 percent year-on-year in December) allowed the Central Bank to cut interest rates seven times over the course of 2017, bringing the SELIC (overnight interest rate) to 7 percent in December. If inflation continues to moderate, the Brazilian Central Bank is expected to maintain interest rates at around, though lower than, 7 percent in 2018, making the

most of the final phase of lax monetary policies, as it is foreseeable that it begins to raise rates the following year.

Brazil needs to continue with structural reforms to balance its public accounts (though the primary deficit met the administration's objective of -2.5 percent of the GDP in 2017, the total fiscal deficit for that year is estimated at -8.5 percent of the GDP), make them sustainable and strengthen its credit rating. The most important reforms involve the pension and tax systems, which are key to reducing the deficit and sustaining debt levels. There will be presidential elections in October 2018, and no additional reforms are anticipated before that time. The administration of President Michel Temer has approved other structural reforms which, although of lower impact, are important for strengthening confidence in the country. In the market, the BOVESPA index celebrated the end of the economic recession by rising 26.9 percent during the year in local currency (9.3 percent in euros), closing at 76,402 points.

### **Turkey**

Turkey is under market pressure due to the lack of foreign investor appetite for its bonds. The 10-year bond carries an 11.7 percent yield, while the bond rate curve in local currency continues to be inverted. Among other factors, this is due to a complex internal political context and increased tension with the European Union and the United States, which led Turkey to withdraw from joint NATO military maneuvers in November. In this context, the Turkish lira has accelerated its downward trend to around 4 TRY/USD, although the depreciation recently corrected. Inflation remains outside the Central Bank's objective (which is 5 percent), and was 12.9 percent in November, despite the fact that the Central Bank's benchmark interest rate was 8 percent (the 1-week repo rate), and the effective economic policy rate, corresponding to the marginal rate for credit facilities, was above 13 percent.

The growth in the Turkish economy has been sustained thanks to stimulus policies and, in particular, the government-backed credit supply, which maintained quarterly GDP growth at above 2 percent up to the third quarter of the year. However, a moderate deceleration has started to be perceived and GDP growth for the entire year will be close to 5.8 percent. The BIST 100 stock market index grew by 21.5 percent in euros and 48.8 percent in local currency, bringing it close to 142,000 points.

### **Mexico**

The Mexican economy contracted by -0.3 percent during the third quarter of 2017, thereby canceling the 0.3 percent growth seen in the preceding quarter. This means that the estimate for the entire year is slightly less than the estimate for long-term growth, which is around 2.3 percent per year. This deceleration was partly caused by a contraction in the manufacturing sector (oil, construction and textiles) and a deferral of investments as a result of the uncertainty associated with the stagnation of trade negotiations with the United States and Canada (NAFTA). The latter

gave rise to a new decline in the peso to 19 MXN/USD (compared to 17.7 the preceding quarter). In the absence of new shocks, the expectation is that the exchange rate will remain within the range of 19-18 MXN/USD throughout 2018, with a higher margin for depreciation as the end of the NAFTA negotiations draws closer and the election campaign starts.

Inflation was 6.8 percent in December, partly reflecting the depreciation of the peso, although still resisting the impact of the local adjustment to gasoline prices and the materialization of second-round salary effects. The Bank of Mexico raised interest rates by 25 basis points to 7.25 percent at its December meeting, and based on the inflation, business and exchange rate data, there is no reason to foresee a change. However, all of this may change based on the tightening of the monetary conditions in the United States. Finally, the CPI Index at the Mexican Stock Market closed the year at 49,354 points, having risen 8.3 percent in local currency (-0.5 percent in euros).

Main currencies compared to the euro

ITEM	Average Exchange Rate		Closing Exchange Rate	
	DECEMBER 2017	Var. DECEMBER 2017 vs. DECEMBER 2016	DECEMBER 2017	Var. DECEMBER 2017 vs. DECEMBER 2016
US dollar	0.87964	-2.7%	0.83319	-12.3%
Brazilian real	0.27464	3.6%	0.25153	-13.8%
Turkish lira	0.24181	-19.0%	0.21975	-18.4%
Mexican peso	0.04712	-2.9%	0.04237	-7.5%
Colombian peso	0.00030	-0.3%	0.00028	-11.8%
Chilean peso	0.00135	0.4%	0.00135	-4.4%
Peruvian sol	0.27061	1.0%	0.25733	-9.1%
Argentinian peso	0.05333	-12.3%	0.04476	-25.2%
Panamanian balboa	0.88034	-2.9%	0.83319	-12.3%
Dominican peso	0.01852	-5.9%	0.01722	-15.6%
Honduran lempira	0.03746	-5.5%	0.03532	-12.7%
Indonesian Rupiah	0.00007	-3.9%	0.00006	-12.6%

## 4. Consolidated Result

### Consolidated revenue

ITEM	DECEMBER 2016	DECEMBER 2017	Δ %
Total written and accepted premiums	22,813.2	23,480.7	2.9%
Financial income	3,056.3	2,801.7	-8.3%
Revenue from non-insurance entities and other incomes	1,222.6	1,701.3	39.1%
<b>Total consolidated revenue</b>	<b>27,092.1</b>	<b>27,983.7</b>	<b>3.3%</b>

Figures in millions of euros

The Group's consolidated revenue reached 28 billion euros, with growth of 3.3 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 23.5 billion euros, with notable growth of 2.9 percent, primarily backed by the increase in premiums in Spain, Mexico, Central America, and the Global Risks Business Unit.

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 2017, the cancellation of unprofitable policies has continued, for an amount of approximately 530 million euros, mainly in Autos and General P&C, which partially conditions growth.

Non-Life premiums grew by 2.6 percent, while Life premiums reached relevant growth of 4.2 percent. By Non-Life business type, Automobile is the most important line, with 7.3 billion euros in premiums and a decrease of 1.4 percent due primarily to the portfolio reduction in Brazil, Mexico and Turkey. General P&C holds second place, with 6.3 billion euros and growth of 10.3 percent, driven by the PEMEX policy in Mexico for 545 million dollars; and Health and Accidents is in third place with 1.2 billion euros in premiums and 1.2 percent decrease.

Gross revenue from investments reached 2.8 billion euros, below the previous period, due to the recurrent low-interest rate environment in Europe and the fall in interest rates in Brazil and other LATAM countries, as well as lower financial gains.

Finally, other revenue, which mostly includes non-insurance activity and non-technical revenue, reflects an increase primarily from higher revenue from positive currency conversion differences, as well as from the cancellation of a reserve for contingent payments in the bancassurance channel in Spain totaling 29 million euros, as the necessary level of certain long-term objectives were not reached.

## Income Statement

The chart below gives a summary of the consolidated income statement as of December 2017, showing the various components of MAPFRE's earnings and the comparison with the same period of the previous year.

ITEM	DECEMBER 2016	DECEMBER 2017	Δ %
<b>NON-LIFE BUSINESS</b>			
Gross written and accepted premiums	17,699.8	18,154.5	2.6%
Net premiums earned	14,158.7	14,255.0	0.7%
Technical result	370.5	267.9	-27.7%
Net financial income	922.0	616.6	-33.1%
Other non-technical revenue and expenses	(60.8)	61.4	--
<b>Result of Non-Life business</b>	<b>1,231.8</b>	<b>945.8</b>	<b>-23.2%</b>
<b>LIFE BUSINESS</b>			
Gross written and accepted premiums	5,113.3	5,326.2	4.2%
Net premiums earned	4,879.5	5,054.6	3.6%
Technical result	(640.6)	(581.6)	9.2%
Financial result and other non-technical revenue	1,387.5	1,301.3	-6.2%
<b>Result of Life business</b>	<b>746.9</b>	<b>719.7</b>	<b>-3.6%</b>
<b>Result from other business activities</b>	<b>(133.5)</b>	<b>(132.3)</b>	<b>0.9%</b>
Hyperinflation adjustments	(40.0)	(24.5)	38.7%
<b>Result before tax</b>	<b>1,805.2</b>	<b>1,508.7</b>	<b>-16.4%</b>
Tax on profits	(560.0)	(410.3)	-26.7%
Result after tax from discontinued operations	0.0	0.0	--
<b>Result for the period</b>	<b>1,245.2</b>	<b>1,098.4</b>	<b>-11.8%</b>
Result attributable to non-controlling interests	469.7	397.9	-15.3%
<b>Result attributable to the controlling Company</b>	<b>775.5</b>	<b>700.5</b>	<b>-9.7%</b>

Figures in millions of euros

The attributable result reached 700.5 million euros, decreasing by 9.7 percent, primarily due to the following events occurring in 2017:

1. The impact of the catastrophic events in the third quarter, which carried a net cost of 125.6 million euros.
2. The drop in net financial income due mainly to the fall in interest rates in Brazil and other LATAM countries, as well as the recurrent low-interest rate environment in Europe.
3. The cancellation of certain assets and liabilities, primarily intangible assets and provisions for risks and expenses recorded in 2011 as a result of the bancassurance alliance carried out in Brazil, which had a positive impact of 28 million euros for Group results. This impact is reflected under the heading for financial income and other non-technical income and expenses.

4. The approval of a tax reform in the United States, which reduced tax rates that affect our undertakings in this country as of 2018 and that requires that all deferred tax assets and liabilities are updated at the close of 2017 to this new tax rate. The net impact implied a reduction in tax liabilities, and as such, an increase in net result for MAPFRE Group of 37.8 million euros.

### Non-Life

Non-Life results reached 946 million euros, with a reduction of 23.2 percent compared to the previous period.

2017 was affected by hurricanes Harvey, Irma and Maria, that hit the Atlantic coast of North America and the Caribbean in the third quarter, by the earthquakes in Mexico in September, and by the “Coastal El Niño” which affected Peru and Colombia in February. The net impact (loss retention after taxes and non-controlling interests) of these natural catastrophes on MAPFRE Group attributable results to December 31, 2017, is 125.6 million euros for the insurance entities, and 183.8 million euros including MAPFRE RE.

The following chart breaks down the effects of the different catastrophes and the MAPFRE company affected by them:

#### Impact before taxes and minorities:

	MAPFRE GLOBAL	PUERTO RICO	COLOMBIA & PERU	USA	MEXICO	DOMINICAN REPUBLIC	SUBTOTAL	MAPFRE RE	TOTAL
Hurricane Harvey	15.0	---	---	---	---	---	15.0	10.2	25.2
Hurricane Irma	25.0	24.5	---	1.7	---	---	51.2	7.9	59.1
Hurricane Maria	22.5	29.2	---	---	---	1.1	52.8	37.5	90.3
Mexico earthquakes	6.0	---	---	---	1.7	---	7.7	18.1	25.8
<b>Catastrophic Events</b>	<b>76.5</b>	<b>53.7</b>	<b>---</b>	<b>1.7</b>	<b>2.0</b>	<b>1.1</b>	<b>135.0</b>	<b>78.0</b>	<b>213.0</b>
Coastal El Niño	26.6	---	3.2	---	---	---	29.8	6.3	36.1
<b>TOTAL CATASTROPHIC EVENTS</b>	<b>103.1</b>	<b>53.7</b>	<b>3.2</b>	<b>1.7</b>	<b>2.0</b>	<b>1.1</b>	<b>164.8</b>	<b>84.3</b>	<b>249.1</b>

Figures in millions of euros



### Impact after taxes and minorities:

	GLOBAL RISKS	PUERTO RICO	COLOMBIA & PERU	USA	MEXICO	DOMINICAN REPUBLIC	SUBTOTAL	MAPFRE RE	TOTAL
Hurricane Harvey	11.3	---	---	---	---	---	11.3	7.0	18.3
Hurricane Irma	18.8	19.6	---	1.1	---	---	39.5	5.4	44.9
Hurricane Maria	16.9	23.3	---	---	---	0.4	40.6	25.8	66.4
Mexico earthquakes	10.5	---	---	---	1.4	---	11.9	15.3	27.2
<b>Catastrophic Events</b>	<b>57.5</b>	<b>42.9</b>	<b>---</b>	<b>1.1</b>	<b>1.4</b>	<b>0.4</b>	<b>103.3</b>	<b>53.5</b>	<b>156.8</b>
Coastal El Niño	19.9	---	2.4	---	---	---	22.3	4.7	27.0
<b>TOTAL CATASTROPHIC EVENTS</b>	<b>77.4</b>	<b>42.9</b>	<b>2.4</b>	<b>1.1</b>	<b>1.4</b>	<b>0.4</b>	<b>125.6</b>	<b>58.2</b>	<b>183.8</b>

Figures in millions of euros

These events have had a direct impact on the Group's Non-Life loss ratio, which stands at 70.7 percent (0.7 percentage points higher than the same period the previous year).

In addition to the events listed above, other events have taken place during the year that have impacted the Non-Life result, the most significant being:

1. Noteworthy improvement in the result of the Auto line in Spain.
2. Improvements in the technical result in the majority of lines and countries and LATAM and EURASIA.
3. Lower than expected results in the Auto line in the U.S., Brazil, and Mexico, primarily due to the elevated claims frequency.
4. Several large claims in the MAPFRE GLOBAL RISKS portfolio over the course of the year.

### **Life**

Life results grew to 720 million euros, with a decrease of 3.6 percent compared to the previous period. IBERIA's contribution to earnings stands 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 earnings contribution of protection products sold through the bank channel in Brazil, despite the difficult context our companies operate in, in this country.

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 significantly, due to the following:

1. From the lower results for the period deriving from the catastrophic events, and the fall in the recurring result in Brazil.
2. The updated tax rate for deferred tax liabilities in our companies in the United States, as a result of the recently approved tax reform in the country, which has lowered tax expenses by 37.8 million euros.

Finally, the attributable result to non-controlling interests has fallen, mainly deriving from the lower results contributed from our insurance operation in Brazil.

## 5. Consolidated Balance Sheet

### 5.1. Balance Sheet

ITEM	DECEMBER 2016	DECEMBER 2017
Goodwill	1,990.0	1,883.0
Other intangible assets	1,808.9	1,539.9
Other fixed assets	293.6	271.1
Cash	1,451.1	1,864.0
Real estate	2,277.8	2,171.4
Financial investments	42,540.9	42,003.2
Other investments	1,272.2	1,437.3
Unit-Linked investments	2,014.0	2,320.1
Participation of reinsurance in technical provisions	3,934.4	4,989.6
Receivables on insurance and reinsurance operations	5,191.6	5,006.7
Deferred taxes	335.3	296.8
Assets held for sale	911.2	155.6
Other assets	3,860.7	3,630.8
<b>TOTAL ASSETS</b>	<b>67,881.8</b>	<b>67,569.5</b>
Equity attributable to the Controlling company	9,126.5	8,611.3
Non-controlling interests	2,317.0	1,901.4
<b>Equity</b>	<b>11,443.5</b>	<b>10,512.7</b>
Financial debt	2,202.9	2,327.4
Technical provisions	47,240.1	47,814.1
Provisions for risks and expenses	752.8	661.7
Debt due on insurance and reinsurance operations	1,998.8	2,190.7
Deferred taxes	730.7	588.0
Liabilities held for sale	690.3	1.1
Other liabilities	2,822.7	3,473.7
<b>TOTAL LIABILITIES</b>	<b>67,881.8</b>	<b>67,569.5</b>

Figures in millions of euros

Total assets reached 67.6 billion euros as on December 31, 2017 and fell 0.5 percent compared to the previous year. The most relevant changes are analyzed below:

1. The lower amount of intangible assets to December 2017 comes from the deterioration of goodwill on consolidation and other intangible assets from the Non-Life business in Brazil, as well as from the effect of the depreciation of the US dollar and the Brazilian real, currencies in which key intangible assets are listed on the balance sheet at the close of the year.
2. The changes in Financial Investments, as well as in the headings for Assets and Liabilities from insurance and reinsurance operations are a result of the business management process itself. The increase in technical provisions and in reinsurance participation in

technical provisions is in line with the increase in gross reserves from the claims registered from the catastrophic events occurring in September and the corresponding cession to reinsurers. At the same time, the increase in reinsurance participation in technical provisions also corresponds to the PEMEX policy issued in Mexico, which has been highly ceded to reinsurers.

3. 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 2017, 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.

4. 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 fourth quarter, there continued to be a dichotomy between the favorable economic situation, with an important synchronization among key global economies, and uncertainty at a political level. As these two realities have developed over the last months of 2017, financial markets have registered light fluctuations according to expectations. Either way, the last year can be confirmed as a good year for the majority of investors.

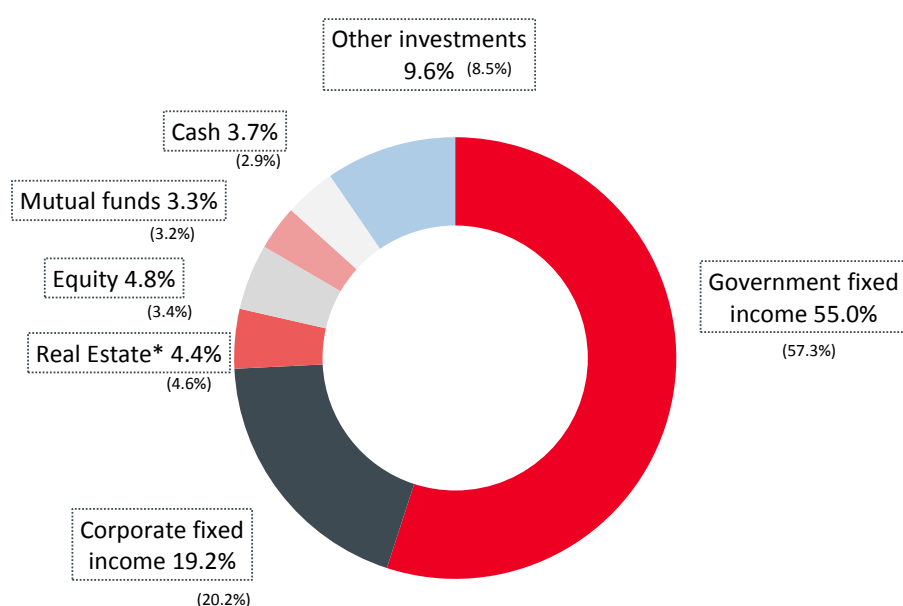
Given the significant improvement of macroeconomic indicators in the United States and the Eurozone, the monetary policy normalization is undoubtedly one of the key questions affecting financial markets. The United States has continued with moderate rate rises by the Federal Reserve and this process is expected to continue through 2018. The European Central Bank has given signs of a possible reduction of its bond-buying program and is beginning to consider a scenario of rate increases in the medium-term. On the other hand, geopolitical risk has made its mark on the Spanish bond and the IBEX35, and the euro has appreciated significantly compared to the majority of currencies.

Throughout the year the investment strategy for actively managed portfolios has been focused on a light divestment of fixed income assets, with positions being taken in equity and, to a lesser extent, in alternative assets. However, in the last quarter, the market situation has been taken advantage

of to slightly reduce equity exposure, and take advantage of moments of tension on the Spanish bond to take positions. With respect to portfolio diversification, exposure to government and corporate debt in the investment portfolio has gone down over the course of the year, from 57.2 and 20.2 percent to 55 and 19.2 percent, respectively, including market impacts. On the other hand, equity and mutual fund exposure has increased from 6.5 percent to 8.1 percent over the year.

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

### Breakdown by type of asset



ITEM	DECEMBER 2016	DECEMBER 2017	Δ %
Government fixed income	28,390.2	27,388.4	-3.5%
Corporate fixed income	10,009.6	9,572.6	-4.4%
Real Estate*	2,277.8	2,171.4	-4.7%
Equity	1,665.3	2,400.9	44.2%
Mutual funds	1,574.4	1,631.4	3.6%
Cash	1,451.1	1,864.0	28.5%
Other investments	4,187.7	4,767.4	13.8%
<b>TOTAL</b>	<b>49,556.0</b>	<b>49,796.0</b>	<b>0.5%</b>

Figures in millions of euros

\*"Real Estate" includes both investment property and real estate 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 collateral	Corporate with collateral	Total
Spain	15,999.8	2,198.5	921.9	1,276.6	18,198.3
Rest of Europe	4,226.1	4,067.8	3,483.5	584.3	8,293.9
United States	1,317.8	2,348.5	2,266.0	82.5	3,666.3
Brazil	3,367.6	1.8	1.8	0.0	3,369.4
Latin America - Other	1,797.5	659.9	608.4	51.4	2,457.4
Other countries	679.5	296.2	283.7	12.5	975.7
<b>TOTAL</b>	<b>27,388.4</b>	<b>9,572.6</b>	<b>7,565.3</b>	<b>2,007.3</b>	<b>36,961.0</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%
09.30.2017	7,196.7	2.60%	1.28%	6.37%
12.31.2017	7,187.1	2.59%	1.23%	6.35%
<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%
09.30.2017	6,337.4	4.09%	1.06%	6.89%
12.31.2017	6,277.1	4.10%	1.01%	6.84%

Figures in millions of euros

For MAPFRE, as on December 31, the actively managed portfolios in Iberia, MAPFRE GLOBAL RISKS and MAPFRE RE had unrealized net gains in assets and mutual funds of 130 million euros.

### 5.3. Equity

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

#### Equity attributable to the controlling Company

ITEM	DECEMBER 2016	DECEMBER 2017
<b>BALANCE AT 12/31 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	(285.5)
Currency conversion differences	264.4	(639.1)
Shadow accounting	(189.1)	254.2
Other	(0.8)	(2.7)
<b>TOTAL</b>	<b>266.9</b>	<b>(673.1)</b>
Result for the period	775.5	700.5
Dividends	(400.3)	(446.7)
Other changes in net equity	(89.2)	(96.0)
<b>BALANCE AS AT PERIOD END</b>	<b>9,126.5</b>	<b>8,611.3</b>

Figures in millions of euros

Consolidated equity amounted to 10.5 billion euros as on December 31, 2017, as compared to 11.4 billion euros as on December 31, 2016. Of this amount, 1.9 billion euros correspond to non-controlling interests' shares in subsidiaries, primarily financial entities in Spain and Brazil that MAPFRE has bancassurance agreements with. Consolidated equity attributable to the controlling Company per share was 2.8 euros as on December 31, 2017 (2.96 euros as on December 31, 2016).

Equity attributable to the controlling Company in 2017 includes:

- A net reduction of 286 million euros in the market value of the assets available for sale portfolio mainly due to the rise in interest rates in Spain with respect to the amount at the close of December, 2016. Of this, a significant amount corresponds 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 639 million euros for currency conversion differences, primarily due to the depreciation of the US dollar, the Brazilian real and the Turkish lira over the course of the year.

- Profits to December 2017.
- A reduction of 447 million euros equivalent to the distribution of the final dividend from the 2016 period and the interim dividend paid against 2017 earnings.

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

ITEM	DECEMBER 2015	DECEMBER 2016	DECEMBER 2017
<b>Capital, retained earnings and reserves</b>	<b>8,299.7</b>	<b>8,614.0</b>	<b>8,763.6</b>
Treasury stock and other adjustments	2.1	(46.9)	(41.3)
Net capital gains (financial investments - technical provisions)	627.7	651.0	619.7
Foreign exchange differences	(355.8)	(91.6)	(730.7)
<b>Attributable equity</b>	<b>8,573.7</b>	<b>9,126.5</b>	<b>8,611.3</b>

Figures in millions of euros

Given the hyperinflationary situation of the Venezuelan economy, and in order to improve the true and fair presentation in the financial statements, the Group has decided to present in one sole reserves account all of the equity effects deriving from the hyperinflation in Venezuela, like the currency conversion differences generated from converting the financial statements of the Group companies operating in Venezuela to euros, and the restatement for inflation of their financial statements. So that the information is comparable, the information reflected in the consolidated annual accounts from the previous year has been restated. As such, the heading for foreign exchange differences no longer includes the currency conversion differences originating in Venezuela.

#### 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.

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



## Managed savings

ITEM	DECEMBER 2016	DECEMBER 2017	Δ %
Life technical provisions	29,173.1	28,718.9	-1.6%
Pension funds	4,684.1	5,082.1	8.5%
Mutual funds and other	4,631.5	5,203.9	12.4%
<b>Subtotal</b>	<b>38,488.8</b>	<b>39,004.9</b>	<b>1.3%</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 December of the previous year reflect:

1. The reduction in Life technical provisions, from the fall in the portfolio as a result of redemptions, mainly in the bancassurance channel in Spain.
2. The reduction in the value of managed savings in Brazil and other countries outside of the Eurozone from the depreciation of their 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 are less attractive to clients 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 2.1 percent:

## Assets under management

ITEM	DECEMBER 2016	DECEMBER 2017	Δ %
Investment portfolio	49,556.0	49,796.0	0.5%
Pension funds	4,684.1	5,082.1	8.5%
Mutual funds and other	4,631.5	5,203.9	12.4%
<b>TOTAL</b>	<b>58,871.7</b>	<b>60,082.0</b>	<b>2.1%</b>

Figures in millions of euros

## 6. Information by Regional Area

MAPFRE manages its insurance business through six 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 premiums and results, as well as the Non-Life combined ratio.

### Key figures

ITEM	Premiums			Attributable result			Combined ratio	
	DECEMBER 2016	DECEMBER 2017	Δ %	DECEMBER 2016	DECEMBER 2017	Δ %	DECEMBER 2016	DECEMBER 2017
IBERIA	7,139.4	7,403.9	3.7%	582.3	525.2	-9.8%	94.0%	93.9%
BRAZIL	4,587.4	4,734.3	3.2%	144.4	127.9	-11.5%	94.2%	96.1%
LATAM NORTH	1,343.2	1,848.1	37.6%	38.8	26.5	-31.7%	100.9%	99.5%
LATAM SOUTH	1,877.8	1,827.5	-2.7%	5.2	64.4	--	100.2%	98.2%
NORTH AMERICA	2,902.4	2,788.0	-3.9%	80.0	15.3	-80.9%	100.3%	106.4%
EURASIA	2,700.7	2,552.0	-5.5%	(123.1)	(62.2)	49.4%	107.9%	107.2%

Figures in millions of euros

The most significant aspects are:

1. Premiums and results show very solid growth in IBERIA, with excellent performance in the Auto line and the contribution of Spain's result to the Group.
2. Premiums in BRAZIL show positive results compared to last year, from the appreciation of the average exchange rate of the Brazilian real, although there is no 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 acquisition costs and high loss experience in Auto.
3. LATAM NORTH shows premium growth of 37.6 percent to December from the issuing of the PEMEX policy for a two-year coverage period. The region's earnings reflect the discrete result in Mexico due to the high loss ratio in Automobiles and the impact of catastrophic events on the GLOBAL RISKS business.
4. LATAM SOUTH experienced an increase in results, thanks to the favorable evolution of the insurance 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 heavy rains caused by weather related to “Coastal El Niño”.

5. NORTH AMERICA has growth containment in premiums and lower due to the high loss experience in the Auto line in the United States, and to the impact of the catastrophic events on the insurance and GLOBAL RISKS businesses, which had strong economic repercussions on Puerto Rico’s results.
6. EURASIA experienced a drop in premiums, primarily due to Turkey, as a result of growth containment in compulsory Third Party Liability for Auto insurance. It is important to point out the extraordinary improvement in results in Turkey, as well as favorable development of business in Italy. However, EURASIA presented losses of 62.2 million euros, due to the negative results of ASISTENCIA in the United Kingdom and certain large claims in GLOBAL RISKS. ABDA business is included as of June 2017.

## 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	
	DECEMBER 2016	DECEMBER 2017	Δ %	DECEMBER 2016	DECEMBER 2017	Δ %	DECEMBER 2016	DECEMBER 2017
IBERIA	6,704.5	6,960.2	3.8%	535.9	511.5	-4.6%	94.5%	93.7%
LATAM	7,385.4	8,017.9	8.6%	192.1	229.4	19.4%	96.6%	96.6%
INTERNATIONAL	4,593.4	4,398.2	-4.2%	8.3	88.0	--	103.1%	103.6%
<b>TOTAL INSURANCE</b>	<b>18,683.3</b>	<b>19,376.3</b>	<b>3.7%</b>	<b>736.3</b>	<b>828.9</b>	<b>12.6%</b>	<b>97.6%</b>	<b>97.4%</b>
RE	4,234.7	4,222.4	-0.3%	186.1	162.7	-12.6%	94.0%	94.8%
ASISTENCIA	1,066.8	983.5	-7.8%	(56.4)	(68.4)	-21.4%	102.0%	103.7%
GLOBAL RISKS	1,212.2	1,257.4	3.7%	47.3	(66.3)	--	97.5%	135.4%
Holdings and consolidation adjustments	(2,383.8)	(2,359.0)	1.0%	(137.8)	(156.3)	-13.4%	--	--
<b>MAPFRE S.A.</b>	<b>22,813.2</b>	<b>23,480.7</b>	<b>2.9%</b>	<b>775.5</b>	<b>700.5</b>	<b>-9.7%</b>	<b>97.4%</b>	<b>98.1%</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 INTERNATIONAL due to the previously mentioned growth containment in premiums in North America and the lower issuing in Turkey.
2. Results have evolved positively in insurance entities in IBERIA, LATAM and INTERNATIONAL, with 12.6 percent growth in the insurance business units at the close of December 2017.
3. MAPFRE RE continues to contribute positively to the Group, both in premiums and in results, reaching earnings of 162.7 million euros to December 2017, despite the catastrophic events that took place during the year, which have had an attributable net cost of 58.2 million euros for this company.
4. MAPFRE ASISTENCIA is highly affected by losses in the United Kingdom and by business restructuring.
5. GLOBAL RISKS is negatively affected by the catastrophic events that occurred during the year, that have had an attributable net cost of 77.4 million euros for this company, and by large claims that have been impacting it this whole year.

## 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.

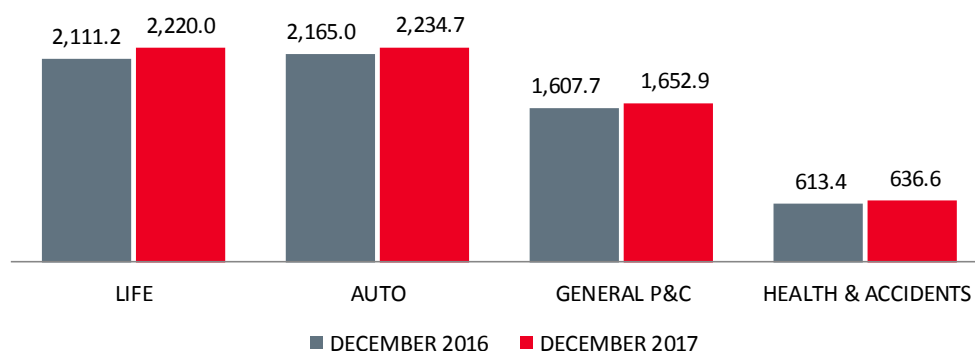
#### Information by country

ITEM	Premiums			Attributable result			Combined ratio	
	DECEMBER 2016	DECEMBER 2017	Δ %	DECEMBER 2016	DECEMBER 2017	Δ %	DECEMBER 2016	DECEMBER 2017
IBERIA	6,704.5	6,960.2	3.8%	535.9	511.5	-4.6%	94.5%	93.7%
SPAIN	6,564.3	6,820.6	3.9%	535.0	515.0	-3.7%	94.2%	93.4%
PORTUGAL	140.2	139.6	-0.4%	1.0	(3.5)	--	106.3%	112.1%

Figures in millions of euros

#### Premiums

#### Written premiums in key lines



Figures in millions of euros

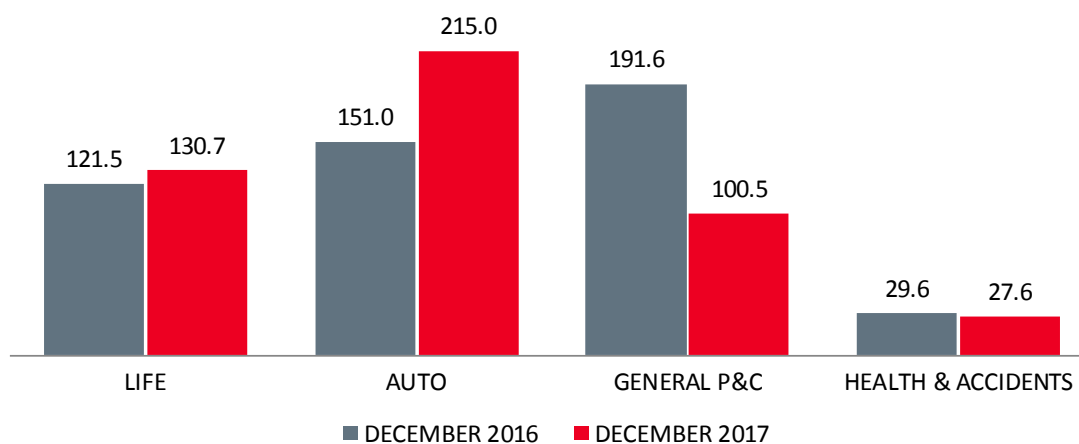
Excellent performance of premiums in IBERIA, with 3.8 percent growth.

Non-Life premiums grew by 3.2 percent, and reflect the positive development of the Auto, Health, and Third Party Liability business 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 5.2 percent, thanks to the bancassurance savings line. 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.

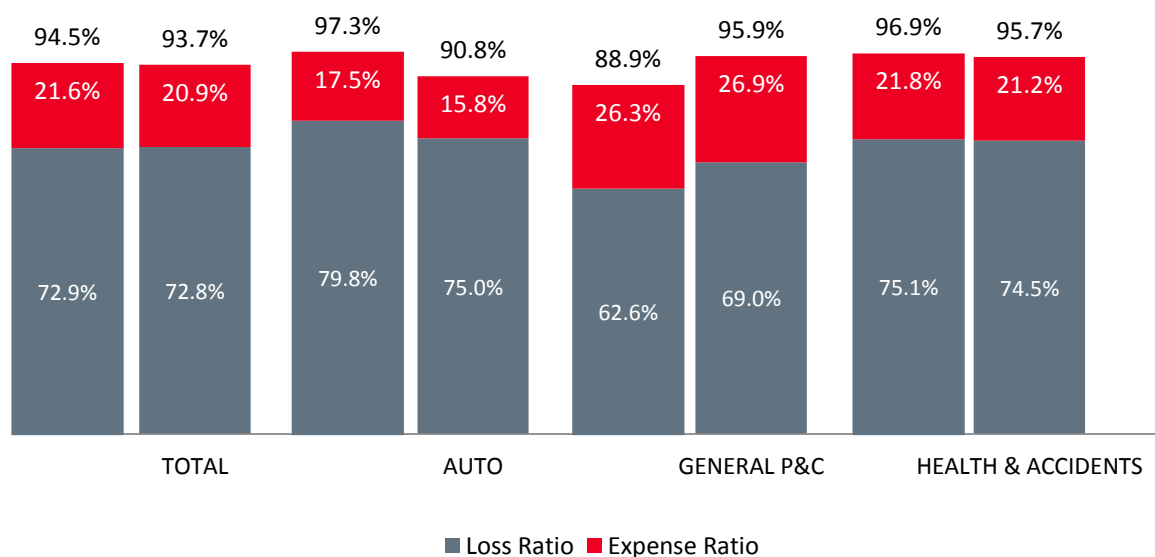
## Result

### Attributable result of key lines



Figures in millions of euros

### Combined ratio of key lines



IBERIA's attributable result reached 511.5 million euros with fall of 4.6 percent compared to the previous period. It is important to bear in mind that last year, this region registered a significant

gain of 88 million euros net of taxes in the third quarter of the year, from the sale of MAPFRE tower.

The technical result of Non-Life business improved as a result of the containment of the loss ratio and the reduction in the expense ratio, which improved thanks to the rigorous cost containment policy in place in recent years in Spain. It is important to highlight the significant improvement in the Non-Life combined ratio, which stood at 90.8 percent at the close of 2017 and the impairment of the General P&C combined ratio, affected by adverse weather conditions.

The Life business shows an important improvement in its result from the cancellation of a reserve for contingent payments in the bancassurance channel totaling 29 million euros before taxes (27.2 million euros after taxes).

86.7 million euros in capital gains on financial investments, net, were recorded (102.2 million to December 2016), mainly in equity.

In the fourth quarter, MAPFRE in Spain implemented an early retirement plan for MAPFRE ESPAÑA, MAPFRE VIDA, and MAPFRE TECH employees, for a cost of 35 million euros.

Finally, in 2017, real estate transactions were made, generating net earnings of 36 million euros in MAPFRE ESPAÑA. (88 million euros in 2016 from the sale of Mapfre Tower)

#### MAPFRE ESPAÑA – Key figures

ITEM	DECEMBER 2016	DECEMBER 2017	Δ %
<b>Gross written and accepted premiums</b>	<b>4,550.2</b>	<b>4,703.8</b>	<b>3.4%</b>
<b>Net premiums earned</b>	<b>4,073.6</b>	<b>4,165.0</b>	<b>2.2%</b>
<b>Gross result</b>	<b>461.7</b>	<b>424.0</b>	<b>-8.2%</b>
Tax on profits	(93.4)	(95.3)	2.1%
Non-controlling interests	(0.2)	(0.3)	88.7%
<b>Attributable net result</b>	<b>368.2</b>	<b>328.3</b>	<b>-10.8%</b>
<b>Combined ratio</b>	<b>95.0%</b>	<b>94.5%</b>	<b>-0.5 p.p.</b>
Expense ratio	21.3%	20.8%	-0.6 p.p.
Loss ratio	73.7%	73.8%	0.1 p.p.
<b>Investments, real estate and cash</b>	<b>6,285.7</b>	<b>6,434.5</b>	<b>2.4%</b>
<b>Technical provisions</b>	<b>4,956.6</b>	<b>5,180.9</b>	<b>4.5%</b>
<b>Shareholders' equity</b>	<b>2,277.9</b>	<b>2,257.8</b>	<b>-0.9%</b>
<b>ROE</b>	<b>16.5%</b>	<b>14.5%</b>	<b>-2.0 p.p.</b>

Figures in millions of euros

## MAPFRE ESPAÑA – Automobiles

ITEM	DECEMBER 2016	DECEMBER 2017	Δ %
Gross written and accepted premiums	2,165.0	2,234.7	3.2%
Net premiums earned	1,904.8	1,957.8	2.8%
Result before tax	200.6	286.6	42.8%
Non-Life Loss Ratio	79.8%	75.0%	-4.9 p.p.
Non-Life Expense Ratio	17.5%	15.8%	-1.7 p.p.
Non-Life Combined Ratio	97.3%	90.8%	-6.5 p.p.
Number of vehicles insured (units)	5,524,918	5,611,934	1.6%

Figures in millions of euros

Auto premiums (including VERTI and SEGUROS GERAIS PORTUGAL) grew by 3.2 percent. The positive evolution of personal Auto premiums in Spain is noteworthy, with 3.9 percent growth in the year.

The average Auto premium to December 2017 in MAPFRE ESPAÑA increased 1.3 percent with respect to the previous year, greater than the increase in the insurance sector. To December 31, 2017, the number of vehicles insured rose to 5,611,934 vehicles, which is 87,016 more than December of the previous year.

The Auto combined ratio stands at 90.8 percent, a 6.5 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 1.7 percentage points compared to the same period in the previous year.

## MAPFRE ESPAÑA – General P&C

ITEM	DECEMBER 2016	DECEMBER 2017	Δ %
Gross written and accepted premiums	1,607.7	1,652.9	2.8%
Net premiums earned	1,409.2	1,425.4	1.1%
Result before tax	254.9	134.4	-47.3%
Non-Life Loss Ratio	62.6%	69.0%	6.3 p.p.
Non-Life Expense Ratio	26.3%	26.9%	0.6 p.p.
Non-Life Combined Ratio	88.9%	95.9%	7.0 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, as well as large claims in the Property line in the period.

#### MAPFRE ESPAÑA – Health & Accidents

ITEM	DECEMBER 2016	DECEMBER 2017	Δ %
Gross written and accepted premiums	524.0	548.7	4.7%
Net premiums earned	518.8	541.6	4.4%
Result before tax	21.7	15.8	-27.3%
Non-Life Loss Ratio	81.3%	81.4%	0.1 p.p.
Non-Life Expense Ratio	18.0%	17.9%	0.0 p.p.
Non-Life Combined Ratio	99.3%	99.4%	0.1 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 slightly mainly due to certain group policies and the increase in claims-related expenses.

#### MAPFRE VIDA – Key figures

ITEM	DECEMBER 2016	DECEMBER 2017	Δ %
<b>Gross written and accepted premiums</b>	<b>2,154.7</b>	<b>2,256.7</b>	<b>4.7%</b>
<b>Gross result</b>	<b>300.3</b>	<b>325.8</b>	<b>8.5%</b>
Tax on profits	(55.2)	(64.2)	16.3%
Non-controlling interests	(75.0)	(75.1)	0.2%
<b>Attributable net result</b>	<b>170.2</b>	<b>186.6</b>	<b>9.6%</b>
<b>Investments, real estate and cash</b>	<b>24,219.1</b>	<b>24,484.9</b>	<b>1.1%</b>
<b>Shareholders' equity</b>	<b>1,750.2</b>	<b>1,782.5</b>	<b>1.8%</b>
<b>ROE</b>	<b>9.9%</b>	<b>10.6%</b>	<b>0.7 p.p.</b>
Technical financial Margin	1.1%	1.2%	0.1 p.p.

Figures in millions of euros

### MAPFRE VIDA – Premium breakdown

ITEM	DECEMBER 2016	DECEMBER 2017	Δ %
- Agent channel	1,551.1	1,455.1	-6.2%
- Bank channel	603.6	801.6	32.8%
BANKIA MAPFRE VIDA	242.8	346.5	42.8%
BANKINTER SEGUROS DE VIDA	197.2	339.0	71.9%
CAJA CASTILLA LA MANCHA	99.0	79.8	-19.4%
DUERO SEGUROS DE VIDA	64.7	36.2	-44.0%
<b>TOTAL PREMIUMS</b>	<b>2,154.7</b>	<b>2,256.7</b>	<b>4.7%</b>
- Life-Savings	1,646.7	1,753.5	6.5%
- Life-Protection	418.6	415.3	-0.8%
- Accidents	89.4	87.9	-1.7%

Figures in millions of euros

MAPFRE VIDA premiums picked up 4.7 percent, thanks to the bancassurance savings line. This growth is especially notable in BANKIA MAPFRE VIDA, due to the success of certain savings products commercialized by this entity. Additionally, the premiums from the BANKINTER agency in Portugal have been fully integrated in 2017 (in 2016, these premiums are included as of April).

### MAPFRE VIDA – Managed savings

ITEM	DECEMBER 2016	DECEMBER 2017	Δ %
<b>Technical provisions</b>	<b>21,846.8</b>	<b>21,614.9</b>	<b>-1.1%</b>
MAPFRE VIDA	12,713.9	12,804.4	0.7%
BANKIA MAPFRE VIDA	7,364.7	6,923.8	-6.0%
BANKINTER SEGUROS DE VIDA	805.3	1,016.8	26.3%
CAJA CASTILLA LA MANCHA	962.9	870.0	-9.6%
<b>Mutual funds and other</b>	<b>3,208.3</b>	<b>3,700.4</b>	<b>15.3%</b>
<b>Pension funds</b>	<b>4,684.1</b>	<b>5,082.1</b>	<b>8.5%</b>
MAPFRE AM	2,141.3	2,303.9	7.6%
OTHER	2,542.8	2,778.2	9.3%
<b>TOTAL MANAGED SAVINGS</b>	<b>29,739.2</b>	<b>30,397.3</b>	<b>2.2%</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.

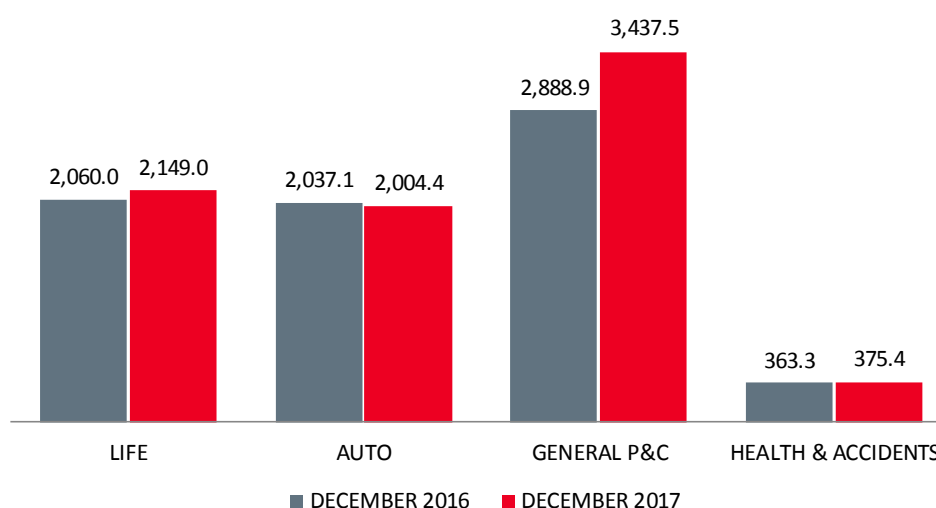
### Information by region

ITEM	Premiums			Attributable result			Combined ratio	
	DECEMBER 2016	DECEMBER 2017	Δ %	DECEMBER 2016	DECEMBER 2017	Δ %	DECEMBER 2016	DECEMBER 2017
BRAZIL	4,392.8	4,546.9	3.5%	141.3	125.4	-11.3%	94.2%	96.1%
LATAM NORTH	1,269.0	1,772.1	39.6%	34.2	33.8	-1.4%	102.3%	98.0%
LATAM SOUTH	1,723.6	1,698.9	-1.4%	16.5	70.2	--	99.1%	96.9%

Figures in millions of euros

### Premiums and Result

#### Written premiums in key lines



Figures in millions of euros

Premium growth reflects the favorable development of Mexico from the issuing of the PEMEX policy, and of the countries in Central America and the Dominican Republic. Additionally, premium volume in Brazil was favored by the appreciation of the Brazilian real against the euro by 3.6 percent.

The attributable result in the LATAM Territorial Area went up at December 2017, as a result of the growth in profits from LATAM SOUTH thanks to the positive development of businesses in Peru and Colombia. On the other hand, the stagnant results of LATAM NORTH originate in the higher loss

ratio in the Auto line in Mexico. Brazil presented negative development due to the lower financial result from the fall in interest rates, the increase in acquisition costs and the high combined ratio in Autos.

## BRAZIL

This regional area encompasses the insurance activity in Brazil.

### Key figures

ITEM	DECEMBER 2016	DECEMBER 2017	Δ %
<b>Gross written and accepted premiums</b>	<b>4,392.8</b>	<b>4,546.9</b>	<b>3.5%</b>
- Non-Life	2,869.8	2,996.0	4.4%
- Life	1,523.1	1,550.9	1.8%
<b>Net premiums earned</b>	<b>3,824.5</b>	<b>3,728.4</b>	<b>-2.5%</b>
<b>Gross result</b>	<b>808.2</b>	<b>620.1</b>	<b>-23.3%</b>
Tax on profits	(310.9)	(217.8)	-29.9%
Non-controlling interests	(356.0)	(276.9)	-22.2%
<b>Attributable net result</b>	<b>141.3</b>	<b>125.4</b>	<b>-11.3%</b>
<b>Combined ratio</b>	<b>94.2%</b>	<b>96.1%</b>	<b>1.8 p.p.</b>
Expense ratio	31.5%	34.5%	3.0 p.p.
Loss ratio	62.7%	61.6%	-1.2 p.p.
<b>Investments, real estate and cash</b>	<b>4,770.0</b>	<b>4,166.9</b>	<b>-12.6%</b>
<b>Technical provisions</b>	<b>5,565.5</b>	<b>4,971.3</b>	<b>-10.7%</b>
<b>Shareholders' equity</b>	<b>1,256.6</b>	<b>1,109.5</b>	<b>-11.7%</b>
<b>ROE</b>	<b>12.7%</b>	<b>10.6%</b>	<b>-2.1 p.p.</b>

Figures in millions of euros

### Breakdown by line

ITEM	Premiums			Attributable result			Combined ratio	
	DECEMBER 2016	DECEMBER 2017	Δ %	DECEMBER 2016	DECEMBER 2017	Δ %	DECEMBER 2016	DECEMBER 2017
LIFE	1,523.1	1,550.9	1.8%	66.9	54.7	-18.2%	--	--
AUTO	1,232.5	1,205.2	-2.2%	10.4	(13.4)	--	104.0%	107.7%
GENERAL P&C	1,631.6	1,787.0	9.5%	68.4	78.6	15.0%	79.9%	81.2%

Figures in millions of euros

## Premiums

Premium growth in euros shows the effect of the appreciation of the Brazilian real (3.6 percent). In reals, total premium issuing in Brazil did not increase.

It is important to highlight as a positive note that, in reals, the General P&C line business grew 6 percent, Industrial Risks by 10 percent, and specifically the Agricultural Insurance line issuing reflects positive development and growth of 14 percent to December 2017.

On the other hand, the credit restrictions for personal clients and a highly competitive environment have led to a 6 percent contraction in Auto issuing in reals.

The Life business fell 2 percent in reals, affected by the drop in issuing for Life-Protection insurance linked to personal loans from the Banco de Brasil.

## Result

The Non-Life combined ratio showed unfavorable development, going up to 96.1 percent due to an increase in the acquisition expense ratio. The combined ratio for Autos remained high, with the line being affected by an increase of frequency associated with the economic environment (mainly theft coverage and the increasing age of vehicles in circulation), 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 General P&C was affected by adverse weather conditions in the south of the country.

The result to December 2017 was affected by the drop in financial income of 107 million euros before taxes and minorities, 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.

In 2017, certain assets and liabilities recorded in 2011 deriving from the bancassurance alliance in Brazil that year have been cancelled. On the one hand, a provision for risks and expenses for 103 million euros, established to cover the possibility of various kinds of expenses was cancelled, and which at December 31 no longer represented any obligation for the company. On the other hand, and deriving from the discrete development of the economic environment in Brazil and the weak growth forecast, as well as the unfavorable development of the Auto business and some General P&C lines with high loss frequency and pressure on rates, there has been an impairment of goodwill on consolidation and other intangible assets coming from the Non-Life business acquired in the bancassurance channel, with an impact on the attributable result reaching 75 million euros.

## LATAM NORTH

This regional area includes Mexico and the sub-region of Central America, which includes operations in Panama, the Dominican Republic, Honduras, Guatemala, Costa Rica, El Salvador and Nicaragua.

### Key figures

ITEM	DECEMBER 2016	DECEMBER 2017	Δ %
<b>Gross written and accepted premiums</b>	<b>1,269.0</b>	<b>1,772.1</b>	<b>39.6%</b>
- Non-Life	969.6	1,437.6	48.3%
- Life	299.4	334.5	11.8%
<b>Net premiums earned</b>	<b>827.9</b>	<b>831.6</b>	<b>0.4%</b>
<b>Gross result</b>	<b>50.4</b>	<b>57.6</b>	<b>14.4%</b>
Tax on profits	(7.6)	(14.4)	89.6%
Non-controlling interests	(8.5)	(9.4)	10.9%
<b>Attributable net result</b>	<b>34.2</b>	<b>33.8</b>	<b>-1.4%</b>
<b>Combined ratio</b>	<b>102.3%</b>	<b>98.0%</b>	<b>-4.2 p.p.</b>
Expense ratio	34.0%	32.8%	-1.2 p.p.
Loss ratio	68.2%	65.2%	-3.0 p.p.
<b>Investments, real estate and cash</b>	<b>1,413.8</b>	<b>1,260.7</b>	<b>-10.8%</b>
<b>Technical provisions</b>	<b>1,399.7</b>	<b>1,730.9</b>	<b>23.7%</b>
<b>Shareholders' equity</b>	<b>780.3</b>	<b>684.1</b>	<b>-12.3%</b>
<b>ROE</b>	<b>4.4%</b>	<b>4.6%</b>	<b>0.3 p.p.</b>

Figures in millions of euros

### Breakdown of key countries

ITEM	Premiums			Attributable result		
	DECEMBER 2016	DECEMBER 2017	Δ %	DECEMBER 2016	DECEMBER 2017	Δ %
MEXICO	715.8	1,182.8	65.2%	7.1	5.4	-23.8%
PANAMA	208.7	217.7	4.3%	9.6	10.0	3.6%
DOMINICAN REP.	118.6	125.4	5.7%	8.2	9.1	11.4%
HONDURAS	74.6	72.9	-2.3%	5.7	5.0	-12.5%

Figures in millions of euros

## Premiums

Mexico presents growth of 65.2 percent due to the issuing in June of the PEMEX policy (with a 2-year duration for the sum of 545 million USD). General P&C, therefore, has very positive issuing behavior, as does the Life line in this country. However, there was a 15.5 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 a 1 percent fall in premiums in Mexican pesos, due to the non-renewal of loss-making contracts.

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

## Result

It is worth highlighting, on a positive note, the improved combined ratio in General P&C, Health, and Accidents in Mexico this year. This improvement is highly conditioned by the higher loss experience 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 months 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	DECEMBER 2016	DECEMBER 2017	Δ %
<b>Gross written and accepted premiums</b>	<b>1,723.6</b>	<b>1,698.9</b>	<b>-1.4%</b>
- Non-Life	1,486.0	1,435.3	-3.4%
- Life	237.5	263.6	11.0%
<b>Net premiums earned</b>	<b>979.8</b>	<b>1,001.8</b>	<b>2.3%</b>
<b>Gross result</b>	<b>45.7</b>	<b>107.9</b>	<b>136.1%</b>
Tax on profits	(21.3)	(27.3)	28.4%
Non-controlling interests	(7.9)	(10.4)	30.8%
<b>Attributable net result</b>	<b>16.5</b>	<b>70.2</b>	<b>--</b>
<b>Combined ratio</b>	<b>99.1%</b>	<b>96.9%</b>	<b>-2.2 p.p.</b>
Expense ratio	37.0%	36.4%	-0.6 p.p.
Loss ratio	62.1%	60.4%	-1.6 p.p.
<b>Investments, real estate and cash</b>	<b>2,002.6</b>	<b>1,845.4</b>	<b>-7.9%</b>
<b>Technical provisions</b>	<b>2,524.7</b>	<b>2,399.2</b>	<b>-5.0%</b>
<b>Shareholders' equity</b>	<b>523.9</b>	<b>538.6</b>	<b>2.8%</b>
<b>ROE</b>	<b>3.5%</b>	<b>13.2%</b>	<b>9.7 p.p.</b>

Figures in millions of euros

### Breakdown of key countries

ITEM	Premiums			Attributable result		
	DECEMBER 2016	DECEMBER 2017	Δ %	DECEMBER 2016	DECEMBER 2017	Δ %
COLOMBIA	401.3	393.9	-1.9%	(26.5)	13.2	149.7%
PERU	463.1	469.6	1.4%	28.5	34.8	22.2%
ARGENTINA	281.9	291.9	3.6%	2.5	11.6	--
CHILE	365.6	306.9	-16.1%	4.3	0.9	-78.4%

Figures in millions of euros



## Premiums

The decrease in premiums reached 1.4 percent, despite 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 16.1 percent due to lower Auto and General P&C issuing from the non-renewal of some fronting businesses as well as portfolio restructuring.

## Result

The growth in result to December 2017 was determined primarily by the change in result in Colombia and the continued improvement in earnings in 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 (annuities), which made net earnings of 13 million euros possible, versus the 26.5 million euros of losses the previous year. However, these improvements were impacted by lower earnings in Chile from the higher loss ratio resulting from floods and wildfires.

The combined ratio in the region improved, due primarily to a decrease in acquisition costs, as well as a reduction in the loss ratio.

The result to December 2017 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 and EURASIA.

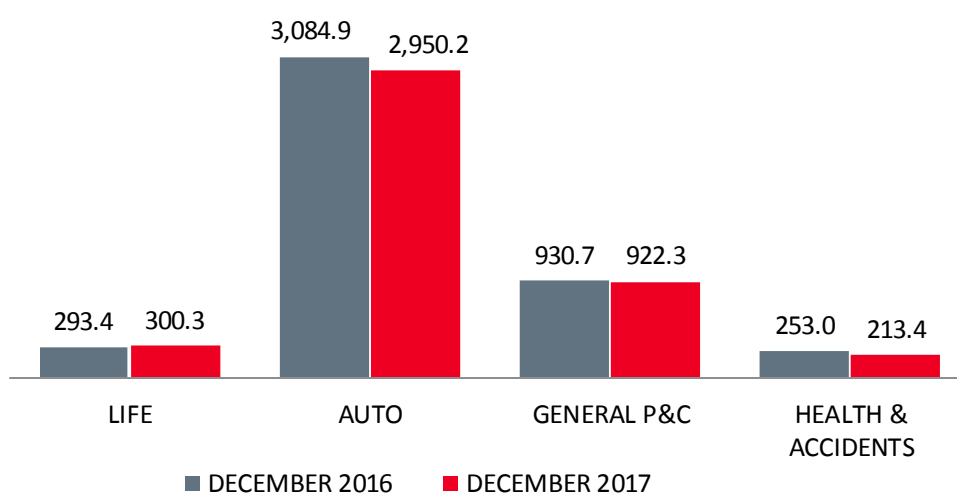
#### Information by Area

ITEM	Premiums			Attributable result			Combined ratio	
	DECEMBER 2016	DECEMBER 2017	Δ %	DECEMBER 2016	DECEMBER 2017	Δ %	DECEMBER 2016	DECEMBER 2017
NORTH AMERICA	2,623.3	2,528.5	-3.6%	77.3	48.7	-37.0%	101.0%	104.9%
EURASIA	1,970.0	1,869.7	-5.1%	(69.0)	39.3	157.0%	107.3%	100.9%

Figures in millions of euros

#### **Premiums and Result**

#### Written premiums in key lines



Figures in millions of euros

Premiums from INTERNATIONAL fell 3.6 percent in NORTH AMERICA, primarily due to the decrease in business volume outside of Massachusetts, U.S.A. and to lower issuing in Puerto Rico, affected by the catastrophic events of the period. Premiums in EURASIA went down 5.1 percent due to lower issuing in Turkey.

The attributable result in NORTH AMERICA was affected by Hurricanes Irma and Maria, which significantly impacted Puerto Rico, the Virgin Islands, and Florida. The positive evolution of EURASIA's attributable result came from the significant increase in the result in Turkey thanks to rate updates and to the lower loss experience 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	DECEMBER 2016	DECEMBER 2017	Δ %
<b>Gross written and accepted premiums</b>	<b>2,623.3</b>	<b>2,528.5</b>	<b>-3.6%</b>
<b>Net premiums earned</b>	<b>2,023.0</b>	<b>1,996.5</b>	<b>-1.3%</b>
<b>Gross result</b>	<b>114.8</b>	<b>20.9</b>	<b>-81.8%</b>
Tax on profits	(37.0)	28.0	-175.6%
Non-controlling interests	(0.5)	(0.2)	-52.3%
<b>Attributable net result</b>	<b>77.3</b>	<b>48.7</b>	<b>-37.0%</b>
<b>Combined ratio</b>	<b>101.0%</b>	<b>104.9%</b>	<b>3.9 p.p.</b>
Expense ratio	25.6%	25.5%	0.0 p.p.
Loss ratio	75.4%	79.4%	4.0 p.p.
<b>Investments, real estate and cash</b>	<b>2,556.1</b>	<b>2,393.1</b>	<b>-6.4%</b>
<b>Technical provisions</b>	<b>2,569.0</b>	<b>3,069.6</b>	<b>19.5%</b>
<b>Shareholders' equity</b>	<b>1,399.8</b>	<b>1,264.1</b>	<b>-9.7%</b>
<b>ROE</b>	<b>5.7%</b>	<b>3.7%</b>	<b>-2.0 p.p.</b>

Figures in millions of euros

### Breakdown by country

ITEM	Premiums			Attributable result		
	DECEMBER 2016	DECEMBER 2017	Δ %	DECEMBER 2016	DECEMBER 2017	Δ %
UNITED STATES	2,260.6	2,201.6	-2.6%	64.1	65.6	2.4%
PUERTO RICO	362.7	326.9	-9.9%	13.2	(16.9)	--

Figures in millions of euros

## Combined ratio

	DECEMBER 2016	DECEMBER 2017
UNITED STATES	101.6%	103.6%
Massachusetts	96.1%	98.4%
Other states	114.4%	116.0%
PUERTO RICO	97.0%	114.2%

## MAPFRE USA – Key figures

ITEM	DECEMBER 2016	DECEMBER 2017	Δ %
<b>Gross written and accepted premiums</b>	<b>2,260.6</b>	<b>2,201.6</b>	<b>-2.6%</b>
<b>Net premiums earned</b>	<b>1,740.4</b>	<b>1,739.6</b>	<b>0.0%</b>
<b>Gross result</b>	<b>91.0</b>	<b>32.7</b>	<b>-64.1%</b>
Tax on profits	(29.2)	27.7	-194.9%
Non-controlling interests	(0.5)	(0.2)	-52.3%
<b>Attributable net result</b>	<b>61.3</b>	<b>60.2</b>	<b>-1.8%</b>
<b>Combined ratio</b>	<b>101.6%</b>	<b>103.6%</b>	<b>2.0 p.p.</b>
Expense ratio	24.1%	24.3%	0.2 p.p.
Loss ratio	77.5%	79.3%	1.8 p.p.
<b>Investments, real estate and cash</b>	<b>2,108.5</b>	<b>1,939.4</b>	<b>-8.0%</b>
<b>Technical provisions</b>	<b>2,310.5</b>	<b>2,118.4</b>	<b>-8.3%</b>
<b>Shareholders' equity</b>	<b>1,155.2</b>	<b>1,062.9</b>	<b>-8.0%</b>
<b>ROE</b>	<b>5.4%</b>	<b>5.4%</b>	<b>0.0 p.p.</b>

Figures in millions of euros

### **Premiums**

At the close of December, premiums in NORTH AMERICA registered a 3.6 percent decrease. The United States shows a 2.6 percent fall in issuing compared to the previous period, as a result of the business volume outside of Massachusetts maintaining its downward trend due to the cancellation of unprofitable business, with the aim of improving profitability in these states. At the close of December, premiums from business outside Massachusetts had fallen 8.5 percent in USD compared to the same date the previous year. Growth in Massachusetts reached 4.9 percent.

In Puerto Rico, premiums fell 9.9 percent with respect to the previous period. There was a significant decline in Health of 22 percent in USD, due to the underwriting measures adopted in this line from the cancellation or non-renewal of unprofitable business. Issuing in other lines has

been affected by the lack of commercial activity and risk underwriting in the third quarter of the year, deriving from the catastrophic events that took place in September.

## Result

The combined ratio in NORTH AMERICA reached 104.9 percent, up 3.9 percentage points, of which 2.8 percentage points are a consequence of the significant impact of Hurricanes Irma and Maria in Puerto Rico, the Virgin Islands, and Florida.

The Homeowners combined ratio in the United States was very good, at 81.4 percent, thanks to the rate adjustments carried out in 2015 and 2016, along with the absence of relevant adverse weather conditions.

The Auto combined ratio in the U.S. stands at 105.5 percent, identical to 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.

In Puerto Rico, the combined ratio stood at 114.2 percent with strong deterioration due to the effect of the hurricanes.

The net result in NORTH AMERICA stood at 48.7 million euros, with a fall of 37 percent. The United States, to December, showed an attributable result of 65.6 million euros, and the losses in Puerto Rico reached 16.9 million euros from the effect of the hurricanes.

The attributable net cost of the hurricanes in the NORTH AMERICA region is broken down as follows:

	PUERTO RICO	USA (Florida)	TOTAL
Hurricane Irma	19.6	1.1	20.7
Hurricane Maria	23.3	---	23.3
<b>TOTAL</b>	<b>42.9</b>	<b>1.1</b>	<b>44.0</b>

Figures in millions of euros

The 2017 financial result includes the sale of real estate in Florida with gains of 3 million euros and the sale of a portfolio that MAPFRE USA had in Puerto Rican bonds, which implies a net loss of 3.7 million euros.

The approval, in December, of the tax reform in the United States, with a significant reduction in tax rates applicable to our undertakings in the country as of 2018, requires that all deferred tax assets and liabilities at the close of 2017 financial year are updated with the new tax rate. The net effect is

a reduction in tax liabilities, and as such, lower expenses from taxes and a 37.8 million euros increase in the result.

## EURASIA

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

### Key figures

ITEM	DECEMBER 2016	DECEMBER 2017	Δ %
<b>Gross written and accepted premiums</b>	<b>1,970.0</b>	<b>1,869.7</b>	<b>-5.1%</b>
- Non-Life	1,691.3	1,574.0	-6.9%
- Life	278.7	295.8	6.1%
<b>Net premiums earned</b>	<b>1,327.7</b>	<b>1,303.7</b>	<b>-1.8%</b>
<b>Gross result</b>	<b>(75.3)</b>	<b>60.9</b>	<b>180.9%</b>
Tax on profits	11.7	(10.8)	192.3%
Non-controlling interests	(5.4)	(10.8)	100.7%
<b>Attributable net result</b>	<b>(69.0)</b>	<b>39.3</b>	<b>157.0%</b>
<b>Combined ratio</b>	<b>107.3%</b>	<b>100.9%</b>	<b>-6.3 p.p.</b>
Expense ratio	26.7%	23.2%	-3.5 p.p.
Loss ratio	80.5%	77.7%	-2.8 p.p.
<b>Investments, real estate and cash</b>	<b>3,536.4</b>	<b>3,886.6</b>	<b>9.9%</b>
<b>Technical provisions</b>	<b>3,782.4</b>	<b>4,079.3</b>	<b>7.8%</b>
<b>Shareholders' equity</b>	<b>517.1</b>	<b>700.5</b>	<b>35.5%</b>
<b>ROE</b>	<b>-12.6%</b>	<b>6.5%</b>	<b>19.0 p.p.</b>

Figures in millions of euros

### Breakdown by country

ITEM	Premiums			Attributable result			Combined ratio	
	DECEMBER 2016	DECEMBER 2017	Δ %	DECEMBER 2016	DECEMBER 2017	Δ %	DECEMBER 2016	DECEMBER 2017
TURKEY	838.5	653.2	-22.1%	29.9	48.4	62.0%	98.2%	97.8%
ITALY	466.2	471.4	1.1%	(91.6)	(13.9)	84.8%	133.7%	113.0%
GERMANY	290.6	310.7	6.9%	2.4	2.7	10.7%	99.3%	97.7%
MALTA	332.6	351.1	5.6%	1.9	4.1	114.7%	101.6%	92.3%
FILIPINAS	42.1	39.8	-5.6%	(2.3)	0.2	106.9%	123.1%	106.3%
INDONESIA	0.0	43.5	--	2.4	4.0	68.4%	--	100.5%

Figures in millions of euros

## Premiums

At the close of December, premiums in EURASIA registered a fall of 5.1 percent as a consequence of the development in Turkey, where premiums fell 22.1 percent from the depreciation of the Turkish lira (in local currency premiums fall 3.8 percent) and a stricter underwriting policy, in line with the strategy focused on profitable growth. The number of vehicles insured in Turkey to December 2017 rose to 1,856,990, with a reduction of 394,498 vehicles compared to December 2016. In 2017, the average premium for compulsory Third Party Liability for Auto insurance in Turkey showed a reduction of 19 percent with respect to the same period of the previous year.

Germany showed favorable growth of 6.9 percent in issuing and there was light growth of 1.1 percent in issuing in Italy, the latter a result of the portfolio restructuring and a pricing policy aligned with criteria for better profitability. In Germany, on June 14, MAPFRE began to operate with the VERTI brand in the market, which has been very well received in terms of new business and renewals after the brand change. In Germany, the commercialization of Life Protection policies began in August.

Life premiums grew by 6.1 percent, thanks to the excellent performance in Life-Savings product distribution in the bancassurance channel in Malta.

## Result

The positive development of the combined ratio, which went down to 100.9 percent and which is 6.3 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 goes along with a reduction in the loss ratio in Italy.

The improved financial result in Turkey, thanks to the favorable interest rate situation, is noteworthy.

The expense ratio stands at 23.2 percent, which is 3.5 percentage points lower than the previous period, 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 throughout the year, along with a new plan for lowering operating expenses.

The improved result also comes from the incorporation of the ABDA business (Indonesia) since this past June, when MAPFRE consolidated the company through global integration.

## 7.2. MAPFRE RE

MAPFRE RE is a global reinsurer and is the main 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	DECEMBER 2016	DECEMBER 2017	Δ %
<b>Gross written and accepted premiums</b>	<b>4,234.7</b>	<b>4,222.4</b>	<b>-0.3%</b>
- Non-Life	3,586.5	3,565.7	-0.6%
- Life	648.2	656.7	1.3%
<b>Net premiums earned</b>	<b>2,691.8</b>	<b>2,999.7</b>	<b>11.4%</b>
<b>Gross result</b>	<b>252.8</b>	<b>221.2</b>	<b>-12.5%</b>
Tax on profits	(66.8)	(58.6)	-12.3%
Non-controlling interests	0.0	0.0	94.4%
<b>Attributable net result</b>	<b>186.1</b>	<b>162.7</b>	<b>-12.6%</b>
<b>Combined ratio</b>	<b>94.0%</b>	<b>94.8%</b>	<b>0.8 p.p.</b>
Expense ratio	29.0%	28.6%	-0.5 p.p.
Loss ratio	65.0%	66.2%	1.2 p.p.
<b>Investments, real estate and cash</b>	<b>4,338.2</b>	<b>4,472.0</b>	<b>3.1%</b>
<b>Technical provisions</b>	<b>3,797.2</b>	<b>4,727.1</b>	<b>24.5%</b>
<b>Shareholders' equity</b>	<b>1,279.4</b>	<b>1,301.4</b>	<b>1.7%</b>
<b>ROE</b>	<b>15.2%</b>	<b>12.6%</b>	<b>-2.6 p.p.</b>

Figures in millions of euros

Breakdown of premium distribution to December 2017 is as follows:

ITEM	%
<b>By Type of business:</b>	
Proportional	80.6%
Non-proportional	13.4%
Facultative	6.0%
<b>By Region:</b>	
IBERIA	16.3%
EURASIA	50.2%
LATAM	17.8%
NORTH AMERICA	15.8%

ITEM	%
<b>By Ceding company:</b>	
MAPFRE	44.4%
Other	55.6%
<b>By Insurance Lines:</b>	
Property	49.3%
Life & Accident	19.5%
Automobile	21.8%
Transport	3.5%
Other Insurance lines	5.9%



## Result

The net result reached 162.7 million euros, with a 12.6 percent fall due to the catastrophic events of the year, which have an attributable net cost for the Group of 58.2 million euros, with the following breakdown by event:

	MAPFRE RE
Hurricane Harvey	7.0
Hurricane Irma	5.4
Hurricane Maria	25.8
Mexico earthquakes	15.3
Coastal El Niño	4.7
<b>TOTAL</b>	<b>58.2</b>

Figures in millions of euros

It is important to mention the high contribution of MAPFRE RE's non-catastrophic risk portfolios to the result, as the company presents high levels of profitability.

The increase in earned premiums in the fourth quarter of the year comes from a reduction of the provision for unearned premiums, as a result of the change in actuarial estimates for earned premiums in the XL business, based on the additional historic information obtained this year.

The financial result stayed below that of the previous year, from lower realized financial gains. Net realized financial gains to December reached 38.1 million euros, compared to 42.2 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 suretyship).

#### Key figures

ITEM	DECEMBER 2016	DECEMBER 2017	Δ %
<b>Gross written and accepted premiums</b>	<b>1,212.2</b>	<b>1,257.4</b>	<b>3.7%</b>
<b>Net premiums earned</b>	<b>336.1</b>	<b>333.1</b>	<b>-0.9%</b>
<b>Gross result</b>	<b>49.9</b>	<b>(89.8)</b>	<b>--</b>
Tax on profits	(2.7)	23.6	--
Non-controlling interests	0.0	0.0	--
<b>Attributable net result</b>	<b>47.3</b>	<b>(66.3)</b>	<b>--</b>
<b>Combined ratio</b>	<b>97.5%</b>	<b>135.4%</b>	<b>37.9 p.p.</b>
Expense ratio	27.9%	31.1%	3.2 p.p.
Loss ratio	69.6%	104.3%	34.7 p.p.
<b>Investments, real estate and cash</b>	<b>992.4</b>	<b>925.1</b>	<b>-6.8%</b>
<b>Technical provisions</b>	<b>1,992.3</b>	<b>2,420.3</b>	<b>21.5%</b>
<b>Shareholders' equity</b>	<b>396.5</b>	<b>335.4</b>	<b>-15.4%</b>
<b>ROE</b>	<b>11.9%</b>	<b>-18.1%</b>	<b>-30.0 p.p.</b>

Figures in millions of euros

#### **Premiums**

MAPFRE GLOBAL RISKS premiums reached 1.3 billion euros, an increase of 3.7 percent compared to the same period of the previous year. The breakdown by regional area shows growth for the business underwritten in LATAM NORTH and EURASIA, where double-digit premium growth was registered.

#### **Result**

MAPFRE GLOBAL RISKS closed 2017 with important losses. The deterioration of the combined ratio, which stood at 135.4 percent, reflects the increase in the loss ratio which reached 104.3 percent (34.7 percentage points above the same period of the previous year). This is primarily due to the catastrophic events that have an attributable net cost of 77.4 million euros, as well as from the larger claims throughout the year, which consist of large claims in: EURASIA, as a result of a fire in a refinery in Abu Dhabi and a claim in an aluminum plant in Oman; and in LATAM NORTH, from the sinking of an offshore power generation platform in Panama.

The breakdown of the attributable net cost for the Group from the catastrophic events that occurred in 2017 is as follows:

	MAPFRE GLOBAL
Hurricane Harvey	11.3
Hurricane Irma	18.8
Hurricane Maria	16.9
Mexico earthquakes	10.5
Coastal El Niño	19.9
<b>TOTAL</b>	<b>77.4</b>

Figures in millions of euros

There was also a 3.2 percentage point increase in expenses, placing the expense ratio at 31.1 percent at the close of December, due to an increase in acquisition costs, 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 claims and expenses. The financial result presents net financial gains of 9.4 million euros (19.0 million euros in the same period of 2016).

SOLUNION performed positively, with growth in premium and results.

Finally, in December 2017, the companies MAPFRE GLOBAL RISK and SOLUNION signed an agreement by means of which MAPFRE GLOBAL RISKS committed to carry out the necessary activity in order for its current surety line clients to renew their policies with SOLUNION as of January 1, 2018, and as such exiting operations in the surety line, limiting activity to run-off management. The consideration from this agreement has implied an extraordinary result of 5 million euros before taxes for the Group.

## 7.4. MAPFRE ASISTENCIA

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

### Key figures

ITEM	DECEMBER 2016	DECEMBER 2017	Δ %
<b>Operating revenue</b>	<b>1,156.3</b>	<b>1,113.5</b>	<b>-3.7%</b>
- Gross written and accepted premiums	1,066.8	983.5	-7.8%
- Other revenue	89.5	130.0	45.3%
<b>Net premiums earned</b>	<b>804.0</b>	<b>712.4</b>	<b>-11.4%</b>
<b>Result from other business activities</b>	<b>(40.9)</b>	<b>(24.4)</b>	<b>40.5%</b>
<b>Gross result</b>	<b>(54.9)</b>	<b>(56.8)</b>	<b>-3.5%</b>
Tax on profits	(0.4)	(10.0)	--
Non-controlling interests	(1.1)	(1.6)	46.6%
<b>Attributable net result</b>	<b>(56.4)</b>	<b>(68.4)</b>	<b>-21.4%</b>
<b>Combined ratio</b>	<b>102.0%</b>	<b>103.7%</b>	<b>1.6 p.p.</b>
Expense ratio	31.5%	36.6%	5.0 p.p.
Loss ratio	70.5%	67.1%	-3.4 p.p.
<b>Investments, real estate and cash</b>	<b>240.0</b>	<b>331.2</b>	<b>38.0%</b>
<b>Technical provisions</b>	<b>644.6</b>	<b>673.4</b>	<b>4.5%</b>
<b>Shareholders' equity</b>	<b>253.4</b>	<b>232.5</b>	<b>-8.2%</b>
<b>ROE</b>	<b>-21.9%</b>	<b>-28.2%</b>	<b>-6.2 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 Insurance businesses, and this impacts the evolution of revenue and premium growth.

## Result

Losses to December 2017 reached 68.4 million euros. Deterioration of the combined ratio, which stood at 103.7 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.

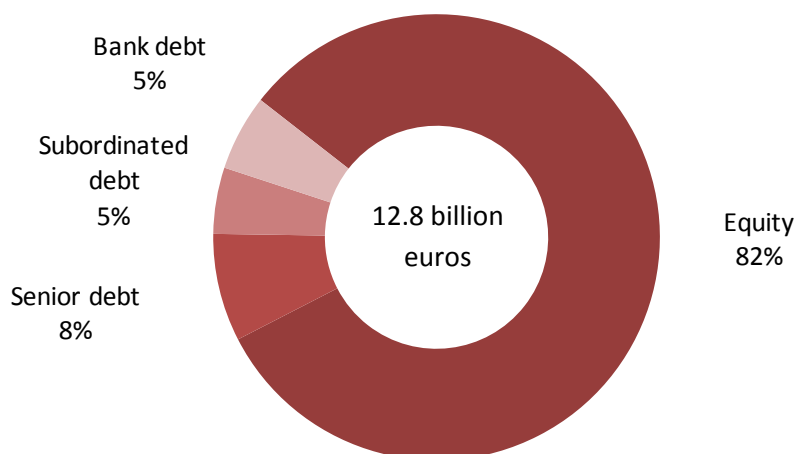
The loss ratio improved, reaching 67.1 percent, 3.4 percentage points below the same period of the previous year, though the ratio is still very high due to the losses coming from the negative run-offs from the Travel Insurance and Specialty Risks businesses in the United Kingdom.

At December, costs were provisioned for the closing and liquidation of various MAPFRE ASISTENCIA service companies for a total net amount of 10.4 million euros, which includes the exit of MAPFRE ASISTENCIA in Japan.

## 8. Capital Management & Debt

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

### Capital structure



Figures in billions of euros

Capital structure reached 12.8 billion euros, of which 82 percent corresponds to equity.

The Group has a leverage ratio of 18.1 percent, with an increase of 2.0 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 were used to further strengthen the Group's financial flexibility, and diversify its financing sources, as well as 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 for the issuance of subordinated notes.

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 11 banks, which matures in December 2021 and of which 600 million euros were drawn down at December 31, 2017. Therefore, the Group has an additional 400 million euros of liquidity available.

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

#### Debt instruments and leverage ratios

ITEM	DECEMBER 2016	DECEMBER 2017
<b>Total Equity</b>	<b>11,443.5</b>	<b>10,512.7</b>
<b>Total debt</b>	<b>2,202.9</b>	<b>2,327.4</b>
- of which: senior debt - 5/2026	1,002.5	1,003.3
- of which: subordinated debt - 7/2017	594.0	0.0
- of which: subordinated debt - 3/2047 (First Call 3/2027)	0.0	617.4
- of which: syndicated credit facility - 12/2021 (€ 1,000 M)	480.1	600.1
- of which: bank debt	126.3	106.7
Earnings before tax	1,805.2	1,508.7
Financial expenses	64.1	90.1
<b>Earnings before tax &amp; financial expenses (EBIT)</b>	<b>1,869.2</b>	<b>1,598.8</b>
<b>Leverage</b>	<b>16.1%</b>	<b>18.1%</b>
<b>Equity / Debt</b>	<b>5.2</b>	<b>4.5</b>
<b>EBIT / financial expenses (x)</b>	<b>29.2</b>	<b>17.7</b>

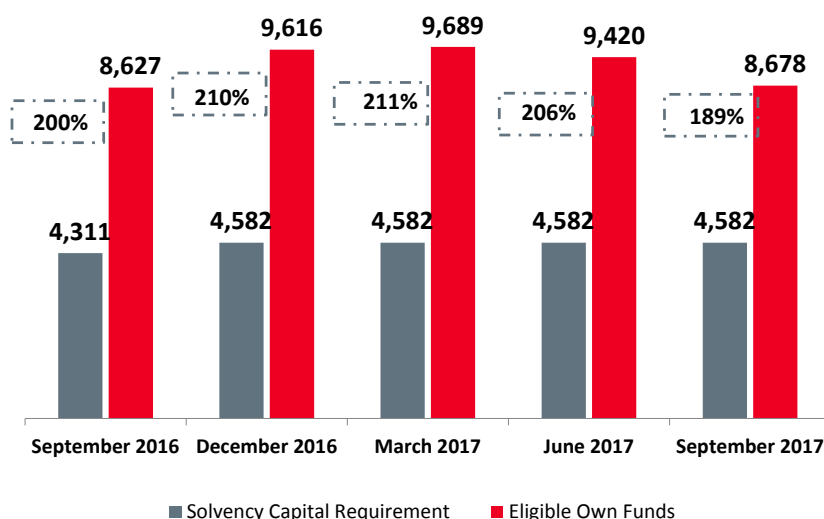
Figures in millions of euros

## 9. Solvency II

The Solvency II ratio for MAPFRE Group stood at 189.4 percent at the close of September 2017, compared to 205.6 percent at the close of June, including transitional measures. This ratio would be 170.5 percent, excluding the effects of said measures. Eligible Own Funds reached 8.7 billion euros in the same period, of which 93 percent are high quality funds (Tier 1).

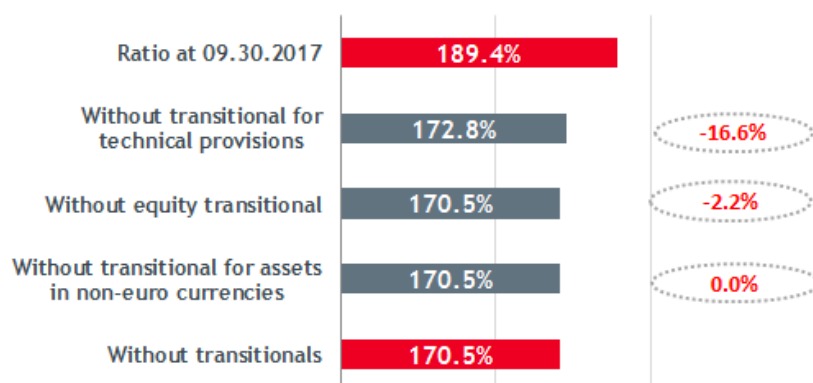
The reduction in the ratio is mainly due to the redemption, this past July 24, of the subordinated debt issued in July 2007. The ratio shows a high level of solidity and stability, backed by high diversification and strict investment and ALM policies, as can be seen in the charts below:

### Solvency margin breakdown (Solvency II)

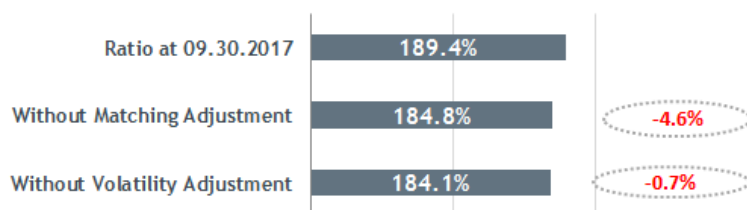


Figures in millions of euros

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

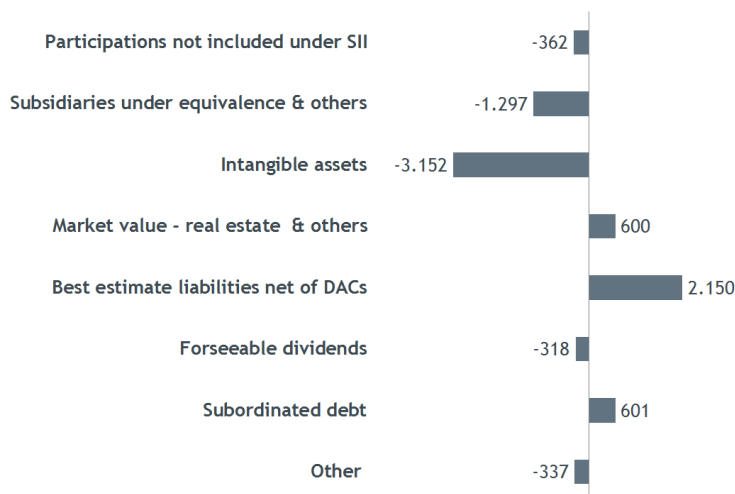






### IFRS and Solvency II Capital Reconciliation

IFRS equity 09.30.2017 10,792

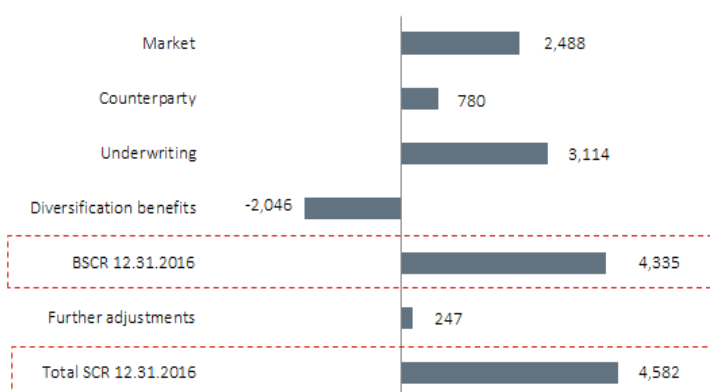


Eligible own funds under Solvency II 09.30.2017 8,678

Figures in millions of euros

### Breakdown of Solvency Capital Requirement (SCR)

In line with Solvency regulations, the SCR used during the quarters of 2017 does not vary with respect to the calculations in December 2016. The breakdown is as follows:



Figures in millions of euros

## 10. Ratings

MAPFRE and its subsidiaries have credit ratings from the main credit ratings agencies, selected for their international presence, their relevance in the insurance sector and capital markets, and for their experience. Meetings are held annually to review the Group credit rating profile, where each agency receives both operating and financial information about the Group and the business units. Qualitative and quantitative analysis are carried out, bearing in mind, in addition to the Group financial situation, other factors like strategy, corporate governance and the market environment.

The credit ratings granted by the main ratings agencies at the close of the last two periods are listed below:

	2017	2016
<b>Standard &amp; Poor's</b>		
MAPFRE S.A. (Issuer credit rating)	BBB+ Stable outlook	BBB+ Stable outlook
MAPFRE S.A. (Senior debt rating)	BBB+	BBB+
MAPFRE S.A. (Subordinated debt rating)	BBB-	BBB-
MAPFRE GLOBAL RISKS (Financial strength rating / counterparty)	A Stable outlook	A Stable outlook
MAPFRE RE (Financial strength rating / counterparty)	A Stable outlook	A Stable outlook
<b>Fitch</b>		
MAPFRE S.A. (Issuer credit rating)	A- Positive outlook	BBB+* Stable outlook
MAPFRE S.A. (Senior debt rating)	BBB+	BBB*
MAPFRE S.A. (Subordinated debt rating)	BBB-	BBB-*
MAPFRE ESPAÑA (Financial strength rating)	A- Positive outlook	A-* Stable outlook
MAPFRE VIDA (Financial strength rating)	A- Positive outlook	A-* Stable outlook
MAPFRE GLOBAL RISKS (Financial strength rating)	A- Positive outlook	A-* Stable outlook
MAPFRE RE (Financial strength rating)	A- Positive outlook	A-* Stable outlook
<b>A.M. Best</b>		
MAPFRE RE (Financial strength rating)	A Stable outlook	A Stable outlook
MAPFRE GLOBAL RISKS (Financial strength rating)	A Stable outlook	A Stable outlook
<b>Moody's</b>		
MAPFRE GLOBAL RISKS (Financial strength rating)	A3 Stable outlook	A3 Stable outlook
MAPFRE ASISTENCIA (Financial strength rating)	A3 Stable outlook	A3 Stable outlook

\*Unsolicited

On June 7, 2017, Fitch Ratings raised the Issuer rating for MAPFRE S.A. from “BBB+” to “A-” and confirmed the financial strength rating for MAPFRE GLOBAL RISKS, MAPFRE RE, MAPFRE ESPAÑA and MAPFRE VIDA as “A-”, with a stable outlook in all cases.

Subsequently, on July 26, 2017, Fitch Ratings confirmed the previously mentioned ratings and upgraded its outlook from “stable” to “positive”.

On August 11, 2017, Standard & Poor’s confirmed the Issuer rating for MAPFRE S.A. as “BBB+”, and confirmed the financial strength of MAPFRE RE and MAPFRE GLOBAL RISKS as “A”, all with a stable perspective.

On August 14, 2017, Moody’s confirmed the rating for MAPFRE GLOBAL RISKS and MAPFRE ASISTENCIA as “A3” with a stable perspective.

Additionally, on September 8, 2017, A.M. Best ratified the financial strength rating for MAPFRE GLOBAL RISKS and MAPFRE RE as “A”, with a stable perspective in both cases.

## 11. The MAPFRE Share. Dividend Information

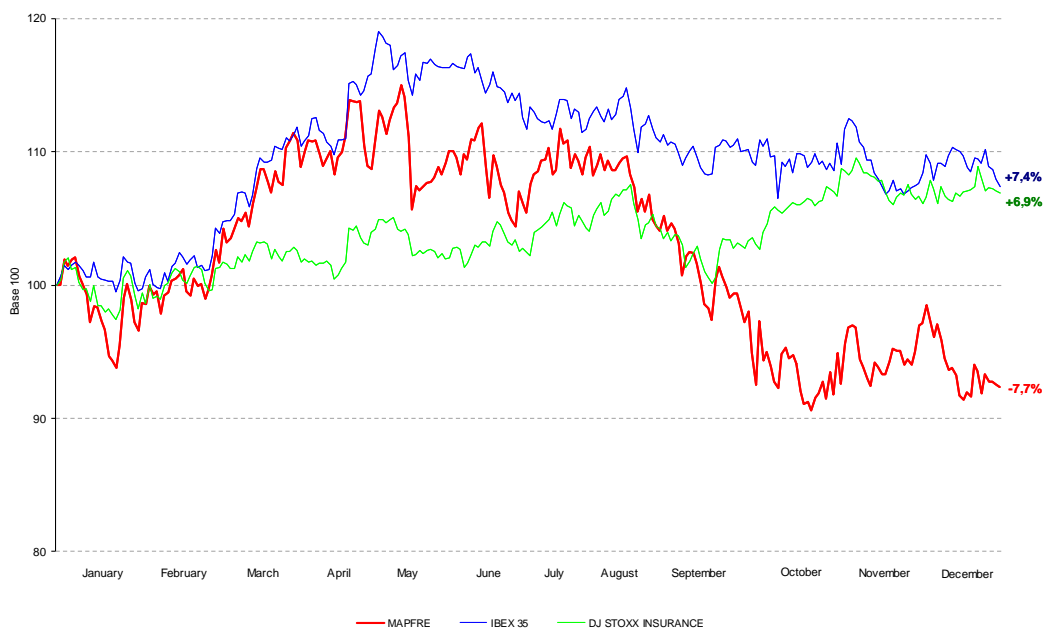
The chart below includes information regarding the development of MAPFRE's shares.

### Stock Market Information

	12/31/2014	12/31/2015	12/31/2016	12/31/2017
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	8,247.0
Share price (euros)	2.813	2.312	2.900	2.678
Changes in value from January 1(%)	-9.6%	-17.8%	25.4%	-7.7%
Changes in IBEX 35 from January 1(%)	3.7%	-7.2%	-2.0%	7.4%
Average number of shares traded daily	11,711,993	9,937,097	9,032,451	7,267,696
Average value traded daily (million euros)	34.6	28.5	20.4	21.5
Period high	3.463	3.605	3.130	3.336
Period low	2.399	2.281	1.617	2.621
Volume / total stock market (%)	1.0%	0.8%	0.8%	0.8%
Book value per share	2.97	2.78	2.96	2.80
Dividend per share (last 12 months)	0.14	0.14	0.13	0.145

In 2017, MAPFRE S.A. shares were traded 257 days on the Continuous Market with a frequency index of 100 percent. In total, 1,867,798,310 securities were traded, compared to 2,312,308,450 the previous year, reflecting a decrease of 19.2 percent. The effective value of these transactions amounted to 5.5 billion euros, compared to 5.2 million euros in 2016, up by 6 percent.

## Share Performance: January 1, 2017 – December 31, 2017



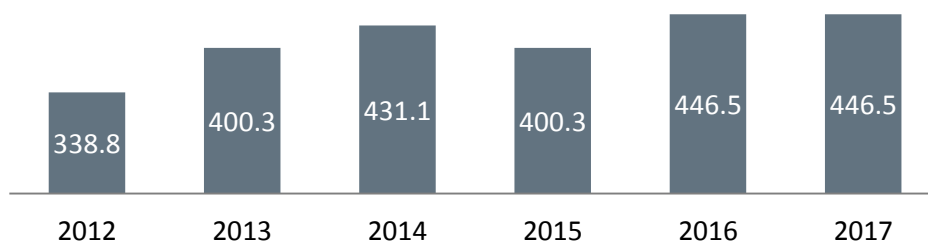
## Price target and share price: April 1, 2015 – December 31, 2017



## Dividend and Payout

The final dividend for the 2017 financial year to be proposed in the Annual General Meeting is 0.085 euros per share. As such, the total dividend against 2017 results amounts to 0.145 euros gross per share, reflecting a pay-out ratio of 63.7 percent.

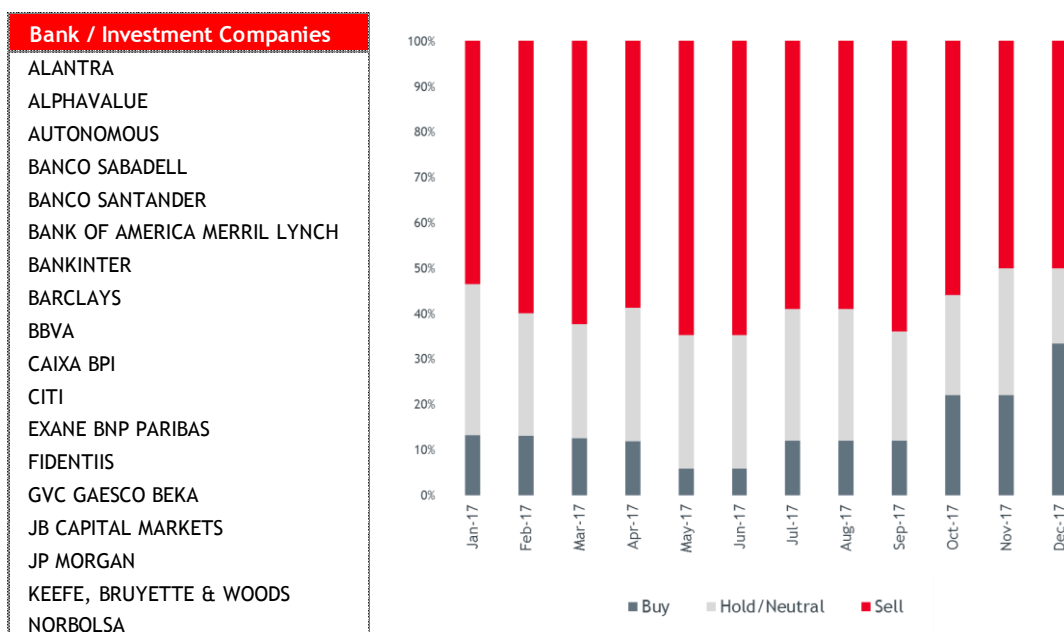
Dividends paid against results



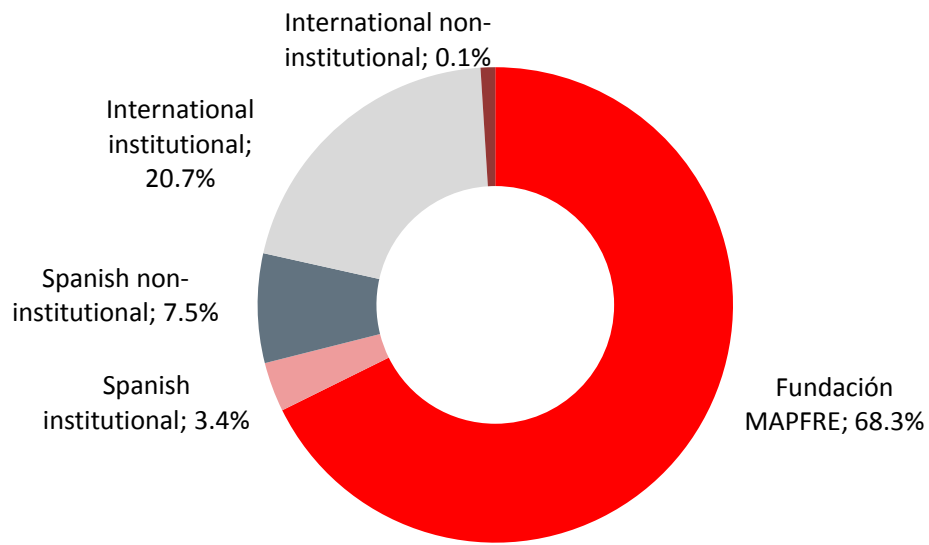
Earnings per share (euros)	0.22	0.26	0.27	0.23	0.25	0.23
Dividend per share (euros)	0.11	0.13	0.14	0.13	0.145	0.145
Payout (%)	50.9%	50.6%	51.0%	56.5%	57.6%	63.7%

Figures in millions of euros

## Analyst coverage: Recommendation summary



## Shareholder composition



## 12. Accolades Received in the Year

### 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.

- **MAPFRE 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.

- **MAPFRE is recognized as one of the leading companies in the battle against climate change**

MAPFRE has been recognized as one of the global leaders for action against climate change by the CDP organization – Driving Sustainable Economies – who included the Group in its Global Climate A List.

- **Maximum recognition from the UN for corporate social responsibility for the sixth consecutive year**

MAPFRE has been awarded the maximum recognition on behalf of the United Nations Global Compact regarding Corporate Social Responsibility.

- **MAPFRE, considered one the best companies for quality of information**

El Informe Reporta 2017 ranked MAPFRE as 9th, with a total of 80 points. MAPFRE stands out for its commitment to and accessibility for information, and climbs 6 positions from the previous year.

- **MAPFRE carried out the best financial operation of any insurer in 2017**

The issuance of subordinated debt notes in 2017 has been recognized by Global Capital, a leading service for news and information about the international capital markets, as the best financial operation of an insurance company in 2017.

### 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 RepTrak Spain**

The Company is number one 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) named 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 eight 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 (Monitor Empresarial de Reputación Corporativa in Spanish) Ranking.

- **MAPFRE wins first place in the Health and Company award**

This award is granted by the specialist publication Digital HR, and recognizes the best initiatives to promote a healthy lifestyle among company employees.

- **MAPFRE, best insurer in the 2017 Merco Talento ranking**

This recognition reaffirms MAPFRE’s position as one of the most desirable companies to work for in Spain.

- **MAPFRE awarded by New Medical Economics journal as the insurer with the best services in the health business.**

These awards recognize the health professionals, companies, and all those who contribute to improving health in Spain.

### **Other companies and business 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 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.

- **MAPFRE INSURANCE, triple award winner for its creativity in marketing and communication**

The Company has received three awards from the Insurance Marketing & Communications Association (IMCA) in the United States

- **MERCO recognizes MAPFRE MÉXICO as the leading insurance company**

MAPFRE MEXICO occupies first place in the ranking of companies in the insurance sector in Mexico with the best corporate reputation.

- **MAPFRE receives the award for "excellence in service" in Nicaragua from the country's Chamber of Commerce**

The company has been recognized for its excellence in service, its innovation, social responsibility, and for its contribution to the national economy.

- **MAPFRE PERU: Best Life insurance company by World Finance**

The British publication World Finance awarded MAPFRE the distinction of "Best Insurer in the Life Category in Peru" at the 2017 edition of the Global Insurance Awards.

### 13. Events Subsequent to Closing

MAPFRE and Banco do Brasil have signed a non-binding memorandum of understanding on February 5, 2018 to update the terms of their strategic alliance in the insurance business. The redefinition of these agreements would result in an increase in MAPFRE's shareholding in its businesses in Brazil, which would allow it to progress toward a simpler and more efficient governance structure and reduce internal costs, with a significant improvement in productivity and business profitability.

According to the terms of the memorandum, MAPFRE would become the owner of 100 percent (currently 50 percent) of the sum of the business generated by the agency network and the automobile and large risks business in the BB bank channel. The same current shareholder configuration for life and agriculture insurance would be maintained and BB's bank channel homeowners insurance, which BB MAPFRE would continue to develop, would be incorporated into this same structure, with MAPFRE's shareholding being 25 percent.

MAPFRE would maintain exclusivity in the Banco do Brasil bank channel for all the businesses falling within the scope of the alliance, both those that it underwrites directly as well as those distributed through BB MAPFRE.

## 14. Appendixes

### 14.1. Consolidated Balance Sheet

ITEM	DECEMBER 2016	DECEMBER 2017
<b>A) INTANGIBLE ASSETS</b>	<b>3,798.9</b>	<b>3,422.9</b>
I. Goodwill	1,990.0	1,883.0
II. Other intangible assets	1,808.9	1,539.9
<b>B) PROPERTY, PLANT AND EQUIPMENT</b>	<b>1,296.6</b>	<b>1,191.7</b>
I. Real estate for own use	1,003.0	920.6
II. Other property, plant and equipment	293.6	271.1
<b>C) INVESTMENTS</b>	<b>45,088.0</b>	<b>44,691.2</b>
I. Real estate investments	1,274.8	1,250.7
II. Financial investments		
1. Held-to-maturity portfolio	2,419.8	2,024.2
2. Available-for-sale portfolio	35,102.6	34,516.4
3. Trading portfolio	5,018.6	5,462.6
III. Investments recorded by applying the equity method	242.6	203.9
IV. Deposits established for accepted reinsurance	650.2	790.6
V. Other investments	379.4	442.8
<b>D) INVESTMENTS ON BEHALF OF LIFE INSURANCE POLICYHOLDERS BEARING THE INVESTMENT RISK</b>	<b>2,014.0</b>	<b>2,320.1</b>
<b>E) INVENTORIES</b>	<b>75.0</b>	<b>67.1</b>
<b>F) PARTICIPATION OF REINSURANCE IN TECHNICAL PROVISIONS</b>	<b>3,934.4</b>	<b>4,989.6</b>
<b>G) DEFERRED TAX ASSETS</b>	<b>335.3</b>	<b>296.8</b>
<b>H) RECEIVABLES</b>	<b>6,651.9</b>	<b>6,337.1</b>
I. Receivables on direct insurance and co-insurance operations	4,315.1	4,019.5
II. Receivables on reinsurance operations	876.6	987.2
III. Tax receivables		
1. Tax on profits receivable	166.2	143.0
2. Other tax receivables	137.6	128.6
IV. Corporate and other receivables	1,156.5	1,058.7
V. Shareholders, called capital	0.0	0.0
<b>I) CASH</b>	<b>1,451.1</b>	<b>1,864.0</b>
<b>J) ACCRUAL ADJUSTMENTS</b>	<b>2,180.0</b>	<b>2,132.3</b>
<b>K) OTHER ASSETS</b>	<b>145.5</b>	<b>101.0</b>
<b>L) NON-CURRENT ASSETS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS</b>	<b>911.2</b>	<b>155.6</b>
<b>TOTAL ASSETS</b>	<b>67,881.8</b>	<b>67,569.5</b>

Figures in millions of euros

ITEM	DECEMBER 2016	DECEMBER 2017
<b>A) EQUITY</b>	<b>11,443.5</b>	<b>10,512.7</b>
I. Paid-up capital	308.0	308.0
II. Share premium	1,506.7	1,506.7
III. Reserves	7,041.5	6,433.1
IV. Interim dividend	(184.8)	(184.8)
V. Treasury Stock	(60.2)	(52.4)
VI. Result attributable to controlling company	775.5	700.5
VII. Other equity instruments	9.7	10.1
VIII. Valuation change adjustments	654.7	620.7
IX. Currency conversion differences	(924.4)	(730.7)
<b>Equity attributable to the controlling company's shareholders</b>	<b>9,126.5</b>	<b>8,611.3</b>
<b>Non-controlling interests</b>	<b>2,317.0</b>	<b>1,901.4</b>
<b>B) SUBORDINATED LIABILITIES</b>	<b>594.0</b>	<b>617.4</b>
<b>C) TECHNICAL PROVISIONS</b>	<b>45,226.1</b>	<b>45,494.0</b>
I. Provisions for unearned premiums and unexpired risks	8,636.5	8,375.1
II. Provisions for life insurance	25,664.8	24,992.9
III. Provision for outstanding claims	10,086.8	11,223.1
IV. Other technical provisions	838.1	902.9
<b>D) TECHNICAL PROVISIONS FOR LIFE INSURANCE WHERE POLICYHOLDERS BEAR THE INVESTMENT RISK</b>	<b>2,014.0</b>	<b>2,320.1</b>
<b>E) PROVISIONS FOR RISKS AND EXPENSES</b>	<b>752.8</b>	<b>661.7</b>
<b>F) DEPOSITS RECEIVED ON CEDED AND RETROCEDED REINSURANCE</b>	<b>49.4</b>	<b>42.4</b>
<b>G) DEFERRED TAX LIABILITIES</b>	<b>730.7</b>	<b>588.0</b>
<b>H) DEBT</b>	<b>6,141.3</b>	<b>7,073.7</b>
I. Issue of debentures and other negotiable securities	1,002.5	1,003.3
II. Due to credit institutions	606.4	706.7
III. Other financial liabilities	752.1	1,235.2
IV. Due on direct insurance and co-insurance operations	953.0	972.1
V. Due on reinsurance operations	1,045.8	1,218.6
VI. Tax liabilities		
1. Tax on profits to be paid	231.3	167.6
2. Other tax liabilities	440.2	343.2
VII. Other debts	1,109.9	1,427.0
<b>I) ACCRUAL ADJUSTMENTS</b>	<b>239.8</b>	<b>258.3</b>
<b>J) LIABILITIES LINKED TO NON-CURRENT ASSETS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS</b>	<b>690.3</b>	<b>1.1</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>67,881.8</b>	<b>67,569.5</b>

Figures in millions of euros

## 14.2. Consolidated Income Statement

ITEM	DECEMBER 2016	DECEMBER 2017
<b>I. REVENUE FROM INSURANCE BUSINESS</b>		
1. Premiums allocated to the financial year, net		
a) Written premiums, direct insurance	19,313.7	19,982.3
b) Premiums from accepted reinsurance	3,499.5	3,498.4
c) Premiums from ceded reinsurance	(3,593.9)	(4,064.4)
d) Variations in provisions for unearned premiums and unexpired risks		
Direct insurance	76.2	(515.6)
Accepted reinsurance	(162.0)	74.1
Ceded reinsurance	(95.3)	334.9
2. Share in profits from equity-accounted companies	10.4	11.0
3. Revenue from investments		
a) From operations	2,603.8	2,363.9
b) From equity	203.8	195.3
4. Unrealized gains on investments on behalf of life insurance policyholders bearing the investment risk	145.4	131.0
5. Other technical revenue	52.9	63.7
6. Other non-technical revenue	71.7	194.6
7. Positive foreign exchange differences	706.0	1,039.8
8. Reversal of the asset impairment provision	22.0	21.1
<b>TOTAL REVENUE FROM INSURANCE BUSINESS</b>	<b>22,854.3</b>	<b>23,330.0</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	(12,560.5)	(13,218.9)
Accepted reinsurance	(2,058.3)	(2,382.9)
Ceded reinsurance	1,687.4	2,881.2
b) Claims-related expenses	(881.6)	(855.7)
2. Variation in other technical provisions, net	(380.2)	(806.6)
3. Profit sharing and returned premiums	(50.1)	(46.8)
4. Net operating expenses		
a) Acquisition expenses	(4,748.0)	(4,924.7)
b) Administration expenses	(770.3)	(760.0)
c) Commissions and participation in reinsurance	518.4	557.0
5. Share in losses from equity-accounted companies	0.0	(0.1)
6. Expenses from investments		
a) From operations	(571.4)	(627.8)
b) From equity and financial accounts	(39.1)	(44.8)
7. Unrealized losses on investments on behalf of life insurance policyholders bearing the investment risk	(25.8)	(8.5)
8. Other technical expenses	(118.1)	(129.6)
9. Other non-technical expenses	(130.6)	(114.3)
10. Negative foreign exchange differences	(626.5)	(1,019.4)
11. Allowance to the asset impairment provision	(121.1)	(162.6)
<b>TOTAL EXPENSES FROM INSURANCE BUSINESS</b>	<b>(20,875.6)</b>	<b>(21,664.5)</b>
<b>RESULT FROM THE INSURANCE BUSINESS</b>	<b>1,978.7</b>	<b>1,665.5</b>
<b>III. OTHER ACTIVITIES</b>		
1. Operating revenue	361.8	363.0
2. Operating expenses	(498.6)	(489.8)
3. Net financial income		
a) Financial income	91.4	97.6
b) Financial expenses	(84.2)	(99.8)
4. Results from non-controlling interests		
a) Share in profits from equity-accounted companies	1.5	3.0
b) Share in losses from equity-accounted companies	(0.5)	(0.0)
5. Reversal of asset impairment provision	8.1	19.0
6. Allowance to the asset impairment provision	(13.2)	(25.2)
7. Result from the disposal of non-current assets classified as held for sale, not included in discontinued operations	0.0	0.0
<b>RESULT FROM OTHER ACTIVITIES</b>	<b>(133.5)</b>	<b>(132.3)</b>
<b>IV. RESULT ON RESTATEMENT OF FINANCIAL ACCOUNTS</b>	<b>(40.0)</b>	<b>(24.5)</b>
<b>V. RESULT BEFORE TAXES FROM ONGOING OPERATIONS</b>	<b>1,805.2</b>	<b>1,508.7</b>
<b>VI. TAX ON PROFITS FROM ONGOING OPERATIONS</b>	<b>(560.0)</b>	<b>(410.3)</b>
<b>VII. RESULT AFTER TAX FROM ONGOING OPERATIONS</b>	<b>1,245.2</b>	<b>1,098.4</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>1,245.2</b>	<b>1,098.4</b>
1. Attributable to non-controlling interests	469.7	397.9
2. Attributable to the controlling company	775.5	700.5

Figures in millions of euros

### 14.3. Key Figures by Region. Quarterly Breakdown.

Period	2016				2017				Δ Annual Sept.-Dec. 2017/2016	Δ Sept.-Dec./ Jul.-Sept. 2017
	Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Sept.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Sept.-Dec.		
<b>Consolidated figures</b>										
Total consolidated revenue	7,263.2	7,377.6	6,323.0	6,128.3	7,854.9	7,583.4	5,854.0	6,691.4	9.2%	14.3%
Written and accepted premiums - Total	6,112.9	5,966.6	5,029.9	5,703.8	6,674.6	6,398.6	4,913.5	5,494.1	-3.7%	11.8%
Written and accepted premiums - Non-Life	5,024.5	4,486.3	3,956.2	4,232.9	5,217.9	5,038.2	3,837.8	4,060.7	-4.1%	5.8%
Written and accepted premiums - Life	1,088.4	1,480.4	1,073.6	1,470.9	1,456.7	1,360.4	1,075.7	1,433.4	-2.5%	33.2%
Net result	191.7	188.7	191.5	203.5	206.2	208.9	29.5	255.9	25.8%	--
Combined ratio	96.8%	98.3%	96.5%	97.9%	97.5%	96.8%	102.0%	96.3%	-1.6 p.p.	-5.7 p.p.
Loss ratio	69.4%	70.5%	67.9%	72.2%	70.8%	68.6%	72.6%	70.7%	-1.5 p.p.	-1.9 p.p.
Expense ratio	27.4%	27.8%	28.6%	25.7%	26.7%	28.2%	29.4%	25.6%	-0.1 p.p.	-3.8 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	1,310.5	1,702.3	4.1%	29.9%
BRAZIL	896.7	1,194.6	1,106.9	1,194.6	1,203.1	1,179.7	1,066.4	1,097.7	-8.1%	2.9%
NORTH AMERICA	615.9	701.3	684.9	621.2	654.0	693.3	630.2	551.1	-11.3%	-12.6%
EURASIA	608.0	481.9	394.6	485.6	586.9	454.1	405.6	423.1	-12.9%	4.3%
LATAM SOUTH	444.2	429.4	413.1	436.9	428.5	466.2	395.5	408.8	-6.4%	3.4%
LATAM NORTH	343.5	345.6	261.5	318.3	366.9	828.3	263.1	313.9	-1.4%	19.3%
MAPFRE RE	1,092.7	1,181.1	906.1	1,054.8	1,165.7	1,160.0	974.7	921.9	-12.6%	-5.4%
MAPFRE GLOBAL RISKS	291.5	344.3	252.1	324.3	318.6	406.4	224.5	307.9	-5.1%	37.1%
MAPFRE ASISTENCIA	284.3	275.5	257.3	249.6	276.1	255.2	250.9	201.3	-19.3%	-19.7%
<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	930.5	1,048.1	3.8%	12.6%
BRAZIL	613.3	798.6	708.1	749.7	838.4	803.6	680.6	673.4	-10.2%	-1.1%
NORTH AMERICA	614.2	693.6	682.2	618.6	651.3	691.0	627.6	554.1	-10.4%	-11.7%
EURASIA	531.8	403.6	342.6	413.4	489.3	384.3	337.3	363.0	-12.2%	7.6%
LATAM SOUTH	394.4	369.6	352.9	369.1	361.7	397.6	332.5	343.6	-6.9%	3.3%
LATAM NORTH	260.8	271.9	199.4	237.6	256.7	753.7	190.0	237.1	-0.2%	24.8%
MAPFRE RE	955.5	946.0	807.5	877.5	1,017.0	911.1	871.6	766.0	-12.7%	-12.1%
MAPFRE GLOBAL RISKS	291.5	344.3	252.1	324.3	318.6	406.4	224.5	307.9	-5.1%	37.1%
MAPFRE ASISTENCIA	284.3	275.5	257.3	249.6	276.1	255.2	250.9	201.3	-19.3%	-19.7%
<b>Written and accepted premiums - Life</b>										
IBERIA	457.2	629.6	399.2	625.2	665.9	519.9	380.0	654.2	4.6%	72.2%
BRAZIL	283.4	395.9	398.8	444.9	364.8	376.1	385.7	424.3	-4.6%	10.0%
NORTH AMERICA	1.7	7.7	2.6	2.6	2.7	2.2	2.6	(3.0)	--	--
EURASIA	76.1	78.3	52.0	72.2	97.6	69.8	68.3	60.1	-16.8%	-12.0%
LATAM SOUTH	49.8	59.8	60.2	67.7	66.8	68.7	63.0	65.2	-3.8%	3.5%
LATAM NORTH	82.8	73.7	62.2	80.7	110.2	74.6	73.0	76.8	-4.9%	5.2%
MAPFRE RE	137.2	235.2	98.5	177.3	148.7	248.9	103.1	155.9	-12.1%	51.2%
MAPFRE GLOBAL RISKS	--	--	--	--	--	--	--	--	--	--
MAPFRE ASISTENCIA	--	--	--	--	--	--	--	--	--	--

Figures in millions of euros

Quarter	2016				2017				Δ Annual Sept.-Dec. 2017/2016	Δ Sept.-Dec./ Jul.-Sept. 2017
	I	II	III	IV	I	II	III	IV		
Period	Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Sept.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Sept.-Dec.		
<b>Net result</b>										
IBERIA	100.6	123.3	136.0	176.1	127.6	133.1	128.6	122.3	-30.6%	-4.9%
BRAZIL	25.0	42.2	34.6	39.5	26.2	36.8	23.0	39.4	-0.2%	71.2%
NORTH AMERICA	15.2	24.4	18.0	19.7	15.9	16.4	(11.0)	27.4	39.0%	--
EURASIA	4.5	(12.4)	(12.8)	(48.3)	8.5	13.0	7.7	10.1	-578.9%	31.0%
LATAM SOUTH	12.4	7.9	(4.3)	0.6	15.6	19.1	12.2	23.3	--	91.2%
LATAM NORTH	11.7	11.6	6.0	5.0	4.6	12.5	6.7	9.9	99.5%	48.8%
MAPFRE RE	51.1	39.3	32.3	63.4	51.3	50.4	(4.4)	65.4	3.1%	--
MAPFRE GLOBAL RISKS	13.6	11.9	5.0	16.8	0.2	(13.2)	(74.2)	20.9	24.2%	-455.5%
MAPFRE ASISTENCIA	(14.4)	(7.5)	(6.8)	(27.7)	(9.1)	(15.4)	(26.6)	(17.3)	59.8%	53.5%
Holdings and consolidation adjustments	(28.0)	(51.8)	(16.5)	(41.5)	(34.6)	(43.8)	(32.5)	(45.4)	-8.6%	-28.3%
<b>Combined ratio</b>										
IBERIA	92.6%	95.3%	90.3%	99.6%	94.6%	95.6%	91.8%	93.0%	-6.6 p.p.	1.2 p.p.
BRAZIL	100.1%	92.8%	91.6%	93.0%	98.5%	92.0%	92.9%	100.9%	7.9 p.p.	8.0 p.p.
NORTH AMERICA	101.5%	100.6%	99.5%	102.1%	101.4%	101.8%	109.4%	107.5%	5.3 p.p.	-2.0 p.p.
EURASIA	101.5%	100.6%	99.5%	102.1%	101.4%	101.8%	109.4%	107.5%	5.3 p.p.	-2.0 p.p.
LATAM SOUTH	97.1%	100.3%	98.6%	100.1%	99.2%	100.3%	97.0%	89.9%	-10.3 p.p.	-7.2 p.p.
LATAM NORTH	97.4%	104.4%	107.3%	100.5%	99.1%	94.1%	104.1%	95.5%	-5.0 p.p.	-8.6 p.p.
MAPFRE RE	93.0%	100.6%	96.6%	86.4%	91.4%	93.1%	106.4%	91.2%	4.8 p.p.	-15.3 p.p.
MAPFRE GLOBAL RISKS	89.5%	93.9%	105.1%	101.4%	109.5%	130.9%	231.6%	78.9%	-22.4 p.p.	-152.7 p.p.
MAPFRE ASISTENCIA	101.5%	99.9%	101.4%	105.6%	103.9%	99.0%	104.5%	108.0%	2.4 p.p.	3.5 p.p.
<b>Loss ratio</b>										
IBERIA	71.3%	73.8%	69.3%	76.9%	74.1%	74.8%	69.8%	72.6%	-4.3 p.p.	2.8 p.p.
BRAZIL	68.6%	60.4%	58.2%	64.6%	66.4%	56.9%	58.9%	63.6%	-1.0 p.p.	4.7 p.p.
NORTH AMERICA	76.2%	74.7%	74.4%	76.2%	75.8%	76.5%	83.6%	82.1%	5.8 p.p.	-1.5 p.p.
EURASIA	76.5%	76.2%	78.5%	92.8%	76.8%	78.1%	79.6%	76.3%	-16.5 p.p.	-3.3 p.p.
LATAM SOUTH	60.1%	61.0%	65.7%	61.5%	62.1%	61.3%	58.1%	59.9%	-1.6 p.p.	1.7 p.p.
LATAM NORTH	62.3%	72.6%	73.1%	65.5%	69.8%	63.2%	68.1%	60.5%	-4.9 p.p.	-7.6 p.p.
MAPFRE RE	62.6%	71.6%	60.1%	64.4%	64.2%	60.1%	69.4%	70.1%	5.7 p.p.	0.7 p.p.
MAPFRE GLOBAL RISKS	57.4%	68.2%	72.5%	79.2%	75.6%	99.7%	197.9%	53.4%	-25.8 p.p.	-144.5 p.p.
MAPFRE ASISTENCIA	73.1%	68.4%	70.4%	70.0%	72.7%	59.4%	64.6%	72.4%	2.4 p.p.	7.9 p.p.
<b>Expense ratio</b>										
IBERIA	21.3%	21.5%	21.0%	22.7%	20.5%	20.8%	22.0%	20.4%	-2.3 p.p.	-1.6 p.p.
BRAZIL	31.5%	32.4%	33.5%	28.4%	32.0%	35.1%	34.0%	37.3%	8.9 p.p.	3.3 p.p.
NORTH AMERICA	25.3%	25.9%	25.1%	25.9%	25.7%	25.3%	25.8%	25.4%	-0.5 p.p.	-0.5 p.p.
EURASIA	26.5%	29.8%	32.0%	16.6%	23.9%	20.2%	23.5%	25.2%	8.6 p.p.	1.7 p.p.
LATAM SOUTH	36.9%	39.2%	33.0%	38.6%	37.1%	39.0%	38.9%	30.0%	-8.7 p.p.	-8.9 p.p.
LATAM NORTH	35.1%	31.9%	34.2%	35.1%	29.3%	30.9%	36.0%	35.0%	-0.1 p.p.	-1.0 p.p.
MAPFRE RE	30.4%	29.0%	36.5%	22.0%	27.2%	33.0%	37.0%	21.1%	-0.9 p.p.	-15.9 p.p.
MAPFRE GLOBAL RISKS	32.0%	25.7%	32.6%	22.2%	33.9%	31.2%	33.8%	25.6%	3.4 p.p.	-8.2 p.p.
MAPFRE ASISTENCIA	28.4%	31.4%	31.0%	35.6%	31.1%	39.6%	39.9%	35.5%	0.0 p.p.	-4.4 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	
	DECEMBER 2016	DECEMBER 2017	DECEMBER 2016	DECEMBER 2017	DECEMBER 2016	DECEMBER 2017	DECEMBER 2016	DECEMBER 2017
<b>A) CONSOLIDATED RESULT FOR THE YEAR</b>	<b>1,805.2</b>	<b>1,508.7</b>	<b>(560.0)</b>	<b>(410.3)</b>	<b>469.7</b>	<b>397.9</b>	<b>775.5</b>	<b>700.5</b>
<b>B) OTHER RECOGNIZED REVENUE (EXPENSES)</b>	<b>566.7</b>	<b>(902.4)</b>	<b>(4.0)</b>	<b>15.6</b>	<b>342.2</b>	<b>(213.8)</b>	<b>220.5</b>	<b>(673.1)</b>
<b>1. Financial assets available for sale</b>	<b>328.7</b>	<b>(466.9)</b>	<b>(76.1)</b>	<b>124.6</b>	<b>60.2</b>	<b>(56.8)</b>	<b>192.4</b>	<b>(285.5)</b>
a) Valuation gains (losses)	570.3	(263.9)	(139.8)	71.1				
b) Amounts transferred to the income statement	(238.9)	(204.6)	62.9	53.3				
c) Other reclassifications	(2.7)	1.6	0.8	0.2				
<b>2. Currency conversion differences</b>	<b>526.0</b>	<b>(852.0)</b>	<b>0.4</b>	<b>1.0</b>	<b>308.4</b>	<b>(212.0)</b>	<b>218.0</b>	<b>(639.1)</b>
a) Valuation gains (losses)	526.7	(850.5)	0.4	1.0				
b) Amounts transferred to the income statement	(0.6)	(0.0)	0.0	0.0				
c) Other reclassifications	(0.1)	(1.5)	0.0	0.0				
<b>3. Shadow accounting</b>	<b>(287.1)</b>	<b>419.1</b>	<b>71.7</b>	<b>(110.0)</b>	<b>(26.3)</b>	<b>54.9</b>	<b>(189.1)</b>	<b>254.2</b>
a) Valuation gains (losses)	(314.4)	381.5	78.6	(100.6)				
b) Amounts transferred to the income statement	27.4	37.6	(6.8)	(9.4)				
c) Other reclassifications	0.0	0.0	0.0	0.0				
<b>4. Equity-accounted entities</b>	<b>(1.0)</b>	<b>(0.1)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(1.0)</b>	<b>(0.1)</b>
a) Valuation gains (losses)	2.7	0.1	0.0	0.0				
b) Amounts transferred to the income statement	0.0	0.0	0.0	0.0				
c) Other reclassifications	(3.6)	(0.2)	0.0	0.0				
<b>5. Other recognized revenue and expenses</b>	<b>(0.0)</b>	<b>(2.6)</b>	<b>0.0</b>	<b>0.1</b>	<b>(0.2)</b>	<b>0.1</b>	<b>0.2</b>	<b>(2.6)</b>
<b>TOTALS</b>	<b>2,371.8</b>	<b>606.3</b>	<b>(563.9)</b>	<b>(394.7)</b>	<b>811.9</b>	<b>184.1</b>	<b>996.0</b>	<b>27.4</b>

Figures in millions of euros

## 14.5. Income Statement by Regional Area

ITEM	IBERIA		BRAZIL		NORTH AMERICA		EURASIA		LATAM SOUTH	
	DECEMBER 2016	DECEMBER 2017	DECEMBER 2016	DECEMBER 2017	DECEMBER 2016	DECEMBER 2017	DECEMBER 2016	DECEMBER 2017	DECEMBER 2016	DECEMBER 2017
Gross written and accepted premiums	5,028.1	5,183.9	3,064.4	3,183.4	2,887.7	2,783.5	2,422.0	2,256.2	1,640.3	1,563.9
Net premiums earned	4,281.0	4,373.6	2,306.5	2,266.5	2,141.6	2,085.1	1,596.9	1,486.6	932.8	936.6
Net claims incurred and variation in other technical provisions	(3,104.8)	(3,193.0)	(1,452.2)	(1,401.4)	(1,587.0)	(1,667.5)	(1,274.9)	(1,183.9)	(585.7)	(572.5)
Net operating expenses	(887.3)	(890.0)	(722.6)	(775.6)	(573.4)	(566.4)	(436.5)	(398.8)	(350.3)	(342.8)
Other technical revenue and expenses	(33.5)	(22.1)	1.4	0.0	13.1	14.3	(12.1)	(10.3)	1.7	(4.5)
<b>Technical result</b>	<b>255.5</b>	<b>268.5</b>	<b>133.1</b>	<b>89.5</b>	<b>(5.7)</b>	<b>(134.4)</b>	<b>(126.7)</b>	<b>(106.3)</b>	<b>(1.5)</b>	<b>16.8</b>
Net financial income	334.2	237.5	172.7	13.2	137.2	120.7	6.9	65.0	66.4	55.7
Other non-technical revenue and expenses	(53.3)	(35.6)	1.8	103.4	(1.2)	(1.2)	(0.8)	(0.8)	(3.2)	1.4
<b>Result of Non-Life business</b>	<b>536.4</b>	<b>470.4</b>	<b>307.7</b>	<b>206.0</b>	<b>130.3</b>	<b>(14.9)</b>	<b>(120.6)</b>	<b>(42.2)</b>	<b>61.7</b>	<b>74.0</b>
Gross written and accepted premiums	2,111.2	2,220.0	1,523.1	1,550.9	14.7	4.5	278.7	295.8	237.5	263.6
Net premiums earned	2,079.1	2,192.1	1,574.7	1,523.0	6.3	6.6	275.0	291.5	200.5	215.1
Net claims incurred and variation in other technical provisions	(2,478.4)	(2,521.5)	(742.3)	(668.7)	(1.9)	(1.8)	(326.1)	(327.2)	(197.4)	(176.1)
Net operating expenses	(230.8)	(244.2)	(596.6)	(652.4)	(5.8)	(5.8)	(18.9)	(18.9)	(100.5)	(106.7)
Other technical revenue and expenses	(17.4)	(24.2)	(3.3)	(7.3)	0.0	0.0	0.5	0.5	(1.0)	(1.1)
<b>Technical result</b>	<b>(647.6)</b>	<b>(597.9)</b>	<b>232.5</b>	<b>194.6</b>	<b>(1.4)</b>	<b>(1.0)</b>	<b>(69.4)</b>	<b>(54.2)</b>	<b>(98.3)</b>	<b>(68.8)</b>
<b>Financial result and other non-technical revenue</b>	<b>869.3</b>	<b>839.0</b>	<b>261.6</b>	<b>209.7</b>	<b>0.6</b>	<b>0.6</b>	<b>79.6</b>	<b>67.3</b>	<b>83.6</b>	<b>92.3</b>
<b>Result of Life business</b>	<b>221.7</b>	<b>241.1</b>	<b>494.1</b>	<b>404.3</b>	<b>(0.8)</b>	<b>(0.5)</b>	<b>10.1</b>	<b>13.1</b>	<b>(14.7)</b>	<b>23.5</b>
<b>Result from other business activities</b>	<b>51.9</b>	<b>50.9</b>	<b>10.6</b>	<b>13.0</b>	<b>(9.6)</b>	<b>(2.6)</b>	<b>(24.4)</b>	<b>(18.1)</b>	<b>(12.8)</b>	<b>4.0</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>810.0</b>	<b>762.4</b>	<b>812.3</b>	<b>623.3</b>	<b>119.9</b>	<b>(18.0)</b>	<b>(134.8)</b>	<b>(47.2)</b>	<b>34.2</b>	<b>101.4</b>
Tax on profits	(152.6)	(161.4)	(311.9)	(218.5)	(39.4)	33.5	18.1	(2.7)	(21.1)	(26.6)
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	75.1	75.8	356.0	276.9	0.5	0.2	6.4	12.4	7.9	10.4
<b>Attributable net result</b>	<b>582.3</b>	<b>525.2</b>	<b>144.4</b>	<b>127.9</b>	<b>80.0</b>	<b>15.3</b>	<b>(123.1)</b>	<b>(62.2)</b>	<b>5.2</b>	<b>64.4</b>
Loss ratio	72.5%	73.0%	63.0%	61.8%	74.1%	80.0%	79.8%	79.6%	62.8%	61.1%
Expense ratio	21.5%	20.9%	31.3%	34.2%	26.2%	26.5%	28.1%	27.5%	37.4%	37.1%
<b>Combined ratio</b>	<b>94.0%</b>	<b>93.9%</b>	<b>94.2%</b>	<b>96.1%</b>	<b>100.3%</b>	<b>106.4%</b>	<b>107.9%</b>	<b>107.2%</b>	<b>100.2%</b>	<b>98.2%</b>

Figures in millions of euros

ITEM	LATAM NORTH		MAPFRE RE		CONS. ADJUST. & CORPORATE AREAS		TOTAL	
	DECEMBER 2016	DECEMBER 2017	DECEMBER 2016	DECEMBER 2017	DECEMBER 2016	DECEMBER 2017	DECEMBER 2016	DECEMBER 2017
Gross written and accepted premiums	1,043.8	1,513.6	3,586.5	3,565.7	(1,972.9)	(1,895.8)	17,699.8	18,154.5
Net premiums earned	696.7	662.0	2,175.8	2,433.8	27.5	10.8	14,158.7	14,255.0
Net claims incurred and variation in other technical provisions	(468.7)	(436.8)	(1,413.7)	(1,611.7)	(24.4)	(6.8)	(9,911.3)	(10,073.5)
Net operating expenses	(225.1)	(215.2)	(630.1)	(694.1)	(11.0)	0.5	(3,836.4)	(3,882.4)
Other technical revenue and expenses	(8.8)	(7.0)	(1.8)	(1.5)	(0.4)	(0.2)	(40.4)	(31.2)
<b>Technical result</b>	<b>(5.9)</b>	<b>3.0</b>	<b>130.1</b>	<b>126.5</b>	<b>(8.4)</b>	<b>4.4</b>	<b>370.5</b>	<b>267.9</b>
Net financial income	44.4	30.7	91.6	80.5	68.7	13.3	922.0	616.6
Other non-technical revenue and expenses	0.1	(0.1)	(4.1)	(5.6)	(0.1)	(0.1)	(60.8)	61.4
<b>Result of Non-Life business</b>	<b>38.5</b>	<b>33.7</b>	<b>217.6</b>	<b>201.3</b>	<b>60.2</b>	<b>17.6</b>	<b>1,231.8</b>	<b>945.8</b>
Gross written and accepted premiums	299.4	334.5	648.2	656.7	0.5	0.2	5,113.3	5,326.2
Net premiums earned	227.6	260.2	516.0	565.9	0.4	0.1	4,879.5	5,054.6
Net claims incurred and variation in other technical provisions	(149.0)	(184.1)	(436.8)	(493.3)	0.0	16.5	(4,331.9)	(4,356.2)
Net operating expenses	(80.8)	(83.9)	(130.1)	(133.4)	(0.1)	(0.1)	(1,163.5)	(1,245.3)
Other technical revenue and expenses	(2.9)	(2.0)	(0.5)	(0.5)	(0.0)	(0.0)	(24.7)	(34.7)
<b>Technical result</b>	<b>(5.1)</b>	<b>(9.7)</b>	<b>(51.4)</b>	<b>(61.2)</b>	<b>0.3</b>	<b>16.6</b>	<b>(640.6)</b>	<b>(581.6)</b>
<b>Financial result and other non-technical revenue</b>	<b>28.1</b>	<b>27.4</b>	<b>86.6</b>	<b>81.2</b>	<b>(22.0)</b>	<b>(16.2)</b>	<b>1,387.5</b>	<b>1,301.3</b>
<b>Result of Life business</b>	<b>23.1</b>	<b>17.7</b>	<b>35.2</b>	<b>19.9</b>	<b>(21.7)</b>	<b>0.4</b>	<b>746.9</b>	<b>719.7</b>
<b>Result from other business activities</b>	<b>(4.5)</b>	<b>(3.4)</b>	<b>0.0</b>	<b>0.0</b>	<b>(144.8)</b>	<b>(175.9)</b>	<b>(133.5)</b>	<b>(132.3)</b>
Hyperinflation adjustments	0.0	0.0	0.0	0.0	(40.0)	(24.5)	(40.0)	(24.5)
<b>Result before tax</b>	<b>57.1</b>	<b>47.9</b>	<b>252.8</b>	<b>221.2</b>	<b>(146.3)</b>	<b>(182.4)</b>	<b>1,805.2</b>	<b>1,508.7</b>
Tax on profits	(9.6)	(11.9)	(66.8)	(58.6)	23.3	35.7	(560.0)	(410.3)
Result from discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-controlling interests	8.6	9.5	(0.0)	(0.0)	15.3	12.6	469.7	397.9
<b>Attributable net result</b>	<b>38.8</b>	<b>26.5</b>	<b>186.1</b>	<b>162.7</b>	<b>(138.3)</b>	<b>(159.3)</b>	<b>775.5</b>	<b>700.5</b>
Loss ratio	67.3%	66.0%	65.0%	66.2%			70.0%	70.7%
Expense ratio	33.6%	33.6%	29.0%	28.6%			27.4%	27.5%
<b>Combined ratio</b>	<b>100.9%</b>	<b>99.5%</b>	<b>94.0%</b>	<b>94.8%</b>			<b>97.4%</b>	<b>98.1%</b>

Figure in millions of euros

## 14.6. Income Statement by Business Unit

ITEM	IBERIA		BRAZIL		NORTH AMERICA		EURASIA		LATAM SOUTH		LATAM NORTH	
	DECEMBER 2016	DECEMBER 2017	DECEMBER 2016	DECEMBER 2017	DECEMBER 2016	DECEMBER 2017	DECEMBER 2016	DECEMBER 2017	DECEMBER 2016	DECEMBER 2017	DECEMBER 2016	DECEMBER 2017
Gross written and accepted premiums	4,593.3	4,740.2	2,869.8	2,996.0	2,608.7	2,524.0	1,691.3	1,574.0	1,486.0	1,435.3	969.6	1,437.6
Net premiums earned	4,118.8	4,203.2	2,249.8	2,205.4	2,016.7	1,989.8	1,052.7	1,012.2	779.2	786.7	600.4	571.4
Net claims incurred and variation in other technical provisions	(3,001.0)	(3,059.7)	(1,411.7)	(1,357.8)	(1,520.4)	(1,579.3)	(847.6)	(786.9)	(483.6)	(475.4)	(409.6)	(372.7)
Net operating expenses	(856.8)	(853.2)	(709.6)	(761.3)	(529.2)	(522.5)	(272.4)	(226.9)	(290.8)	(283.8)	(196.2)	(181.9)
Other technical revenue and expenses	(33.4)	(26.0)	1.3	0.3	13.5	14.6	(9.0)	(7.8)	2.5	(2.9)	(8.2)	(5.5)
<b>Technical result</b>	<b>227.5</b>	<b>264.3</b>	<b>129.9</b>	<b>86.7</b>	<b>(19.4)</b>	<b>(97.4)</b>	<b>(76.3)</b>	<b>(9.3)</b>	<b>7.3</b>	<b>24.6</b>	<b>(13.6)</b>	<b>11.3</b>
Net financial income	311.7	225.9	170.4	10.7	136.2	119.9	(3.4)	62.9	64.0	53.5	42.0	29.4
Other non-technical revenue and expenses	(54.1)	(36.4)	1.8	103.4	(1.2)	(1.2)	(0.8)	(0.8)	(3.2)	1.4	0.1	(0.1)
<b>Result of Non-Life business</b>	<b>485.2</b>	<b>453.8</b>	<b>302.1</b>	<b>200.7</b>	<b>115.6</b>	<b>21.3</b>	<b>(80.5)</b>	<b>52.8</b>	<b>68.0</b>	<b>79.5</b>	<b>28.5</b>	<b>40.6</b>
Gross written and accepted premiums	2,111.2	2,220.0	1,523.1	1,550.9	14.7	4.5	278.7	295.8	237.5	263.6	299.4	334.5
Net premiums earned	2,079.1	2,192.1	1,574.7	1,523.0	6.3	6.6	275.0	291.5	200.5	215.1	227.6	260.2
Net claims incurred and variation in other technical provisions	(2,478.4)	(2,521.5)	(742.3)	(668.7)	(1.9)	(1.8)	(326.1)	(327.2)	(197.4)	(176.1)	(149.0)	(184.1)
Net operating expenses	(230.8)	(244.2)	(596.6)	(652.4)	(5.8)	(5.8)	(18.9)	(18.9)	(100.5)	(106.7)	(80.8)	(83.9)
Other technical revenue and expenses	(17.4)	(24.2)	(3.3)	(7.3)	0.0	0.0	0.5	0.5	(1.0)	(1.1)	(2.9)	(2.0)
<b>Technical result</b>	<b>(647.6)</b>	<b>(597.9)</b>	<b>232.5</b>	<b>194.6</b>	<b>(1.4)</b>	<b>(1.0)</b>	<b>(69.4)</b>	<b>(54.2)</b>	<b>(98.3)</b>	<b>(68.8)</b>	<b>(5.1)</b>	<b>(9.7)</b>
<b>Financial result and other non-technical revenue</b>	<b>869.3</b>	<b>839.0</b>	<b>261.6</b>	<b>209.7</b>	<b>0.6</b>	<b>0.6</b>	<b>79.6</b>	<b>67.3</b>	<b>83.6</b>	<b>92.3</b>	<b>28.1</b>	<b>27.4</b>
<b>Result of Life business</b>	<b>221.7</b>	<b>241.1</b>	<b>494.1</b>	<b>404.3</b>	<b>(0.8)</b>	<b>(0.5)</b>	<b>10.1</b>	<b>13.1</b>	<b>(14.7)</b>	<b>23.5</b>	<b>23.1</b>	<b>17.7</b>
<b>Result from other business activities</b>	<b>52.8</b>	<b>51.9</b>	<b>12.0</b>	<b>15.1</b>	<b>0.0</b>	<b>0.1</b>	<b>(4.9)</b>	<b>(5.1)</b>	<b>(7.6)</b>	<b>4.9</b>	<b>(1.2)</b>	<b>(0.6)</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>759.7</b>	<b>746.9</b>	<b>808.2</b>	<b>620.1</b>	<b>114.8</b>	<b>20.9</b>	<b>(75.3)</b>	<b>60.9</b>	<b>45.7</b>	<b>107.9</b>	<b>50.4</b>	<b>57.6</b>
Tax on profits	(148.5)	(159.5)	(310.9)	(217.8)	(37.0)	28.0	11.7	(10.8)	(21.3)	(27.3)	(7.6)	(14.4)
Result from discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-controlling interests	75.2	75.9	356.0	276.9	0.5	0.2	5.4	10.8	7.9	10.4	8.5	9.4
<b>Attributable net result</b>	<b>535.9</b>	<b>511.5</b>	<b>141.3</b>	<b>125.4</b>	<b>77.3</b>	<b>48.7</b>	<b>(69.0)</b>	<b>39.3</b>	<b>16.5</b>	<b>70.2</b>	<b>34.2</b>	<b>33.8</b>
Loss ratio	72.9%	72.8%	62.7%	61.6%	75.4%	79.4%	80.5%	77.7%	62.1%	60.4%	68.2%	65.2%
Expense ratio	21.6%	20.9%	31.5%	34.5%	25.6%	25.5%	26.7%	23.2%	37.0%	36.4%	34.0%	32.8%
<b>Combined ratio</b>	<b>94.5%</b>	<b>93.7%</b>	<b>94.2%</b>	<b>96.1%</b>	<b>101.0%</b>	<b>104.9%</b>	<b>107.3%</b>	<b>100.9%</b>	<b>99.1%</b>	<b>96.9%</b>	<b>102.3%</b>	<b>98.0%</b>
Investments, real estate and cash	30,504.8	31,425.1	4,770.0	4,166.9	2,556.1	2,393.1	3,536.4	3,886.6	2,002.6	1,845.4	1,413.8	1,260.7
Technical provisions	26,797.2	27,223.5	5,565.5	4,971.3	2,569.0	3,069.6	3,782.4	4,079.3	2,524.7	2,399.2	1,399.7	1,730.9
Shareholders' equity	4,025.6	4,125.6	1,256.6	1,109.5	1,399.8	1,264.1	517.1	700.5	523.9	538.6	780.3	684.1
ROE	13.6%	12.6%	12.7%	10.6%	5.7%	3.7%	-12.6%	6.5%	3.5%	13.2%	4.4%	4.6%

Figures in millions of euros

ITEM	MAPFRE RE		MAPFRE GLOBAL RISKS		MAPFRE ASISTENCIA		CONS. ADJUST. & CORPORATE AREAS		TOTAL	
	DECEMBER 2016	DECEMBER 2017	DECEMBER 2016	DECEMBER 2017	DECEMBER 2016	DECEMBER 2017	DECEMBER 2016	DECEMBER 2017	DECEMBER 2016	DECEMBER 2017
Gross written and accepted premiums	3,586.5	3,565.7	1,212.2	1,257.4	1,066.8	983.5	(2,384.3)	(2,359.2)	17,699.8	18,154.5
Net premiums earned	2,175.8	2,433.8	336.1	333.1	804.0	712.4	25.3	7.0	14,158.7	14,255.0
Net claims incurred and variation in other technical provisions	(1,413.7)	(1,611.7)	(233.9)	(347.3)	(566.7)	(477.9)	(23.3)	(4.7)	(9,911.3)	(10,073.5)
Net operating expenses	(630.1)	(694.1)	(91.1)	(103.2)	(251.2)	(258.6)	(8.9)	3.0	(3,836.4)	(3,882.4)
Other technical revenue and expenses	(1.8)	(1.5)	(2.5)	(0.4)	(2.4)	(2.0)	(0.3)	(0.1)	(40.4)	(31.2)
<b>Technical result</b>	<b>130.1</b>	<b>126.5</b>	<b>8.5</b>	<b>(117.8)</b>	<b>(16.2)</b>	<b>(26.1)</b>	<b>(7.2)</b>	<b>5.2</b>	<b>370.5</b>	<b>267.9</b>
Net financial income	91.6	80.5	40.5	27.0	2.1	(6.2)	66.9	13.0	922.0	616.6
Other non-technical revenue and expenses	(4.1)	(5.6)	0.9	1.0	0.0	0.0	(0.2)	(0.2)	(60.8)	61.4
<b>Result of Non-Life business</b>	<b>217.6</b>	<b>201.3</b>	<b>49.9</b>	<b>(89.9)</b>	<b>(14.1)</b>	<b>(32.3)</b>	<b>59.5</b>	<b>18.0</b>	<b>1,231.8</b>	<b>945.8</b>
Gross written and accepted premiums	648.2	656.7	0.0	0.0	0.0	0.0	0.5	0.2	5,113.3	5,326.2
Net premiums earned	516.0	565.9	0.0	0.0	0.0	0.0	0.4	0.1	4,879.5	5,054.6
Net claims incurred and variation in other technical provisions	(436.8)	(493.3)	0.0	0.0	0.0	0.0	0.0	16.5	(4,331.9)	(4,356.2)
Net operating expenses	(130.1)	(133.4)	0.0	0.0	0.0	0.0	(0.1)	(0.1)	(1,163.5)	(1,245.3)
Other technical revenue and expenses	(0.5)	(0.5)	0.0	0.0	0.0	0.0	(0.0)	(0.0)	(24.7)	(34.7)
<b>Technical result</b>	<b>(51.4)</b>	<b>(61.2)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.3</b>	<b>16.6</b>	<b>(640.6)</b>	<b>(581.6)</b>
<b>Financial result and other non-technical revenue</b>	<b>86.6</b>	<b>81.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(22.0)</b>	<b>(16.2)</b>	<b>1,387.5</b>	<b>1,301.3</b>
<b>Result of Life business</b>	<b>35.2</b>	<b>19.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(21.7)</b>	<b>0.4</b>	<b>746.9</b>	<b>719.7</b>
<b>Result from other business activities</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(40.9)</b>	<b>(24.4)</b>	<b>(143.7)</b>	<b>(174.3)</b>	<b>(133.5)</b>	<b>(132.3)</b>
Hyperinflation adjustments	0.0	0.0	0.0	0.0	0.2	(0.1)	(40.2)	(24.4)	(40.0)	(24.5)
<b>Result before tax</b>	<b>252.8</b>	<b>221.2</b>	<b>49.9</b>	<b>(89.8)</b>	<b>(54.9)</b>	<b>(56.8)</b>	<b>(146.1)</b>	<b>(180.2)</b>	<b>1,805.2</b>	<b>1,508.7</b>
Tax on profits	(66.8)	(58.6)	(2.7)	23.6	(0.4)	(10.0)	23.4	36.5	(560.0)	(410.3)
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	(0.0)	(0.0)	0.0	0.0	1.1	1.6	15.2	12.6	469.7	397.9
<b>Attributable net result</b>	<b>186.1</b>	<b>162.7</b>	<b>47.3</b>	<b>(66.3)</b>	<b>(56.4)</b>	<b>(68.4)</b>	<b>(137.8)</b>	<b>(156.3)</b>	<b>775.5</b>	<b>700.5</b>
Loss ratio	65.0%	66.2%	69.6%	104.3%	70.5%	67.1%			70.0%	70.7%
Expense ratio	29.0%	28.6%	27.9%	31.1%	31.5%	36.6%			27.4%	27.5%
<b>Combined ratio</b>	<b>94.0%</b>	<b>94.8%</b>	<b>97.5%</b>	<b>135.4%</b>	<b>102.0%</b>	<b>103.7%</b>			<b>97.4%</b>	<b>98.1%</b>
Investments, real estate and cash	4,338.2	4,472.0	992.4	925.1	240.0	331.2	(798.2)	(910.3)	49,556.0	49,796.0
Technical provisions	3,797.2	4,727.1	1,992.3	2,420.3	644.6	673.4	(1,832.5)	(3,480.4)	47,240.1	47,814.1
Shareholders' equity	1,279.4	1,301.4	396.5	335.4	253.4	232.5	(1,306.2)	(1,680.5)	9,126.5	8,611.3
ROE	15.2%	12.6%	11.9%	-18.1%	-21.9%	-28.2%			8.8%	7.9%

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>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 ratio</b>	The coefficient between Eligible Own Funds and Solvency Capital Requirement
<b>Technical and financial margin – Life</b>	Technical and financial result, plus other non-technical revenue / arithmetic mean of 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) / Net premiums earned. Figures regarding Non-Life Insurance
<b>Loss ratio - Non-Life</b>	(Incurred claims for the year, net + Variation in other technical provisions + Profit sharing and returned premiums) / Net premiums earned. Figures regarding Non-Life Insurance
<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/corporate/institutional-investors/investors/financial-information/alternative-performance-measures.jsp>

Certain numerical figures included in this report have been rounded. Therefore, discrepancies may arise in the tables between the totals and the itemized amounts as a result of said rounding.



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