

September 2018

Financial Report



 **MAPFRE**

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1. Key Figures

ITEM	SEPTEMBER 2017	SEPTEMBER 2018	Δ %
Results			
Revenue	21,292.3	20,296.6	-4.7%
Total written and accepted premiums	17,986.6	17,218.5	-4.3%
- Non-Life	14,093.8	13,086.2	-7.1%
- Life	3,892.8	4,132.3	6.2%
Attributable net result	444.6	528.8	18.9%
Earnings per share (euros)	0.14	0.17	18.9%
Balance sheet			
Total assets	67,732.5	67,888.0	0.2%
Assets under management	59,596.1	59,588.8	0.0%
Shareholders' equity	8,781.3	8,267.1	-5.9%
Debt	2,386.3	2,526.9	5.9%
Ratios			
Non-Life Loss Ratio	70.6%	69.7%	-1.0 p.p
Non-Life Expense Ratio	28.1%	28.4%	0.3 p.p
Non-Life Combined Ratio	98.7%	98.1%	-0.7 p.p
ROE	7.2%	9.2%	2.0 p.p
Employees at the close of the period			
Total	36,516	35,277	-3.4%
- Spain	10,824	10,865	0.4%
- Other countries	25,692	24,412	-5.0%
MAPFRE share			
Market capitalization (million euros)	8,481.1	8,321.0	-1.9%
Share price (euros)	2.754	2.702	-1.9%
Share price variation since January 1	-5.0%	0.9%	--
ITEM	DECEMBER 2017	JUNE 2018	Δ %
Solvency			
Solvency ratio	200.2%	201.7%	1.5 p.p

Figures in millions of euros

2. Significant Economic and Corporate Events

2.1 Business Restructuring

Brazil

On June 26, 2018, MAPFRE and Banco do Brasil signed a reorganization of the strategic alliance initially formed in 2011 and implemented through the holding companies BB MAPFRE SH1, focused primarily on the Life business, and MAPFRE BB SH2, owner of the insurers operating in other lines.

The reorganization has been set out in the following terms:

- a) Partial spin-off of BB MAPFRE SH1 by means of the segregation of the shareholding in MAPFRE Vida (Brazil), which will be absorbed by MAPFRE BB SH2.
- b) Partial spin-off of MAPFRE BB SH2 by means of the segregation of the shareholding in Aliança do Brasil Seguros (ABS), which will be absorbed by BB MAPFRE SH1.
- c) Once the previously mentioned spin-off operations are completed, BB Seguros will sell to MAPFRE BRASIL the whole of its shareholding in BB MAPFRE SH2 for a base price of 2.406 billion Brazilian reais (513 million euros at the September 2018 exchange rate). This amount will be adjusted depending on the dividends distributed to shareholders until the closing date of the transaction, after receiving the relevant administrative authorizations, and on reaching business plan objectives for Auto insurance distribution in the bank channel.

Based on the insurance business reorganization agreement, MAPFRE's shareholding in the Brazilian insurance companies affected by the agreement will be as follows:

VARIATION	ENTITY	SHAREHOLDING	
		PREVIOUS	NEW
75%	MAPFRE VIDA (Life / Agent)	25%	100%
50%	BRASIL VEÍCULOS (Auto / Bank)	50%	100%
50%	MAPFRE SEGUROS GERAIS (Non-Life / Agent)	50%	100%
-25%	ALIANÇA DO BRASIL SEGUROS (Non-Life / Bank)*	50%	25%

*The Large Risks portfolio, currently in this entity, will be transferred to BB MAPFRE SH1, while the renewal rights will remain with MAPFRE Seguros

The effectiveness of the previously mentioned operations is subject to obtaining the necessary administrative authorizations, and is expected to be completed in the fourth quarter of 2018. This agreement will imply, at the close of the operation, an estimated payment of 490 million euros (at the exchange rate on September 30, 2018), which will be financed with excess cash available in

Brazil and with debt. At the same time, there will be an exit of non-controlling interests and a reduction in consolidated reserves.

United States

MAPFRE has reorganized its activity in the United States, selling its Life operation and exiting five states where it was operating primarily in the Auto line, due to not having sufficient scale there to make them profitable.

This restructuring is based on the following three transactions:

- a) The sale during the second quarter of 2018 of MAPFRE Life Insurance Company to the Swiss reinsurer Swiss Re. The sale transaction is limited to assets and liabilities, as well as the license MAPFRE had in all states in the U.S. to operate in the Life insurance line.
- b) The sale to the US insurer Plymouth Rock of the business in New York and New Jersey. In the case of New York, MAPFRE sold its subsidiary, MAPFRE Insurance Company, while in New Jersey, the operation was structured as a business portfolio transfer to various entities of the Plymouth Rock group. Both operations, which closed simultaneously, are subject to approval from the regulatory bodies of New York and New Jersey.
- c) The transfer, in April, of the Non-Life business portfolios in the states of Tennessee, Kentucky and Indiana to the entity Safeco Insurance, a subsidiary of the Liberty Mutual Group.

For these last two transactions, MAPFRE recorded, in June 2018, the fair value of the assets from these operations in the “Assets held for sale” caption of the balance sheet.

The reorganization of all these businesses in the United States implied recording losses, net of taxes, of approximately 8.7 million dollars (7.2 million euros) at the close of September 2018, and will imply recording a cash inflow in MAPFRE USA of 67 million dollars.

Additionally, 5 percent of “ACIC Holding Company Group” was acquired for the amount of 9.8 million euros, to obtain 100 percent of the company’s voting rights.

Spain

This past month of April, MAPFRE approved a new configuration for its businesses insuring large industrial and commercial risks.

Under this new structure, MAPFRE GLOBAL RISKS will continue to develop its management capacity and its market knowledge, and at the same time, the insurance or reinsurance risk will be assigned to the Group entities which, based on their specialization, size or capacity, are able to take on said risk with the greatest efficiency and profitability.

To this end, a business restructuring operation is being carried out through which:

1. The purely insurance or reinsurance activities, along with the related assets and liabilities, will be transferred, respectively, to MAPFRE ESPAÑA and MAPFRE RE;
2. The creation of an entity that will continue MAPFRE GLOBAL RISKS' operations regarding the analysis and underwriting of large industrial and commercial risks, and it will act on behalf of MAPFRE ESPAÑA and MAPFRE RE.

2.2 Acquisition and Sale of Treasury Stock

At September 30, 2018, the Controlling Company held 24,431,890 shares of treasury stock representing 0.7934 percent of the capital, for the amount of 48.3 million euros.

At September 30, 2018 and December 31, 2017, no other Group company held shares in the controlling company.

2.3 Capital Increases in Group Companies

In the first quarter of 2018, a capital increase was carried out in VERTI INSURANCE S.P.A. (Italy) for the amount of 120 million euros with an initial payment of 60 million euros and successive payments in the periods and for the amounts determined by the governing body of the company, subject to the applicable market and insurance regulations in the country. This increase is intended to improve the solvency position of the entity.

In September 2018, a capital increase was formalized at MAPFRE BRASIL PARTICIPAÇÕES for the amount of 250 million euros. The payment of this amount was made on October 2, 2018 by MAPFRE INTERNACIONAL. The aim of this capital increase is to partially finance the previously mentioned restructuring of the insurance business in Brazil.

3. Macroeconomic Overview and Financial Markets

General Overview

The third quarter of the year was marked by continued tension in foreign exchange markets in some emerging countries. Exchange movements have grown sharper this quarter, especially in Argentina, Turkey and Brazil. The central banks in Argentina and Turkey reacted with aggressive rate hikes, to 60 percent and 24 percent, respectively, in order to control outflows and stabilize their currencies, while Brazil maintained interest rates at 6.50 percent.

On a global level, economic activity continues to be strong, though it is showing signs of fatigue. The United States and China each maintain their growth, while signs of slowing down crystalized in Europe at the same time as the loss of synchronized growth in the emerging world becomes clear. A more restrictive global monetary policy generally limits global liquidity conditions, especially in emerging countries. The factors influencing this deceleration include the rise in oil prices (with 30 percent growth so far this year), the tightening of financial conditions and higher service charges for debt in dollars (especially visible among emerging countries in Latin America).

Inflation reached 2.7 percent and 2.1 percent in August in the United States and the Eurozone, respectively, and although underlying inflation continued to be contained in both cases, there could be second-round effects.

Eurozone

The Eurozone grew 2.1 percent in the second quarter. Although leading indicators like the consumer confidence index and industrial production show signs of wearing down, growth close to 2.0 percent is still possible. The cycle in the Eurozone seems to be moving with a delay compared to the United States, and as such under normal conditions a change of cycle for the European economy would not be expected in 2019.

In this sense, the European Central Bank (ECB) is not expected to raise interest rates until after summer 2019. Along the same lines, the asset purchase program will continue, though it will transition from the current reduced asset purchases (15 billion euros per month foreseen until December) to the reinvestment, throughout 2019, of bond maturities, to guarantee favorable liquidity conditions and a high degree of monetary accommodation.

After Italy presented its 2019-2021 budgetary plan with a deficit of 2.4 percent each year, the market reacted negatively, pushing 10-year bond yields over 3.3 percent and the risk premium over 290 bps. The European Commission is coming down on Italy for its lack of fiscal orthodoxy and for endangering its solvency and the single-currency. The data to keep an eye on are the Italian economy's growth figures, which are the basis for fulfilling the expected tax revenue.

The other pending risk is the shape Brexit will take. In the European minister meeting in Austria, the European Union (EU) showed a tough position, which also led to the United Kingdom tightening its position.

Inflation in the Eurozone stood at 2.1 percent in September and seems anchored at that level. However, that weakness of 0.9 percent underlying inflation was surprising. This underpins the ECB's gradualist discourse of monetary normalization, which expects to maintain interest rates at current levels (0.0 percent refi rate and -0.40 percent deposit rate) at least until summer 2019 and, in any case, for as long as necessary to ensure that inflation remains stable close to its target of 2.0 percent. The outlooks point to an initial rate hike of the Refi rate between the third and fourth quarter of 2019.

The spread for interest rates between the United States and the Eurozone continues to favor a strong dollar, and although in September the euro seemed like it was going to recover, reaching almost 1.18, the budget deficit in Italy presented at the end of September, implying greater sovereign risk, pushed the euro back to 1.16.

The Euro Stoxx 50 index has fallen 2.5 percent so far this year, reaching 3,400 points. Uncertainties about Brexit, the sustainability of Italian debt, questions about the banking industry and European companies' exposure to turbulence in emerging markets are making it hard for European stocks to take off.

Spain

Spain grew 2.5 percent (y-o-y) in the second quarter of 2018, confirming that growth is beginning to moderate. Inflation stood at 2.2 percent in September (provisional), with underlying at 0.8 percent in August.

The economy is expected to finish the year with average growth of 2.7 percent, a deceleration with respect to the 3.1 percent of 2017. The IBEX 35 index has not been able to invert the trend and has fallen 6 percent this year. Spanish stocks on the IBEX are being dragged by their exposure to emerging markets in Latin America and Turkey, specifically banks and telecommunications companies.

United States

The United States grew 4.2 percent in the second quarter, surprising with its strength and exceeding estimates. Everything indicates (industrial production, retail sales, consumer confidence, and leading indicators) that this trend will continue in the third quarter. Inflation stood at 2.7 percent in August, and underlying at 2.2 percent.

The Federal Reserve, at its meeting on September 26, raised interest rates 25 bps to 2.25 percent, arguing that activity is still growing strong, the job market is strong, and inflation is close to the mid-term target of 2 percent. An additional interest rate hike is expected in December, and two or three subsequent hikes in 2019. This will place them between 3 percent and 3.25 percent at the end of

2019, while futures for now are not indicating over 2.75 percent, foreseeing the risk of rushing the change of cycle that the market does not expect before 2020 (when the tax rebates introduced this year finish). The US economy is the most advanced in the cycle and will lead the cyclical adjustment coming in the next few years. The adjustment is expected to be smooth, though there are vulnerabilities, the most probable impact being the trade dispute with China. However, it seems like the US administration accepts the risk of the impact of a trade dispute (or that it can be absorbed by fiscal stimuli) to recover manufacturing jobs and investment.

The 10-year Treasury Note yields stood at 3.1 percent at the end of September. The interest rate curve continues to flatten out, the 2-year bond going up 30 bps in the quarter, and the 10-year bond 23 bps. The dollar closed the quarter at 1.16 against the euro, though it reached 1.13 in the middle of August.

The S&P500 index has increased so far this year by 9 percent, reaching 2,900 points. The market continues counting on the 8 percent growth in business profits this year and 5 percent in coming years.

Brazil

In Brazil, the GDP slowed to 1.0 percent year-on-year in the second quarter, strongly influenced by the truck drivers' strike in May that paralyzed a part of trade and industry. The ports slightly reduced their activity and this is seen in exports, which fell 2.9 percent. Consumption stopped at 1.7 percent, from 2.8 percent.

For 2018, we have downgraded GDP growth to 1.5 percent from the increase in oil prices and the depreciation of the real. Inflation (IPCA) stood at 4.2 percent in August. The Central Bank, at its meeting on September 19, maintained the SELIC rates at 6.50 percent. The fiscal deficit improved, reaching 7.0 percent in July (1.1 percent of the primary deficit).

The Brazilian real suffered intense depreciation in August. Brazil's situation is different than Turkey's or Argentina's, as it has in its favor a positive commercial balance sheet, ample currency reserves and a much healthier current account balance sheet (-0.8 percent).

The BOVESPA index is flat, growing 4 percent in local currency this year, standing at 79,000 points at the date of this report.

Turkey

On September 13, the Central Bank raised interest rates to 24 percent, a 625 bp increase, to stabilize the exchange rate. The Turkish lira (TRY) has depreciated significantly this year. Pressure on the currency is primarily due to the Turkish economy's elevated need for dollars to face debt services and maturities, which reach 25 percent of the GDP. These needs come primarily from the corporate sector, though they also come from the public sector.

In September, a law in Turkey was enacted that made it obligatory to convert to Turkish liras contracts made in foreign currencies between residents of Turkey. The publication of information

explaining the regulation is expected, to establish the scope it could have, if any, for insurance contracts.

The Turkish economy grew 5.2 percent (year-on-year) in the second quarter, slowing down from the 7.3 percent of the previous quarter and becoming notable in the slowing consumption, imports and investment. As a result, our growth prediction for this year has been reduced to below 4 percent, and at the same time we could see entering a recession next year. The current account deficit is still high, 6.5 percent in the second quarter.

Inflation surprisingly soared to 17.9 percent in July. Average inflation of 16.0 percent is expected, which implies that it will remain high in this last stretch of the year.

The BIST30 stock index has fallen 14 percent so far this year, reaching close to 117,000 points.

Mexico

The Mexican economy picked up in the second quarter of the year to 2.6 percent from the 1.4 percent of the first quarter. For 2018, average GDP growth close to 2.4 percent is expected. Inflation stood at 4.9 percent in August (with underlying at 3.6 percent). The Central Bank raised the benchmark rate to 7.75 percent in the context of the US Federal Reserve tightening monetary conditions and the possibility of the dollar continuing to appreciate.

On August 27, the presidents of the United States and of Mexico announced a preliminary agreement for the renegotiation of NAFTA. Canada joined the agreement at the last possible moment – September 30. The agreement will have a new name, USMCA (United States-Mexico-Canada Agreement). The final terms of the agreement still have to be developed until the end of November and will then be voted on by their respective parliaments.

The new congress has supported various policies that are favorable for the market, like the renegotiation of NAFTA, the autonomy of the Central Bank, the fiscal discipline and continuity of the current foreign exchange regime. It has also softened its opposition to controversial topics, like the energy reform implemented by the previous administration and the new airport in Mexico City.

The Mexican Stock Market's CPI stock index stood at 49,500 points, flat this year at +0.30 percent.

Main currencies compared to the euro

ITEM	Average Exchange Rate		Closing Exchange Rate	
	SEPTEMBER 2018	Var. SEPTEMBER 2018 vs. SEPTEMBER 2017	SEPTEMBER 2018	Var. SEPTEMBER 2018 vs. DECEMBER 2017
US dollar	0.84044	-5.6%	0.86133	3.4%
Brazilian real	0.23162	-17.5%	0.21324	-15.2%
Turkish lira	0.18818	-24.5%	0.14272	-35.1%
Mexican peso	0.04408	-7.6%	0.04604	8.7%
Colombian peso	0.00029	-3.8%	0.00029	4.0%
Chilean peso	0.00133	-2.0%	0.00131	-3.1%
Peruvian sol	0.25709	-6.1%	0.26063	1.3%
Argentine peso	0.03349	-39.0%	0.02086	-53.4%
Panamanian balboa	0.83834	-6.0%	0.86133	3.4%
Dominican peso	0.01693	-10.6%	0.01725	0.2%
Honduran lempira	0.03525	-7.2%	0.03580	1.3%
Philippine peso	0.01589	-11.8%	0.01594	-4.4%
Indonesian rupiah	0.00006	-10.9%	0.00006	-5.7%

4. Consolidated Result

Consolidated revenue

ITEM	SEPTEMBER 2017	SEPTEMBER 2018	Δ %
Total written and accepted premiums	17,986.6	17,218.5	-4.3%
Financial income from investments	2,145.4	1,939.0	-9.6%
Revenue from non-insurance entities and other revenue	1,160.2	1,139.1	-1.8%
Total consolidated revenue	21,292.3	20,296.6	-4.7%

Figures in millions of euros

The Group's consolidated revenue reached 20.3 billion euros, with a reduction of 4.7 percent, mainly due to the depreciation of the main currencies in the countries where MAPFRE operates, and the fall in financial returns.

Premiums from direct insurance and accepted reinsurance, which represent a fundamental part of revenue, reached 17.2 billion euros, with a reduction of 4.3 percent, primarily due to the effect of currency depreciation and a discreet development of premium issuing in the following countries: Brazil, United States, Turkey, Colombia, Chile and Argentina.

The improvement in premiums compared to the first half of 2018, which presented a fall of 8.4 percent, is due in large part to the issuing of a collective Life policy in Spain, for 282 million euros.

Eliminating the effect of the PEMEX policy that was issued in the first half of 2017 and is not recurrent, as it is issued every two years, and the effect of the collective Life policy issued in 2018, the decrease in premiums would stand at 1.6 percent.

Non-Life premiums fell by 7.1 percent, while Life premiums grew 6.2 percent. By Non-Life business type, Automobile is the most important line, with 5.2 billion euros in premiums. General P&C holds second place, with 4.3 billion euros, and Health and Accidents is in third place with 1.1 billion euros in premiums.

At constant exchange rates, premiums would have grown by 2.2 percent; -0.7 percent in Non-Life and +12.6 percent in Life. Eliminating the effect of the PEMEX policy and the collective Life policy, premiums would have grown by +3.4 percent.

Gross revenue from investments reached 1.9 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. In the third quarter of 2018 gains from the sale of real estate were realized for an attributable net value of 31 million euros.

Finally, other revenue, which mostly includes non-insurance activity and non-technical revenue, reflects a slight fall due to the currency effect.

Income Statement

The chart below gives a summary of the consolidated income statement to September 2018, showing the various components of MAPFRE's earnings and the comparison with the same period of the previous year.

ITEM	SEPTEMBER 2017	SEPTEMBER 2018	Δ %
NON-LIFE BUSINESS			
Gross written and accepted premiums	14,093.8	13,086.2	-7.1%
Net premiums earned	10,584.7	10,193.0	-3.7%
Technical result	133.0	194.9	46.5%
Net financial income	527.4	493.9	-6.3%
Other non-technical revenue and expenses	(22.9)	(48.2)	-110.3%
Result of Non-Life business	637.5	640.6	0.5%
LIFE BUSINESS			
Gross written and accepted premiums	3,892.8	4,132.3	6.2%
Net premiums earned	3,743.1	3,992.3	6.7%
Technical result	(440.9)	(161.5)	63.4%
Financial result and other non-technical revenue	1,009.9	727.9	-27.9%
Result of Life business	569.1	566.5	-0.5%
Result from other business activities	(102.0)	(54.6)	46.4%
Hyperinflation adjustments	5.2	(2.1)	-140.1%
Result before tax	1,109.8	1,150.3	3.7%
Tax on profits	(334.8)	(345.2)	3.1%
Result for the period	774.9	805.1	3.9%
Result attributable to non-controlling interests	330.3	276.3	-16.4%
Result attributable to the controlling Company	444.6	528.8	18.9%

Figures in millions of euros

The attributable result to September 2018 reached 528.8 million euros, increasing by 18.9 percent. This improvement is primarily due to a lower impact from catastrophic events. In 2017, the earthquakes in Mexico and hurricanes in the Caribbean had a net impact of 176 million euros, while in 2018 the snowstorms in the United States and the typhoon in Asia (Jebi) have had an impact on the result of 58 million euros. Further, the following events taking place in 2018 have had a relevant impact on the result:

1. The fall in net financial income due mainly to the decrease in interest rates in Brazil and other LATAM countries, as well as the low-interest rate environment in Europe.

2. The depreciation of the main currencies in the countries where MAPFRE operates implies a reduction of 31 million euros on the attributable result, of which 24 million euros are from the depreciation of the Brazilian real, Turkish lira and the Argentine peso.
3. The costs derived from the reorganization of operations in Brazil, the United States and Global Risks, which at the close of September had an attributable net impact of 30.8, 7.2 and 4.3 million euros, respectively.

Non-Life

Non-Life results reached 640.6 million euros, with an increase of 0.5 percent compared to the previous period.

The positive rate of contribution to earnings of businesses in Spain is noteworthy, as is the significant improvement in MAPFRE ASISTENCIA's and GLOBAL RISKS' results. However, the reduction in Non-Life results is primarily due to the extraordinary effects in two of the Group's key regions:

North America

In the first quarter of the year, various storms impacted the East coast, with a net loss of 13.8 million dollars (11.5 million euros). Additionally, in the second quarter, a sale agreement was reached for the businesses in New York and New Jersey, the sale of MAPFRE Life Insurance Company was formalized, and the exit from the states Tennessee, Kentucky and Indiana was agreed. The net loss from these operations reached 8.7 million dollars (7.2 million euros).

Brazil

Firstly, it is important to point out the unfavorable development of the result due to the high loss experience in Auto, Industrial Risks and Transport, as well as an increase in expenses and the fall in financial result due to lower investment returns from the drop in interest rates.

Secondly, review has continued in the third quarter of various captions on the balance sheet, and this has had a 48.6 million euro negative impact on the attributable result for the country (24.5 million euros in the third quarter).

MAPFRE RE, even considering the excellent performance of its business, in the third quarter of the year was affected by the catastrophic event of Typhoon Jebi in Japan, which has had a direct impact of 39 million euros on the attributable result.

Finally, the net cost of the catastrophic events occurring in 2017 has increased slightly in 2018 to 161.0 million euros, primarily as a result of an increase in claims reported in Puerto Rico in 2018, which has had a 4.1 million euro negative impact on the attributable result for this year.

Life

Life results reached 566.5 million euros, with a decrease of 0.5 percent compared to the previous year. The Life business result in the third quarter has improved significantly thanks to the excellent results in Spain, which considerably softens the negative effect of the fall in the bank channel in Brazil, and the lower financial income from the important drop in interest rates in Brazil and other countries in the LATAM region.

Further, the sufficiency of certain technical provisions in Brazil has been reviewed, in order to adapt them to the best actuarial estimate, which has implied a positive contribution to the attributable result of 17.8 million euros (2.8 million euros in the third quarter).

Finally, it is noteworthy that 2017 included the effect of the cancellation of a provision for contingent payments in the bancassurance channel in Spain for the net amount of 27.2 million euros.

Other aspects

The result attributable 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 2017	SEPTEMBER 2018
Goodwill	1,883.0	1,867.4
Other intangible assets	1,539.9	1,383.8
Other fixed assets	271.1	267.2
Cash	1,864.0	2,604.5
Real estate	2,171.4	2,123.2
Financial investments	42,003.2	41,400.9
Other investments	1,437.3	1,509.2
Unit-Linked investments	2,320.1	2,245.1
Participation of reinsurance in technical provisions	4,989.6	5,616.8
Receivables on insurance and reinsurance operations	5,006.7	4,870.6
Deferred taxes	296.8	296.4
Assets held for sale	155.6	154.1
Other assets	3,630.8	3,548.8
TOTAL ASSETS	67,569.5	67,888.0
Equity attributable to the Controlling company	8,611.3	8,267.1
Non-controlling interests	1,901.4	1,530.5
Equity	10,512.7	9,797.6
Financial debt	2,327.4	2,526.9
Technical provisions	47,814.1	48,407.3
Provisions for risks and expenses	661.7	588.9
Debt due on insurance and reinsurance operations	2,190.7	2,020.7
Deferred taxes	588.0	533.5
Liabilities held for sale	1.1	88.4
Other liabilities	3,473.7	3,924.7
TOTAL LIABILITIES	67,569.5	67,888.0

Figures in millions of euros

Total assets reached 67.9 billion euros at September 30, 2018 and grew 0.5 percent compared to the close of the previous year. The most relevant changes are analyzed below:

1. 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.
2. The increase in technical provisions and in participation of reinsurance in technical provisions is, in part, in line with the increase in gross reserves from the claims registered from the catastrophic event occurring this past September in Japan and the corresponding cession to reinsurers. Additionally, the impact from a claim filed for a hydroelectric dam in Colombia is noteworthy as, though it does not have a significant impact on results, it is a business ceded 100 percent in reinsurance, which produces a significant increase in the

liability technical provisions and the participation of reinsurance in these technical provisions on the asset side.

3. Changes in equity correspond to the earnings from the period and the agreement about 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.
4. The heading for Assets held for sale primarily includes, to September 2018, the valuation of businesses in the United States that have been included in the business restructuring operation for the country, for the amount of 142.6 million euros. To December 2017, this heading contained the fair value corresponding to the sale operation of Union Duero for the amount of 141.7 million euros.

5.2. Investment Portfolio

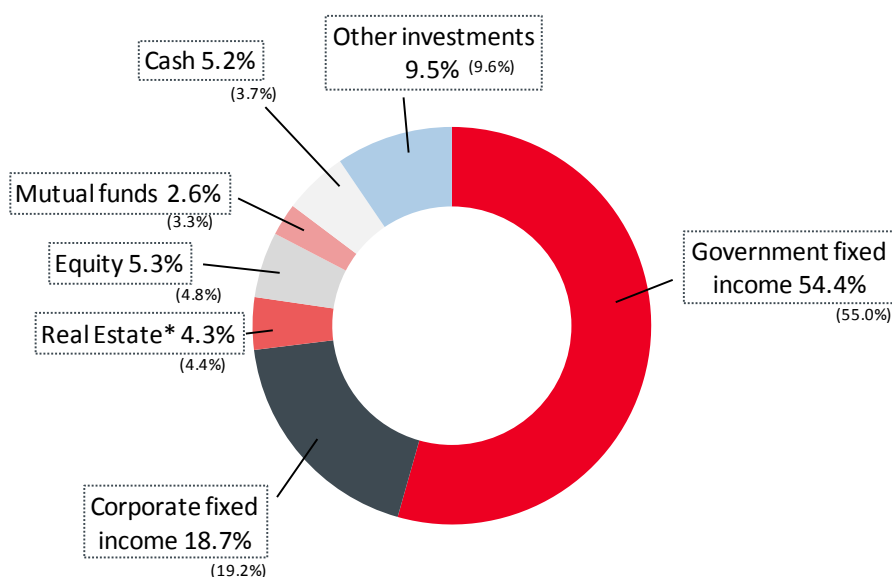
In the third quarter of the year, the main events affecting the international economy and financial markets have continued their course. Our central scenario continues pointing toward a favorable global macroeconomic context and, in the absence of external shocks or geopolitical risk, the outlook could be more positive than what the market is currently counting on. However, in some markets, aspects of a final phase of the cycle are beginning to be observed, with the corresponding uncertainty that brings.

Spanish sovereign debt, the primary asset of our investment portfolio, has registered slightly upward behavior in its IRRs in the third quarter, though the most positive point is the low correlation with Italian debt so far. As for the equity market, the main stock indexes have moved within a reasonable range, the American stock market standing out for its relatively better performance since the beginning of the year. The main question regarding the next quarter will be if the economic fundamentals, as well as company results, support the markets.

In terms of portfolio diversification, the investment portfolio's Government and Corporate debt exposure has had minimal variation over the course of the quarter – from 55.1 and 18.5 percent to 54.4 and 18.7 percent, respectively, above all from market effects. Over the course of the year, we have taken advantage of bond volatility to slightly increase or reduce the duration. Exposure to equity and mutual funds has gone up slightly, from 7.8 percent to 8.0 percent in the quarter, from the market effect.

Below, details of the investment portfolio by asset class to September 30 of each period are given:

Breakdown by asset class



The figures from the previous period are in smaller text

ITEM	DECEMBER 2017	SEPTEMBER 2018	Δ %
Government fixed income	27,388.4	27,128.6	-0.9%
Corporate fixed income	9,572.6	9,310.4	-2.7%
Real Estate*	2,171.4	2,123.2	-2.2%
Equity	2,400.9	2,667.1	11.1%
Mutual funds	1,631.4	1,317.4	-19.2%
Cash	1,864.0	2,604.5	39.7%
Other investments	4,767.3	4,731.6	-0.7%
TOTAL	49,796.0	49,882.9	0.2%

Figures in millions of euros

*"Real Estate" includes both investment property and real estate for own use

Appendix 13.1, 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 class

ITEM	Government	Total Corporate Debt	Corporate without collateral	Corporate with collateral	Total
Spain	16,029.8	1,917.9	779.4	1,138.5	17,947.7
Rest of Europe	4,512.7	4,121.2	3,570.3	550.9	8,633.9
United States	1,234.8	2,191.6	2,124.2	67.3	3,426.4
Brazil	2,965.2	1.7	1.7	0.0	2,967.0
Latin America - Other	1,876.8	736.7	686.4	50.3	2,613.5
Other countries	509.3	341.3	329.4	12.0	850.6
TOTAL	27,128.6	9,310.4	7,491.5	1,819.0	36,439.0

Figures in millions of euros

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

- Those that aim for a strict immunization from the obligations derived from insurance contracts, and which minimize interest rate risk, through matching adjustments, by means of immunization techniques based on matching cash flow or duration.
- Portfolios that cover unit-linked policies composed of assets where the 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

	Market Value	Accounting Yield	Market Yield	Modified Duration
Non Life (IBERIA + MAPFRE RE + GLOBAL RISKS)				
09.30.2017	7,196.7	2.60%	1.28%	6.37%
12.31.2017	7,187.1	2.59%	1.23%	6.35%
03.31.2018	7,372.1	2.40%	1.15%	6.68%
06.30.2018	7,257.0	2.34%	1.32%	6.77%
09.30.2018	7,158.3	2.34%	1.42%	6.88%
Life (IBERIA)				
09.30.2017	6,337.4	4.09%	1.06%	6.89%
12.31.2017	6,277.1	4.10%	1.01%	6.84%
03.31.2018	6,529.9	3.93%	0.84%	7.05%
06.30.2018	6,188.3	3.97%	1.00%	6.97%
09.30.2018	6,189.9	3.94%	1.09%	6.74%

Figures in millions of euros

At September 30, 2018, the actively managed portfolios in IBERIA, MAPFRE RE and MAPFRE GLOBAL RISKS had unrealized net gains in assets and mutual funds of 55.7 million euros.

5.3. Equity

Consolidated equity amounted to 9.8 billion euros at September 30, 2018, as compared to 10.5 billion euros at December 31, 2017. Of this amount, 1.5 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 2.68 euros at September 30, 2018 (2.80 euros at December 31, 2017).

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

Equity attributable to the controlling Company

ITEM	DECEMBER 2017	SEPTEMBER 2018
BALANCE AT 12/31 PREVIOUS YEAR	9,126.5	8,611.3
Additions and deductions recognized directly in equity		
Financial assets available for sale	(285.5)	(295.5)
Currency conversion differences	(639.1)	(211.6)
Shadow accounting	254.2	89.9
Other	(2.7)	1.4
TOTAL	(673.1)	(415.8)
Result for the period	700.5	528.8
Dividends	(446.7)	(446.7)
Other changes in net equity	(96.0)	(10.5)
BALANCE AS AT PERIOD END	8,611.3	8,267.1

Figures in millions of euros

Equity attributable to the controlling Company at the close of the third quarter of 2018 includes:

- A reduction of 295.5 million euros in the market value of the assets available for sale portfolio due to the rise in rates, primarily the American and Italian bonds, as well as the fall in the European stock markets.
- A reduction of 211.6 million euros from currency conversion differences, primarily due to the depreciation in 2018 of the Brazilian real, the Turkish lira, and the Argentine peso.
- Profits to September 2018.
- A reduction of 446.7 million euros comprising the final dividend from the 2017 financial year, approved in the Annual General Meeting in March 2018 and paid in June 2018 for the amount of 261.8 million euros, and the interim dividend for 2018, approved in the third quarter of 2018 and which will be paid in the final quarter of the year, for the amount of 184.9 million euros.

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

ITEM	DECEMBER 2016	DECEMBER 2017	SEPTEMBER 2018
Capital, retained earnings and reserves	8,614.0	8,763.6	8,835.4
Treasury stock and other adjustments	(46.9)	(41.3)	(40.0)
Net capital gains (financial investments - technical provisions)	651.0	619.7	414.0
Currency conversion differences	(91.6)	(730.7)	(942.2)
Attributable equity	9,126.5	8,611.3	8,267.1

Figures in millions of euros

A breakdown of currency conversion differences to December 2016 and 2017, and to September 2018, is given below:

CURRENCY	December 2016	December 2017	September 2018
Brazilian real	(339.0)	(510.6)	(680.1)
US dollar	661.7	347.5	416.7
Turkish lira	(197.6)	(243.5)	(318.6)
Mexican peso	(112.2)	(132.4)	(110.5)
Argentine peso	(79.6)	(95.6)	(126.0)
Colombian peso	(19.0)	(36.5)	(30.8)
Indonesian rupiah	3.2	(13.7)	(21.8)
Other currencies	(9.0)	(45.9)	(71.1)
Total	(91.6)	(730.7)	(942.2)

Figures in millions of euros

As can be seen, in 2017 and 2018, there has been a strong depreciation of the Brazilian real, the Argentine peso and the Turkish lira.

Following the accounting policy applied in the 2017 consolidated annual accounts, for those countries with a hyperinflationary economy, the Group includes in a Reserves caption the following figures:

- a) The restatement of reserves, which primarily originate not in the companies' real results but in the pure accounting restatement for inflation of the undistributed reserves.
- b) The currency conversion differences from converting the restated financial accounts to euros for the investee companies.

Both figures are presented together in this reserves caption as they are both related to hyperinflation and the subsequent depreciation and devaluation of the currency.

The Group understands that in those countries with a hyperinflationary economy and limited reliability of official inflation and exchange rate indicators, it provides a more true and fair view to include all the effects previously recorded in equity in one single Reserves caption, thus avoiding separating the impacts for depreciation of the exchange rate and for hyperinflation, considering that, in any case, the Equity remained unalterable and the conversion effects on the monetary items continued to be recorded in the Income statement.

At September 2018, the Group's accounts present the hyperinflationary effect of MAPFRE's subsidiaries in Venezuela. The following table shows the detail and development of the balances included in the Reserves caption both from the restatement of the balance sheet and from the conversion to euros of the financial statements, at December 2016 and 2017, and September 2018:

Impact on reserves in MAPFRE subsidiaries in Venezuela

	December 2016	Variation	December 2017	Variation	September 2018
Reserves for restatement for inflation	481.7	0.0	517.3	26.0	543.3
Currency conversion differences	(832.9)	0.0	(889.9)	(62.9)	(952.8)
Other equity items	407.1	(17.7)	410.8	14.3	425.1
Total attributable equity	55.9	(17.7)	38.2	(22.6)	15.6

Figures in million euros

Additionally, Argentina has been considered to be hyperinflationary as it has an accumulated inflation of over 100 percent in the last three years. As a result, the Group will restate for inflation the consolidated financial statements of the MAPFRE subsidiaries in Argentina to December 31 2018.

At the close of September 2018, no impacts from the hyperinflation in Argentina have been included in the consolidated accounts. An estimate of what these impacts would have been to September 30, 2018 is shown below:

Consolidated data for MAPFRE subsidiaries in Argentina

ITEM	Without restatement	Restated	Impact
Total MAPFRE Argentina assets	262.7	272.1	9.4
Total MAPFRE Argentina equity	30.7	45.4	14.7
MAPFRE Argentina net written premiums	195.6	139.5	(56.1)
MAPFRE Argentina contribution to net attributable result	13.7	1.5	(12.2)

Figures in million euros

5.4. Funds under Management

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

In addition to the Life insurance operations, MAPFRE manages its clients' savings through pension and mutual funds.

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

Managed savings

ITEM	SEPTEMBER 2017	SEPTEMBER 2018	Δ %
Life technical provisions	28,696.5	28,661.2	-0.1%
Pension funds	4,930.6	5,066.4	2.8%
Mutual funds and other	5,295.1	4,639.5	-12.4%
Subtotal	38,922.3	38,367.1	-1.4%

Figures in millions of euros

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

1. Stable Life technical provisions, due to the reduction in the value of managed savings in Brazil and other countries outside of the Eurozone from the depreciation of their currencies, compensated by the increases in Iberia.
2. The growth in pension funds and the fall in mutual funds, which are less attractive to clients due to the current low-interest rate environment and the high market volatility, compared to other products like Unit-Link.

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

Assets under management

ITEM	SEPTEMBER 2017	SEPTEMBER 2018	Δ %
Investment portfolio	49,370.4	49,882.9	1.0%
Pension funds	4,930.6	5,066.4	2.8%
Mutual funds and other	5,295.1	4,639.5	-12.4%
TOTAL	59,596.1	59,588.8	0.0%

Figures in millions of euros

6. Information by Business Unit

MAPFRE manages its business through four 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

AREA / BUSINESS UNIT	Premiums			Attributable result			Combined ratio	
	SEPTEMBER 2017	SEPTEMBER 2018	Δ %	SEPTEMBER 2017	SEPTEMBER 2018	Δ %	SEPTEMBER 2017	SEPTEMBER 2018
IBERIA	5,257.9	5,939.4	13.0%	389.3	354.0	-9.1%	94.0%	93.8%
LATAM	6,197.6	5,175.2	-16.5%	156.7	134.7	-14.0%	96.2%	100.6%
INTERNATIONAL	3,424.1	3,240.9	-5.3%	50.5	37.6	-25.5%	102.9%	103.7%
TOTAL INSURANCE	14,879.6	14,355.5	-3.5%	596.5	526.3	-11.8%	97.2%	98.6%
RE	3,300.5	2,972.1	-10.0%	97.3	113.3	16.5%	96.6%	94.5%
ASISTENCIA	782.2	710.1	-9.2%	(51.1)	(7.4)	85.5%	102.4%	103.4%
GLOBAL RISKS	949.5	824.0	-13.2%	(87.2)	12.9	114.8%	154.7%	95.7%
Holdings and consolidation adjustments	(1,925.1)	(1,643.1)	14.6%	(110.9)	(116.4)	-4.9%	--	--
MAPFRE S.A.	17,986.6	17,218.5	-4.3%	444.6	528.8	18.9%	98.7%	98.1%

Figures in millions of euros

The most important changes are:

1. Premiums showed a decline in all business units, with the exception of the IBERIA area, which, while already showing very positive, recurrent issuing, also notably includes the issuing of a collective Life policy in the third quarter of 2018. The decline in the rest of the units is primarily a result of the strong depreciation of the main currencies in countries where MAPFRE has international business operations.
2. The GLOBAL RISKS and ASISTENCIA business units showed favorable development – the former from the absence of relevant high-intensity claims and the latter from an improved loss experience thanks to the technical measures adopted in the last year.
3. The IBERIA area improved its Non-Life combined ratio 0.2 percentage points and its technical result. Eliminating non-recurrent results, the attributable result would have grown by 5.4 percent.

4. The LATAM area showed a decline in profits from lower results in the banking channel in Brazil, due to an increase in acquisition costs in the Life Protection business and an increase in the Auto loss experience in the agent channel. Further, the low interest rate environment in Brazil and other countries in the region generated lower financial income. In addition, in Brazil, adjustments were recorded in the valuations of certain balance sheet captions which reduced the result for the region by a net amount of 30.8 million euros. In the third quarter, real estate in Chile was sold, which has implied an attributable net gain of 22 million euros.

5. The INTERNATIONAL area was affected by the impact of various storms on the East coast of the United States which produced an increase in the combined ratio in the Auto and General P&C business lines, and by the exit from several states, which had a negative net impact of 18.7 million euros on the result. It was also affected by the impact in Turkey from the regulatory change for Motor Third Party Liability insurance, which has caused a fall in the result due to the increase in loss experience in this line.

6.1. INSURANCE ENTITIES

6.1.1. 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.

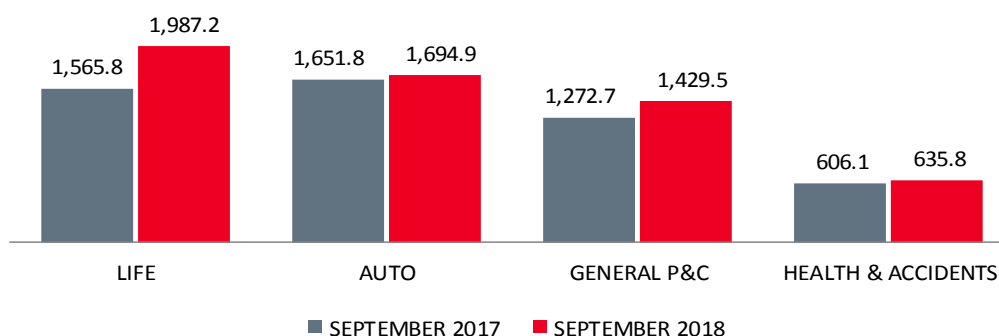
Information by country

REGION / COUNTRY	Premiums			Attributable result			Combined ratio	
	SEPTEMBER 2017	SEPTEMBER 2018	Δ %	SEPTEMBER 2017	SEPTEMBER 2018	Δ %	SEPTEMBER 2017	SEPTEMBER 2018
IBERIA	5,257.9	5,939.4	13.0%	389.3	354.0	-9.1%	94.0%	93.8%
SPAIN	5,150.9	5,842.0	13.4%	389.7	340.7	-12.6%	93.7%	93.7%
PORTUGAL	107.0	97.4	-9.0%	(0.5)	13.3	--	108.9%	97.2%

Figures in millions of euros

IBERIA Premiums

Written premiums in key lines



Figures in millions of euros

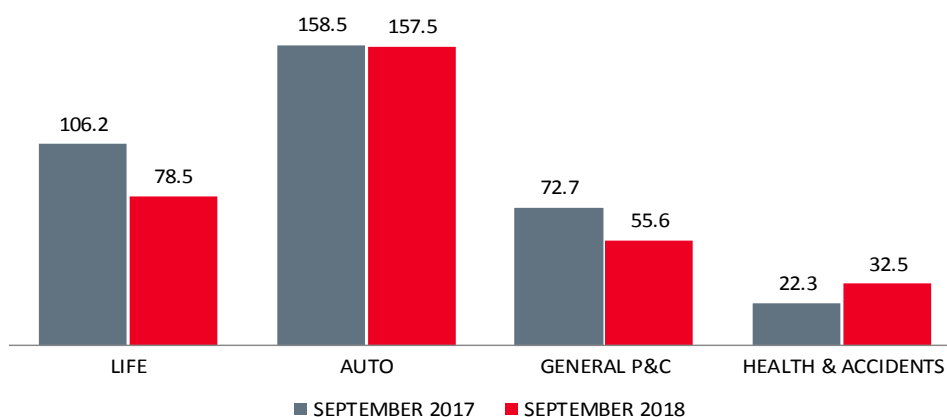
Premiums in IBERIA grew 13.0 percent due to an increase in General P&C issuing, which grew 12.3 percent, and to the Life business, which grew 26.9 percent, primarily from the issuing of a collective Life insurance policy for the amount of 282 million euros.

Non-Life premiums grew by 7.0 percent and reflect the positive evolution of the Auto, Health, Commercial and Combined Agricultural Insurance lines.

Life premiums, eliminating the effect of the collective Life policy issued in the third quarter of 2018, would have grown 8.9 percent.

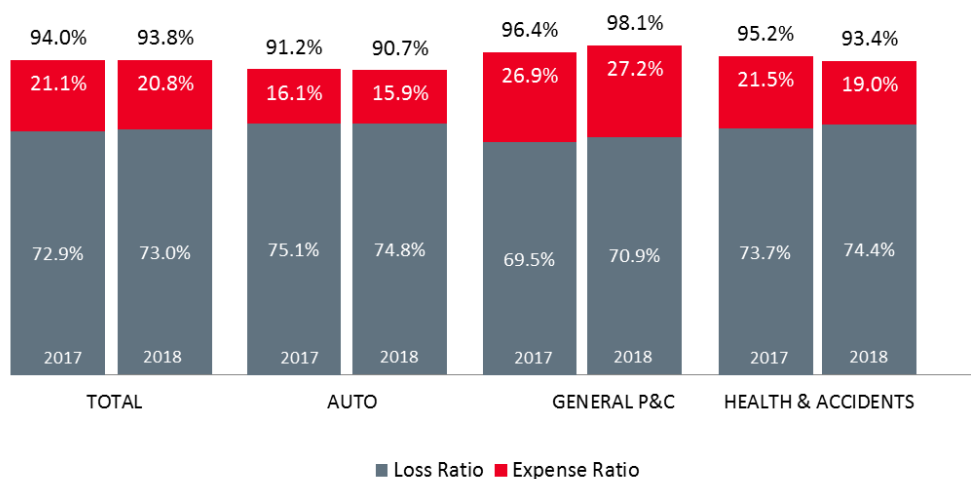
IBERIA Result

Attributable result of key lines



Figures in millions of euros

3rd Quarter combined ratio of key lines



IBERIA's attributable result reached 354.0 million euros with fall of 9.1 percent compared to the previous period. It is important to bear in mind that last year, a gain was recorded from the cancellation of a provision for contingent payments in the bancassurance channel totaling 27.2 million euros net of taxes, the sale of real estate on Luchana for the net amount of 29.0 million euros, and the gain from the sale of Unión Duero for the amount of 5.8 million euros. If we consider all of these effects in 2017 as non-recurrent, and as such eliminate the effect, in 2018, of the net gain from the sale of real estate in Portugal for 9 million euros, the result would have grown 5.4 percent.

The technical result of Non-Life business improved substantially as a result of the reduction of the loss ratio. It is important to highlight the significant improvement of the Auto combined ratio, which stood at 90.7 percent.

At the close of September 2018, 73.2 million euros in financial gains, net of losses, were recorded (105.6 million to September 2017).

The charts below provide a breakdown of the information for MAPFRE ESPAÑA:

MAPFRE ESPAÑA – Key figures

ITEM	SEPTEMBER 2017	SEPTEMBER 2018	Δ %
Gross written and accepted premiums	3,664.0	3,915.4	6.9%
Net premiums earned	3,098.6	3,195.6	3.1%
Gross result	309.9	281.2	-9.2%
Tax on profits	(71.6)	(59.0)	-17.5%
Non-controlling interests	(0.8)	(0.9)	19.1%
Attributable net result	237.5	221.3	-6.8%
Combined ratio	94.9%	94.6%	-0.3 p.p.
Expense ratio	20.9%	20.7%	-0.1 p.p.
Loss ratio	74.0%	73.8%	-0.2 p.p.
Investments, real estate and cash	6,505.7	6,513.5	0.1%
Technical provisions	5,308.2	5,617.9	5.8%
Shareholders' equity	2,306.6	2,226.1	-3.5%
ROE	15.8%	13.8%	-2.1 p.p.

Figures in millions of euros

MAPFRE ESPAÑA – Automobiles

ITEM	SEPTEMBER 2017	SEPTEMBER 2018	Δ %
Gross written and accepted premiums	1,651.8	1,694.9	2.6%
Net premiums earned	1,455.2	1,509.5	3.7%
Result before tax	211.9	207.0	-2.3%
Non-Life Loss Ratio	75.1%	74.8%	-0.2 p.p.
Non-Life Expense Ratio	16.1%	15.9%	-0.3 p.p.
Non-Life Combined Ratio	91.2%	90.7%	-0.5 p.p.
Number of vehicles insured (units)	5,604,164	5,745,826	2.5%

Figures in millions of euros

Auto premiums (including VERTI and SEGUROS GERAIS PORTUGAL) grew by 2.6 percent. The positive evolution of personal Auto premiums in Spain is noteworthy, with 3.0 percent growth in the year.

To September 30, 2018, the number of vehicles insured in MAPFRE reached 5,745,826 units, 141,662 more vehicles than September of the previous year.

The Auto combined ratio stands at 90.7 percent, a 0.5 percentage point improvement compared to the same period the previous year. The loss ratio improved thanks to the increase in rates and claims cost contention, as well as the favorable development of the VERTI business.

MAPFRE ESPAÑA – General P&C

ITEM	SEPTEMBER 2017	SEPTEMBER 2018	Δ %
Gross written and accepted premiums	1,272.7	1,429.5	12.3%
Net premiums earned	1,071.6	1,097.7	2.4%
Result before tax	96.9	74.0	-23.6%
Non-Life Loss Ratio	69.5%	70.9%	1.4 p.p.
Non-Life Expense Ratio	26.9%	27.2%	0.3 p.p.
Non-Life Combined Ratio	96.4%	98.1%	1.7 p.p.

Figures in millions of euros

General P&C business volume reflects the solid performance of the Commercial business and the majority of personal Non-Life lines and Combined Agricultural Insurance. The loss ratio has deteriorated as a result of severe claims in the Fire business, and a worse loss experience in Homeowners and Condominium business, and especially in Combined Agricultural Insurance, as a result of adverse weather conditions.

MAPFRE ESPAÑA – Health & Accidents

ITEM	SEPTEMBER 2017	SEPTEMBER 2018	Δ %
Gross written and accepted premiums	542.2	572.9	5.7%
Net premiums earned	397.4	418.4	5.3%
Result before tax	10.8	21.1	95.3%
Non-Life Loss Ratio	81.6%	80.3%	-1.3 p.p.
Non-Life Expense Ratio	18.0%	17.0%	-1.0 p.p.
Non-Life Combined Ratio	99.6%	97.3%	-2.3 p.p.

Figures in millions of euros

Health and Accidents premiums maintained their strong rate of growth, reaching 5.7 percent over the same period in the previous year. The combined ratio shows substantial improvement compared to the same period the previous year, improving 2.3 percentage points.

The charts below provide a breakdown of the information for MAPFRE VIDA:

MAPFRE VIDA – Key figures

ITEM	SEPTEMBER 2017	SEPTEMBER 2018	Δ %
Gross written and accepted premiums	1,594.2	2,024.2	27.0%
Gross result	264.4	239.9	-9.3%
Tax on profits	(53.3)	(51.0)	-4.2%
Non-controlling interests	(61.0)	(56.1)	-8.0%
Attributable net result	150.2	132.7	-11.6%
Investments, real estate and cash	24,040.4	24,438.3	1.7%
Shareholders' equity	1,787.3	1,558.3	-12.8%
ROE	10.8%	10.1%	-0.7 p.p.
Technical financial Margin	1.3%	1.2%	-0.2 p.p.

Figures in millions of euros

MAPFRE VIDA – Premium breakdown

ITEM	SEPTEMBER 2017	SEPTEMBER 2018	Δ %
- Agent channel	991.0	1,175.8	18.7%
- Bank channel	603.2	848.4	40.7%
BANKIA MAPFRE VIDA	266.0	461.1	73.3%
BANKINTER SEGUROS DE VIDA	245.4	297.9	21.4%
CAJA CASTILLA LA MANCHA	55.6	89.5	61.0%
DUERO SEGUROS DE VIDA	36.2	0.0	-100.0%
TOTAL PREMIUMS	1,594.2	2,024.2	27.0%
- Life-Savings	1,206.8	1,634.0	35.4%
- Life-Protection	323.4	327.3	1.2%
- Accidents	63.9	63.0	-1.5%

Figures in millions of euros

MAPFRE VIDA premiums show satisfactory growth of 27.0 percent, due in large part to the issuing of a collective Life policy. Without the effect of this policy, premiums would have grown 9.3 percent, thanks to the positive performance of the agent channel.

The result has gone down due to the previously mentioned effect of the cancellation of a provision for contingent payments of 27.2 million euros. Excluding this effect, the net attributable result would have grown 7.9 percent.

MAPFRE VIDA – Managed savings

ITEM	SEPTEMBER 2017	SEPTEMBER 2018	Δ %
Technical provisions	21,559.8	21,730.1	0.8%
MAPFRE VIDA	12,701.2	12,779.5	0.6%
BANKIA MAPFRE VIDA	7,005.2	6,914.6	-1.3%
BANKINTER SEGUROS DE VIDA	969.0	1,182.3	22.0%
CAJA CASTILLA LA MANCHA	884.4	853.7	-3.5%
Mutual funds and other	3,654.4	3,475.6	-4.9%
Pension funds	4,930.6	5,066.4	2.8%
MAPFRE AM	2,234.2	2,267.6	1.5%
OTHER	2,696.5	2,798.8	3.8%
TOTAL MANAGED SAVINGS	30,144.9	30,272.1	0.4%

Figures in millions of euros

6.1.2. LATAM

This territorial area comprises the regional areas of BRAZIL, LATAM NORTH, and LATAM SOUTH.

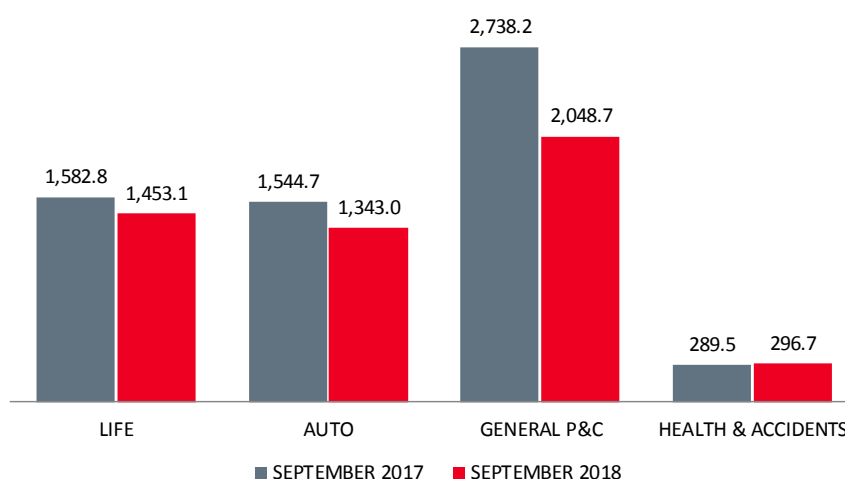
Information by region

REGION	Premiums			Attributable result			Combined ratio	
	SEPTEMBER 2017	SEPTEMBER 2018	Δ %	SEPTEMBER 2017	SEPTEMBER 2018	Δ %	SEPTEMBER 2017	SEPTEMBER 2018
BRAZIL	3,449.2	2,986.3	-13.4%	86.0	39.2	-54.4%	94.6%	103.1%
LATAM NORTH	1,458.3	982.9	-32.6%	23.8	35.3	48.2%	98.9%	96.6%
LATAM SOUTH	1,290.2	1,206.0	-6.5%	46.9	60.2	28.4%	98.9%	97.0%

Figures in millions of euros

Premiums and Result

Written premiums in key lines



Figures in millions of euros

The decline in premiums is primarily a result of the depreciation of the main currencies of the countries in the territory where MAPFRE has Direct Insurance operations.

There are noteworthy declines in the Brazilian real (17.5 percent), the Mexican peso (7.6 percent), the Peruvian sol (6.1 percent), the Columbian peso (3.8 percent) and the Argentine peso (39.0 percent). It is important to point out that, in local currency, there is strong growth in written premiums in Mexico (14 percent, eliminating the PEMEX effect), Peru (14 percent), Argentina (22 percent), and other countries in the region.

The attributable result to September 2018 in the LATAM Territorial Area was affected by an increase in results in LATAM NORTH due to the favorable development of the loss experience in Mexico and in LATAM SOUTH from the extraordinary operation of the sale of real estate in Chile which generated an attributable net gain of 22 million euros. On the other hand, Brazil has had a

fall in Life business results in the bank channel due to an increase in acquisition expenses and from lower financial results as a result of lower interest rates, in addition to unfavorable development of the loss experience in Auto and of some General P&C lines in the agent channel.

BRAZIL

This regional area encompasses the insurance activity in Brazil.

Key figures

ITEM	SEPTEMBER 2017	SEPTEMBER 2018	Δ %
Gross written and accepted premiums	3,449.2	2,986.3	-13.4%
- Non-Life	2,322.6	1,995.2	-14.1%
- Life	1,126.6	991.1	-12.0%
Net premiums earned	2,859.9	2,526.7	-11.6%
Gross result	507.2	374.2	-26.2%
Tax on profits	(183.7)	(143.6)	-21.9%
Non-controlling interests	(237.5)	(191.5)	-19.4%
Attributable net result	86.0	39.2	-54.4%
Combined ratio	94.6%	103.1%	8.5 p.p.
Expense ratio	33.7%	37.0%	3.3 p.p.
Loss ratio	61.0%	66.2%	5.2 p.p.
Investments, real estate and cash	4,369.2	3,640.9	-16.7%
Technical provisions	5,163.3	4,482.2	-13.2%
Shareholders' equity	1,231.9	970.4	-21.2%
ROE	10.6%	7.1%	-3.4 p.p.

Figures in millions of euros

Breakdown by key lines

ITEM	Premiums			Attributable result			Combined ratio	
	SEPTEMBER 2017	SEPTEMBER 2018	Δ %	SEPTEMBER 2017	SEPTEMBER 2018	Δ %	SEPTEMBER 2017	SEPTEMBER 2018
LIFE	1,126.6	991.1	-12.0%	41.8	40.6	-2.8%	--	--
AUTO	954.8	794.1	-16.8%	(3.4)	(34.9)	--	107.0%	121.7%
GENERAL P&C	1,364.2	1,198.6	-12.1%	42.8	27.0	-37.0%	78.4%	82.6%

Figures in millions of euros

The following table shows a breakdown of written premiums and attributable result by holdings and subsidiaries to September 2018:

SEPTEMBER 2018	WRITTEN PREMIUMS	ATTRIBUTABLE RESULT
BB MAPFRE SH1 PARTICIPAÇÕES S.A	1,396.4	76.7
COMPANHIA SEGUROS ALIANÇA DO BRASIL S.A.	1,244.9	76.2
MAPFRE VIDA S.A.	151.5	2.6
HOLDING AND OTHER	0.0	(2.1)
MAPFRE BB SH2 PARTICIPAÇÕES S.A.	1,506.6	(34.8)
MAPFRE SEGUROS GERAIS S.A.	1,148.7	(41.7)
BRASIL VEÍCULOS COMPANHIA DE SEGUROS S.A.	248.5	3.4
ALIANÇA DO BRASIL SEGUROS S.A	109.4	4.2
HOLDING AND OTHER	0.0	(0.8)
OTHER BUSINESS AND CONSOLIDATION ADJUSTMENTS	83.4	(2.8)
TOTAL BRAZIL	2,986.3	39.2

Figures in millions of euros

Premiums

The fall in premiums in euros shows the effect of the depreciation of the Brazilian real (17.5 percent). In reals, total premium issuing in Brazil grew 5 percent due to higher issuing in General P&C (3 percent) and a standstill in Auto issuing. The Life business grew 10 percent in reals, primarily in the bank channel (Life Protection), as a result of an increase in insurance linked to bank credit.

Result

The deterioration of the result in Brazil originates in:

1. The fall in recurring Life business results due to an important reduction in earned premiums, as the main products that present growth in reals are insurance products linked to financing through loans, which have an effective period longer than two years.
2. The increase in acquisition costs, specifically in business coming from the banking channel.
3. Lower financial results due to the low interest rates in Brazil.
4. The unfavorable evolution of the loss experience in the Auto, Industrial Risks and Transport lines, which placed the Non-Life Combined Ratio at 103.1 percent. For this Non-Life business in the third quarter, the review of several balance sheet headings continued in order to apply more prudent valuation criteria and this has had a 48.6 million euro negative impact in the year on the attributable result for the country.
5. In the Life business, in the third quarter, the sufficiency of certain technical provisions in Brazil has continued to be reviewed, in order to adapt them to the best actuarial estimate, which has implied a positive contribution to the attributable result, in the year, of 17.8 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	SEPTEMBER 2017	SEPTEMBER 2018	Δ %
Gross written and accepted premiums	1,458.3	982.9	-32.6%
- Non-Life	1,200.5	718.4	-40.2%
- Life	257.8	264.5	2.6%
Net premiums earned	610.9	624.9	2.3%
Gross result	36.4	55.4	52.3%
Tax on profits	(6.9)	(14.4)	109.3%
Non-controlling interests	(5.6)	(5.6)	0.2%
Attributable net result	23.8	35.3	48.2%
Combined ratio	98.9%	96.6%	-2.4 p.p.
Expense ratio	32.0%	31.9%	-0.1 p.p.
Loss ratio	66.9%	64.7%	-2.3 p.p.
Investments, real estate and cash	1,345.2	1,424.8	5.9%
Technical provisions	1,861.0	1,707.2	-8.3%
Shareholders' equity	756.9	737.2	-2.6%
ROE	3.8%	6.1%	2.2 p.p.

Figures in millions of euros

Breakdown of key countries

COUNTRY	Premiums			Attributable result		
	SEPTEMBER 2017	SEPTEMBER 2018	Δ %	SEPTEMBER 2017	SEPTEMBER 2018	Δ %
MEXICO	1,013.1	556.2	-45.1%	3.0	15.8	--
PANAMA	166.2	148.4	-10.7%	7.6	6.0	-21.3%
DOMINICAN REP.	89.9	91.0	1.3%	5.4	5.3	-2.0%
HONDURAS	58.7	58.6	-0.1%	5.0	3.7	-24.9%

Figures in millions of euros

Premiums

The depreciation of the main currencies of the region, as well as the issuing of the PEMEX policy in the first half of 2017, are causes of the notable fall in premiums in LATAM NORTH (-32.6 percent in euros). Eliminating the effect of the PEMEX policy in 2017, premiums in the region would grow by 1 percent.

All the important countries in the region grew at a good rate in local currency with the exception of Panama and Guatemala. The strong growth in local currency in Mexico (14 percent, removing the PEMEX effect) is noteworthy, with an increase in premiums in Auto (4.3 percent), Life (19 percent) and Health (26 percent), and in the Dominican Republic (13 percent), Honduras (8 percent), El Salvador (8 percent), Nicaragua (7 percent) and Costa Rica (21 percent).

Result

There was an important improvement in results in the LATAM NORTH region, supported by the favorable development of business in Mexico and the Dominican Republic. There was a relevant improvement in the Non-Life combined ratio, which went down to 96.6 percent (2.4 percentage points lower than September 2017) due to a reduction in the loss ratio, especially in Mexico thanks to the implementation of control measures in claims handling and improved claims management.

LATAM SOUTH

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

Key figures

ITEM	SEPTEMBER 2017	SEPTEMBER 2018	Δ %
Gross written and accepted premiums	1,290.2	1,206.0	-6.5%
- Non-Life	1,091.7	1,008.5	-7.6%
- Life	198.4	197.4	-0.5%
Net premiums earned	779.8	730.5	-6.3%
Gross result	74.2	101.3	36.5%
Tax on profits	(17.9)	(34.7)	93.3%
Non-controlling interests	(9.4)	(6.5)	-31.2%
Attributable net result	46.9	60.2	28.4%
Combined ratio	98.9%	97.0%	-1.9 p.p.
Expense ratio	38.3%	35.8%	-2.5 p.p.
Loss ratio	60.6%	61.2%	0.6 p.p.
Investments, real estate and cash	1,844.4	1,961.6	6.4%
Technical provisions	2,425.3	3,026.5	24.8%
Shareholders' equity	489.1	515.0	5.3%
ROE	9.8%	16.6%	6.9 p.p.

Figures in millions of euros

Breakdown of key countries

COUNTRY	Premiums			Attributable result		
	SEPTEMBER 2017	SEPTEMBER 2018	Δ %	SEPTEMBER 2017	SEPTEMBER 2018	Δ %
COLOMBIA	309.1	302.5	-2.1%	10.1	(3.9)	-138.2%
PERU	358.9	382.5	6.6%	25.8	20.2	-21.7%
ARGENTINA	234.8	174.4	-25.7%	7.5	12.2	63.2%
CHILE	210.7	173.6	-17.6%	(2.9)	28.1	--

Figures in millions of euros

Premiums

The decrease in premiums reached 6.5 percent, due to the depreciation of the main currencies in the region. In general, issuing grew at a good rate in local currency in the region in almost all countries – Peru (14 percent), Argentina (22 percent), Paraguay (6 percent), Colombia (2 percent), Uruguay (10 percent) and Ecuador (4 percent); with the exception of Chile (-16 percent) from lower premium issuing in General P&C and Industrial Risks, in line with the strategy of cancelling unprofitable policies.

Result

To the close of September 2018, LATAM SOUTH showed a significant improvement in the Non-Life combined ratio, which went down to 97.0 percent (1.9 percentage points lower than in September 2017), due to a significant reduction in the expense ratio. The result improved in local currency in Argentina, Paraguay and Chile, with the latter standing out for its extraordinary attributable net gain of 22 million euros from the sale of real estate.

In the rest of the countries in the region profit went down compared to the previous year, specifically in Colombia due to higher technical provisions that were necessary in the Life Savings and Workers' Compensation businesses, due to the update of long-term financial assumptions, and in Uruguay where the Auto line suffered a higher loss experience.

6.1.3. INTERNATIONAL

This territorial area comprises NORTH AMERICA and EURASIA.

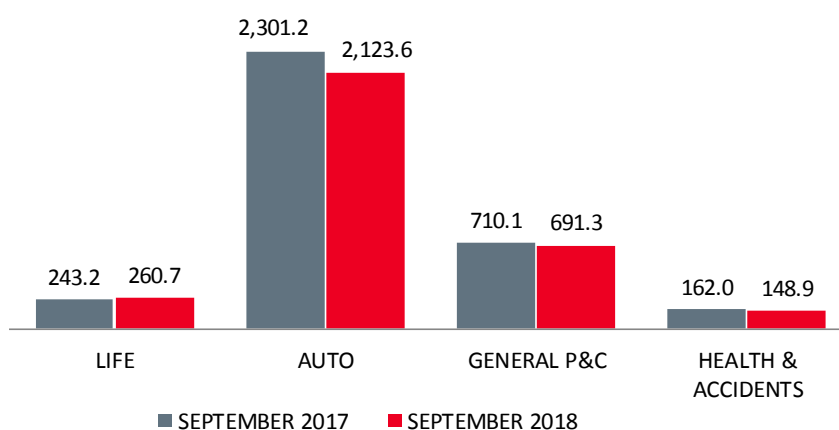
Information by region

REGION	Premiums			Attributable result			Combined ratio	
	SEPTEMBER 2017	SEPTEMBER 2018	Δ %	SEPTEMBER 2017	SEPTEMBER 2018	Δ %	SEPTEMBER 2017	SEPTEMBER 2018
NORTH AMERICA	1,977.4	1,885.1	-4.7%	21.3	21.0	-1.4%	104.1%	102.3%
EURASIA	1,446.7	1,355.8	-6.3%	29.2	16.6	-43.2%	100.7%	106.6%

Figures in millions of euros

Premiums and Result

Written premiums in key lines



Figures in millions of euros

Premiums from the INTERNATIONAL area fell, due to a strong depreciation of the main currencies in the Territorial Area – the US dollar (-5.6 percent) and the Turkish lira in EURASIA (-24.5 percent). In NORTH AMERICA the drop in premium issuing stood at 4.7 percent as a result, in addition to the depreciation of the dollar, of the downward trend of business outside of Massachusetts from the cancellation of unprofitable business. In EURASIA, issuing fell 6.3 percent due, on the one hand, to a strong depreciation of the Turkish lira, the Philippine peso and the Indonesian rupiah and, on the other hand, lower premium issuing in Turkey.

The attributable result in NORTH AMERICA was affected by the impact of several storms on the East coast of the United States that occurred in the first quarter, which implied a net cost of 11.5

million euros. Additionally, the business restructuring in the United States, exiting several states and businesses, will have an estimated net cost of 7.2 million euros. In EURASIA, the fall in the result is a consequence of the impact of the regulatory change in Motor Third Party Liability insurance in Turkey, as well as the socioeconomic context affecting the country.

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	SEPTEMBER 2017	SEPTEMBER 2018	Δ %
Gross written and accepted premiums	1,977.4	1,885.1	-4.7%
Net premiums earned	1,514.6	1,453.1	-4.1%
Gross result	29.6	29.8	0.7%
Tax on profits	(8.0)	(8.9)	11.3%
Non-controlling interests	(0.3)	0.1	-124.5%
Attributable net result	21.3	21.0	-1.4%
Combined ratio	104.1%	102.3%	-1.8 p.p.
Expense ratio	25.6%	28.6%	3.0 p.p.
Loss ratio	78.5%	73.8%	-4.7 p.p.
Investments, real estate and cash	2,392.8	2,193.4	-8.3%
Technical provisions	2,939.9	2,772.3	-5.7%
Shareholders' equity	1,293.4	1,235.3	-4.5%
ROE	3.1%	3.8%	0.7 p.p.

Figures in millions of euros

Breakdown by country

COUNTRY	Premiums			Attributable result		
	SEPTEMBER 2017	SEPTEMBER 2018	Δ %	SEPTEMBER 2017	SEPTEMBER 2018	Δ %
UNITED STATES	1,717.0	1,574.7	-8.3%	37.0	10.2	-72.4%
Northeast	1,309.7	1,253.0	-4.3%	60.2	45.7	-24.0%
Non-northeast	324.5	270.3	-16.7%	(18.0)	(14.7)	18.1%
Exit states	82.9	50.7	-38.9%	(5.1)	(12.7)	-149.1%
Verti	0.0	0.8	--	(1.0)	(9.3)	-823.5%
PUERTO RICO	260.4	310.4	19.2%	(15.7)	10.8	168.8%

Figures in millions of euros

Combined ratio

	SEPTEMBER 2017	SEPTEMBER 2018
UNITED STATES	101.5%	103.5%
Northeast	96.4%	99.8%
Non-northeast	115.6%	112.5%
Exit states	117.0%	119.0%
PUERTO RICO	121.9%	94.2%

MAPFRE USA – Key figures

ITEM	SEPTEMBER 2017	SEPTEMBER 2018	Δ %
Gross written and accepted premiums	1,717.0	1,574.7	-8.3%
Net premiums earned	1,318.3	1,264.3	-4.1%
Gross result	50.3	9.1	-82.0%
Tax on profits	(16.3)	(2.6)	-83.9%
Non-controlling interests	(0.3)	0.1	-124.5%
Attributable net result	33.7	6.5	-80.6%
Combined ratio	101.5%	103.5%	2.0 p.p.
Expense ratio	24.0%	27.4%	3.4 p.p.
Loss ratio	77.5%	76.2%	-1.4 p.p.
Investments, real estate and cash	1,988.5	1,787.8	-10.1%
Technical provisions	2,140.2	2,133.2	-0.3%
Shareholders' equity	1,089.0	1,025.3	-5.8%
ROE	4.4%	3.1%	-1.3 p.p.

Figures in millions of euros

Premiums

At the close of September, premiums in NORTH AMERICA registered a 4.7 percent decrease, mainly due to the effect of the depreciation of the US dollar (-5.6 percent). The United States shows an 8.3 percent drop in premium issuing though in the most important Northeast region (Massachusetts and four other adjacent states) it shows 1.3 percent growth in dollars. Business outside the Northeast maintains its downward trend due to the cancellation of unprofitable business, with the aim of improving profitability in those states.

There was positive premium development in Puerto Rico, with 26 percent growth in dollars from the renewal of government, municipal and commercial real estate business policies, which obtained considerable increases in premiums, due to the harder market from the increase in reinsurance coverage as a result of Hurricane Maria.

Result

The 2018 result in NORTH AMERICA is affected by the impact of several storms that occurred in the first quarter on the East coast of the United States, which had a gross cost, before reinsurance, of 52.6 million US dollars. The cost, net of reinsurance and after taxes, stands at 13.8 million US dollars (11.5 million euros), which has had a relevant impact on the results and has produced an increase in the combined ratio in the Auto and General P&C business lines.

In the second quarter, an agreement was reached for the sale of businesses in New York and New Jersey, MAPFRE Life Insurance Company was sold, and the exit from Tennessee, Kentucky and Indiana was agreed. Net losses from these transactions reached 8.7 million USD (7.2 million euros).

What's more, the CAR (Commonwealth Automobile Reinsurance) risk pool in the state of Massachusetts, in which MAPFRE is obligated to participate, has generated a negative impact of 7.8 million dollars. As a result, at September 2018 the Non-Life combined ratio in the United States stood at 103.5 percent.

VERTI's result corresponds to the expenses coming from the launch of the operation, primarily related to technology and to process and procedure adjustments. The volume of premiums is still modest and is in line with the planned business launch model.

Puerto Rico, on the other hand, showed very positive development after the losses in the third quarter last year. At the close of September 2018, it presented a net result of 10.8 million euros and a combined ratio of 94.2 percent.

The net impact of the catastrophic claims which occurred in 2017 has increased, as a result of an increase in claims reported in 2018, which has produced a 3.7 million euro negative impact on the attributable result for Puerto Rico for this period.

EURASIA

This regional area encompasses the insurance operations in Italy, Germany, Turkey, Malta, Indonesia and the Philippines.

Key figures

ITEM	SEPTEMBER 2017	SEPTEMBER 2018	Δ %
Gross written and accepted premiums	1,446.7	1,355.8	-6.3%
- Non-Life	1,211.0	1,098.1	-9.3%
- Life	235.7	257.8	9.4%
Net premiums earned	1,002.3	944.2	-5.8%
Gross result	44.5	30.2	-32.2%
Tax on profits	(8.3)	(7.4)	-10.9%
Non-controlling interests	(7.0)	(6.2)	-11.5%
Attributable net result	29.2	16.6	-43.2%
Combined ratio	100.7%	106.6%	5.9 p.p.
Expense ratio	22.5%	21.8%	-0.8 p.p.
Loss ratio	78.2%	84.9%	6.7 p.p.
Investments, real estate and cash	3,955.9	3,880.1	-1.9%
Technical provisions	4,058.3	4,114.9	1.4%
Shareholders' equity	652.4	569.3	-12.7%
ROE	-3.2%	4.4%	7.6 p.p.

Figures in millions of euros

Breakdown by country

COUNTRY	Premiums			Attributable result		
	SEPTEMBER 2017	SEPTEMBER 2018	Δ %	SEPTEMBER 2017	SEPTEMBER 2018	Δ %
TURKEY	500.9	359.9	-28.1%	39.2	20.7	-47.3%
ITALY	352.4	354.0	0.4%	(11.4)	(5.6)	50.5%
GERMANY	258.5	268.4	3.8%	0.9	0.8	-16.7%
MALTA	278.4	305.8	9.8%	2.5	2.6	3.4%
PHILLIPINES	33.2	23.3	-29.6%	(0.0)	(0.3)	--
INDONESIA	23.3	44.3	90.7%	2.7	0.6	-77.0%

Figures in millions of euros

Premiums

At the close of September, premiums in EURASIA registered a fall of 6.3 percent as a consequence, on the one hand, of the strong depreciation of the Turkish lira (-24.5 percent), the Philippine peso (-11.8 percent) and the Indonesian rupiah (-10.9 percent), and, on the other hand, of lower premium issuing in Turkey due to a strict underwriting policy in the framework of the strategy focused on profitable growth, specifically in the Motor Third Party Liability line. Premiums in Germany and Italy are in line with current market conditions.

Result

The result in EURASIA shows negative development, which was expected, due to the impact of the regulatory change from April 2017 in Motor Third Party Liability insurance in Turkey, which regulated an important decrease in compulsory Motor Third Party Liability insurance rates, essentially eliminating freedom of pricing in this insurance in the Turkish market. This fact explains the fall in the EURASIA region result and the increase in the Non-Life combined ratio to 106.6 percent.

Italy significantly improved results and shows a very positive trend. Germany and Malta maintain their results in line with expectations.

The fall in the result in Indonesia in 2018 follows the systematic amortization of intangible assets from the acquisition of this subsidiary, for an attributable net amount of 2.9 million euros.

6.2. 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	SEPTEMBER 2017	SEPTEMBER 2018	Δ %
Gross written and accepted premiums	3,300.5	2,972.1	-10.0%
- Non-Life	2,799.7	2,540.9	-9.2%
- Life	500.8	431.2	-13.9%
Net premiums earned	2,074.6	2,007.8	-3.2%
Gross result	131.6	151.5	15.1%
Tax on profits	(34.3)	(38.1)	11.0%
Non-controlling interests	(0.0)	(0.0)	--
Attributable net result	97.3	113.3	16.5%
Combined ratio	96.6%	94.5%	-2.1 p.p.
Expense ratio	32.3%	30.6%	-1.6 p.p.
Loss ratio	64.3%	63.8%	-0.5 p.p.
Investments, real estate and cash	4,582.6	4,570.1	-0.3%
Technical provisions	4,177.3	4,422.5	5.9%
Shareholders' equity	1,312.4	1,325.3	1.0%
ROE	12.3%	13.6%	1.2 p.p.

Figures in millions of euros

Breakdown of premium distribution to September 2018 is as follows:

ITEM	%
By Type of business:	
Proportional	77.1%
Non-proportional	16.2%
Facultative	6.6%
By Region:	
IBERIA	25.8%
EURASIA	50.5%
LATAM	16.7%
NORTH AMERICA	7.1%

ITEM	%
By Ceding company:	
MAPFRE	38.3%
Other	61.7%
By Insurance Lines:	
Property	46.2%
Life & Accident	18.7%
Motor	24.4%
Transport	3.6%
Other Insurance lines	7.0%

The net result for MAPFRE RE at the close of September 2018 reached 113.3 million euros, improving compared to the previous year thanks to a lower impact from catastrophic claims. The Non-Life combined ratio stood at 94.5 percent, 2.1 percentage points lower than the same period the previous year.

The development of net retained catastrophic claims from the 2017 events is shown below:

MAPFRE RE	DECEMBER 2017	SEPTEMBER 2018	VARIATION
Hurricane Harvey	7.0	6.5	(0.5)
Hurricane Irma	5.4	12.5	7.0
Hurricane Maria	25.7	32.0	6.4
Mexico earthquake (Chiapas)	3.1	---	(3.1)
Mexico earthquake (Puebla)	12.5	8.1	(4.4)
TOTAL	53.7	59.1	5.4

Figures in million euros

The third quarter of 2018 was affected by claims from Typhoon Jebi, which has had an attributable net impact of 39 million euros in the company's result. MAPFRE RE's positive results despite this extraordinary event are noteworthy, showing excellent levels of profitability.

Premium issuing fell 10 percent due to a relevant part of MAPFRE RE's business coming from countries outside of Europe, with currencies, as already explained, that have suffered strong depreciations compared to the same period of the previous year. Lower issuing of accepted premiums in Life is mainly a result of the cancellation of a contract with a European ceding company. On the other hand, lower issuing of accepted Non-Life premiums comes from lower ceding in the quota share treaty from MAPFRE USA to MAPFRE RE.

At the close of the third quarter of 2018, 17.5 million euros of financial gains, net of financial losses, were registered (29.8 million to September 2017).

6.3. 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	SEPTEMBER 2017	SEPTEMBER 2018	Δ %
Gross written and accepted premiums	949.5	824.0	-13.2%
Net premiums earned	248.1	221.5	-10.7%
Gross result	(116.1)	22.7	119.6%
Tax on profits	28.9	(9.7)	133.7%
Non-controlling interests	0.0	0.0	--
Attributable net result	(87.2)	12.9	114.8%
Combined ratio	154.7%	95.7%	-59.0 p.p.
Expense ratio	33.0%	34.0%	1.0 p.p.
Loss ratio	121.7%	61.7%	-60.0 p.p.
Investments, real estate and cash	981.2	904.4	-7.8%
Technical provisions	2,062.7	2,416.3	17.1%
Shareholders' equity	296.8	342.8	15.5%
ROE	-20.0%	10.6%	30.6 p.p.

Figures in millions of euros

MAPFRE GLOBAL RISKS premiums reached 824.0 million euros, which represents 13.2 percent less than the previous year, due to the notable impact of the exchange rate as a relevant part of the company's business comes from outside Europe.

At the close of September 2018, the attributable result stood at 12.9 million euros, with the Non-Life combined ratio reaching 95.7 percent.

The development of net retained catastrophic claims from the 2017 events is shown below:

MAPFRE GLOBAL RISKS	DECEMBER 2017	SEPTEMBER 2018	VARIATION
Hurricane Harvey	11.3	7.3	(4.0)
Hurricane Irma	18.8	18.3	(0.5)
Hurricane Maria	16.8	16.9	0.1
Mexico earthquake (Chiapas)	6.0	4.8	(1.2)
Mexico earthquake (Puebla)	4.5	4.7	0.2
TOTAL	57.3	51.9	(5.4)

It is noteworthy that in the third quarter there was an extraordinary result for the loss of tax credit, as a result of a branch closing in Germany, with a net impact of 4.3 million euros.

At the close of the third quarter of 2018, financial gains of 0.8 million euros, net of financial losses, were recorded (7.0 million to September 2017).

6.4. MAPFRE ASISTENCIA

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

Key figures

ITEM	SEPTEMBER 2017	SEPTEMBER 2018	Δ %
Operating revenue	867.9	764.7	-11.9%
- Gross written and accepted premiums	782.2	710.1	-9.2%
- Other revenue	85.7	54.6	-36.3%
Net premiums earned	555.1	483.2	-13.0%
Result from other business activities	(23.2)	8.5	136.4%
Gross result	(41.9)	(3.8)	90.9%
Tax on profits	(7.8)	(2.5)	-67.7%
Non-controlling interests	(1.4)	(1.1)	-20.5%
Attributable net result	(51.1)	(7.4)	85.5%
Combined ratio	102.4%	103.4%	0.9 p.p.
Expense ratio	36.9%	41.0%	4.1 p.p.
Loss ratio	65.6%	62.3%	-3.2 p.p.
Investments, real estate and cash	272.6	366.9	34.6%
Technical provisions	679.4	745.7	9.8%
Shareholders' equity	206.6	210.5	1.9%
ROE	-32.8%	-11.9%	20.9 p.p.

Figures in millions of euros

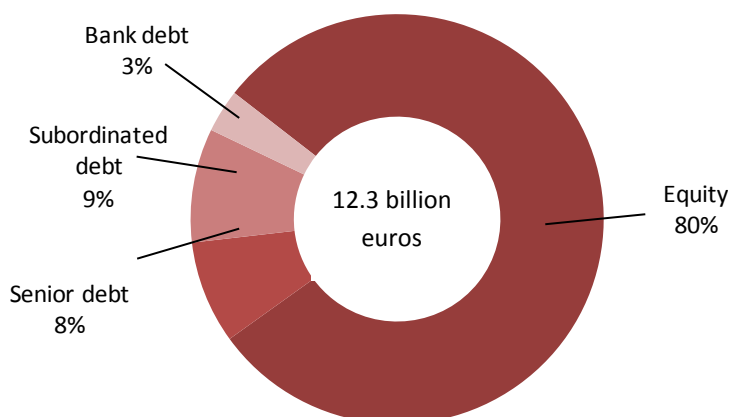
The reduction in operating income and premiums in the ASISTENCIA unit is a result of the business restructuring started in previous years, and which implied adopting diverse measures in the Assistance business and the Travel Insurance business, such as: exiting or discontinuing operations in certain countries, cancelling contracts and loss-making business, raising rates and renegotiating economic conditions with some large clients. These measures have impacted income and premium growth, which explains the reduction of operating income and premiums.

All the measures adopted led to an 85.5 percent reduction in losses in the ASISTENCIA unit compared to the previous year. Losses were reduced to 7.4 million euros at the close of the third quarter of 2018, and there was significant improvement in the loss ratio, which went down 3.2 percentage points to 62.3 percent. The Non-Life combined ratio was still high at 103.4 percent due to the pressure from expenses as a result of the previously mentioned fall in premiums.

7. Capital Management & Debt

The chart below shows the composition of the capital structure at the close of the third quarter of 2018:

Capital structure



Figures in billions of euros

Capital structure reached 12.3 billion euros, of which 80 percent corresponds to equity.

MAPFRE has a 1 billion-euro line of credit available which was approved in December 2014, by a syndicate of banks, and which was novated in February 2018. Included in the modified conditions with this novation, the following are noteworthy:

- Maturity is extended from December 2021 to February 2023, with the possibility of up to two more annual extensions, which would go until February 2025 if executed.
- The interest rate is reduced by 20 basis points, with the possibility of an additional reduction as of the second year, if the Group's sustainability rating improved.
- Availability and use commissions are lowered.

Overall, the abovementioned modifications imply savings of between 26 and 30 percent of the cost of credit according to the level of use, in addition to strengthening our commitment to sustainability.

In September, MAPFRE closed a new subordinated debt issuance which was placed among over 80 investors in various countries. The main terms and conditions of this issue are the following:

- Amount: 500 million euros
- Fixed annual coupon: 4.125%
- Issue price: 99.59%
- Settlement date: September 07, 2018
- Maturity: September 07, 2048
- 1st call option: September 07, 2028
- Issue rating: BBB- (Fitch)

The Group has a leverage ratio of 20.5 percent, with an increase of 2.4 percentage points compared to the close of 2017.

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

Debt instruments and leverage ratios

ITEM	SEPTEMBER 2017	DECEMBER 2017	SEPTEMBER 2018
Total Equity	10,792.3	10,512.7	9,797.6
Total debt	2,386.3	2,327.4	2,526.9
- of which: senior debt - 5/2026	999.0	1,003.3	999.8
- of which: subordinated debt - 3/2047 (First Call 3/2027)	610.7	617.4	610.9
- of which: subordinated debt - 9/2048 (First Call 9/2028)	0.0	0.0	498.0
- of which: syndicated credit facility - 02/2023 (€ 1,000 M)	660.1	600.1	320.0
- of which: bank debt	116.5	106.7	98.2
Earnings before tax	1,109.8	1,508.7	1,150.3
Financial expenses	68.4	90.1	56.9
Earnings before tax & financial expenses (EBIT)	1,178.2	1,598.8	1,207.2
Leverage	18.1%	18.1%	20.5%
Equity / Debt	4.5	4.5	3.9
EBIT / financial expenses (x)	17.2	17.7	21.2

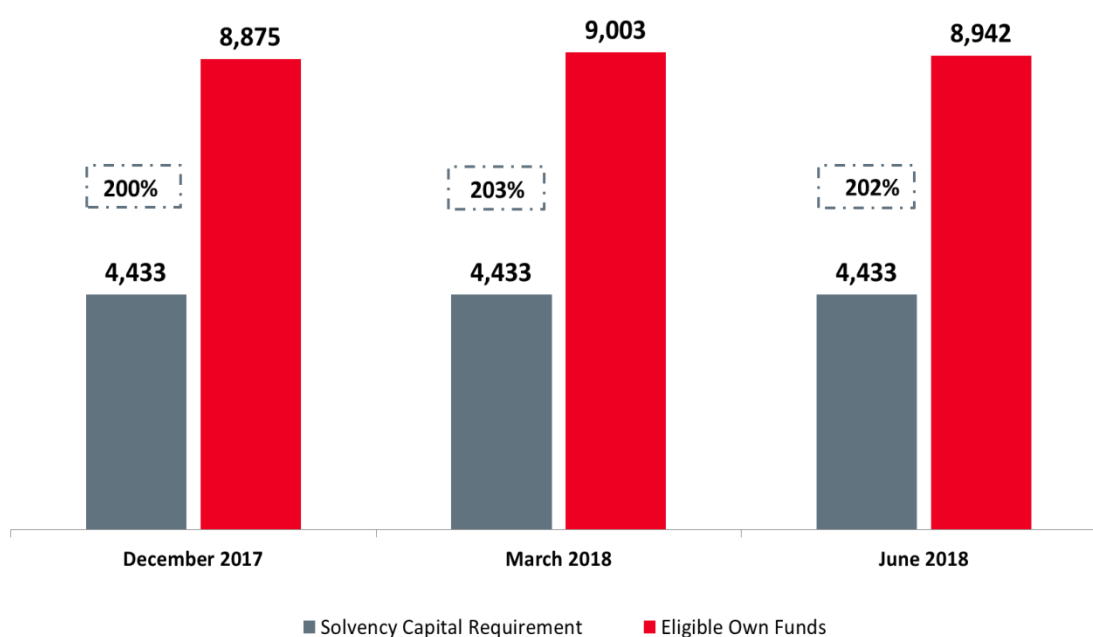
Figures in millions of euros

8. Solvency II

The Solvency II ratio for MAPFRE Group stood at 201.7 percent at the close of June 2018, compared to 203.1 percent at the close of March 2018, including transitional measures. This ratio would be 182.5 percent, excluding the effects of said measures. Eligible Own Funds reached 8.9 billion euros in the same period, of which 93.3 percent are high quality funds (Tier 1).

The ratio maintained great 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

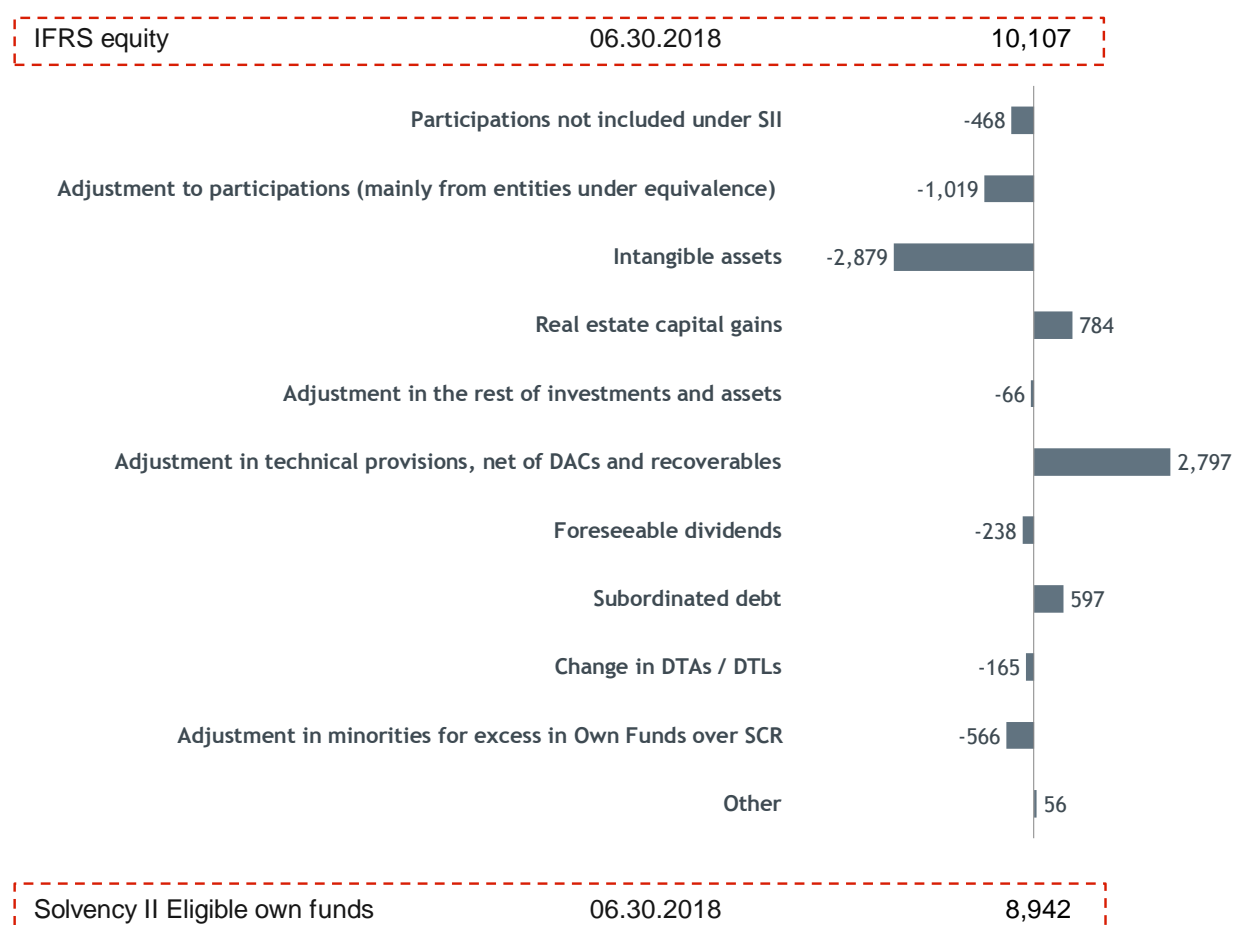
The SCR information is calculated annually, as recalculation during the year is not required unless there is a significant change in the risk profile.

Impact of transitional measures and matching and volatility adjustments

Ratio at 06.30.2018	201.7%
Impact transitional for technical provisions	-16.1%
Impact equity transitional	-3.2%
Impact transitional for assets in non-euro currencies	0.0%
Total ratio without transitionals	182.5%

Ratio at 06.30.2018	201.7%
Impact Matching Adjustment	-1.7%
Impact Volatility Adjustment	-1.0%
Total ratio without Matching and Volatility Adjustments	199.1%

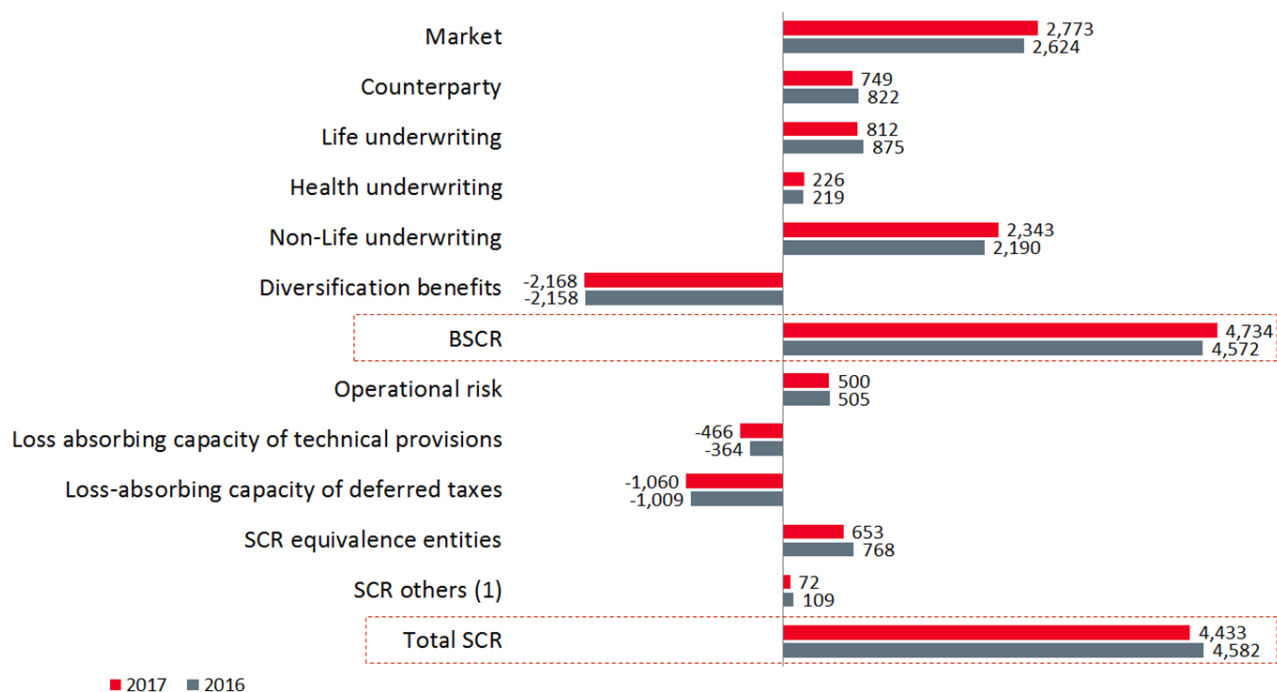
IFRS and Solvency II Capital Reconciliation



Figures in millions of euros

Breakdown of Solvency Capital Requirement (SCR)

The breakdown of the SCR from the last two years, calculated to December 2017 and 2016, is as follows:



(1) Includes other financial sectors, non-controlled participations and residual undertakings.

Figures in millions of euros

9. Ratings

The main ratings agencies, Fitch, Standard & Poor's and Moody's, upgraded the Spanish sovereign debt credit rating in the first half of 2018. These improvements contributed to a rating revision of the MAPFRE Group companies in Spain, over the course of this period.

The chart below details the current credit ratings granted by the main ratings agencies for companies registered in Spain:

Standard & Poor's			
Company	Rating type	Rating	Outlook
MAPFRE S.A.	Issuer	BBB+	Positive
MAPFRE S.A.	Senior debt	BBB+	-
MAPFRE S.A.	Subordinated debt	BBB-	-
MAPFRE GLOBAL RISKS	Financial strength	A	Positive
MAPFRE RE	Financial strength	A	Positive

Fitch			
Company	Rating type	Rating	Outlook
MAPFRE S.A.	Issuer	A-	Stable
MAPFRE S.A.	Senior debt	BBB+	-
MAPFRE S.A.	Subordinated debt	BBB-	-
MAPFRE ESPAÑA	Financial strength	A	Stable
MAPFRE VIDA	Financial strength	A	Stable
MAPFRE GLOBAL RISKS	Financial strength	A	Stable
MAPFRE RE	Financial strength	A	Stable
MAPFRE ASISTENCIA	Financial strength	A	Stable

A.M. Best			
Company	Rating type	Rating	Outlook
MAPFRE RE	Financial strength	A	Stable
MAPFRE GLOBAL RISKS	Financial strength	A	Stable
MAPFRE ESPAÑA	Financial strength	A	Stable

Moody's			
Company	Rating type	Rating	Outlook
MAPFRE GLOBAL RISKS	Financial strength	A2	Stable
MAPFRE ASISTENCIA	Financial strength	A2	Stable

The chart below details the current credit ratings assigned to the Group's key undertakings outside of Spain:

A.M. Best				
Company	Country	Rating type	Rating	Outlook
MAPFRE U.S.A. Group	United States	Financial strength	A	Stable
MAPFRE PRAICO	Puerto Rico	Financial strength	A	Stable
MAPFRE MÉXICO	Mexico	Financial strength	A	Stable

Fitch				
Company	Country	Rating type	Rating	Outlook
MAPFRE SIGORTA A.S.	Turkey	Financial strength	AA (tur)	Stable
MAPFRE SEGUROS GENERALES DE COLOMBIA S.A.	Colombia	Financial strength	AA (col)	Negative
MAPFRE COLOMBIA VIDA SEGUROS S.A.	Colombia	Financial strength	AA- (col)	Stable

10. The MAPFRE Share. Dividend Information

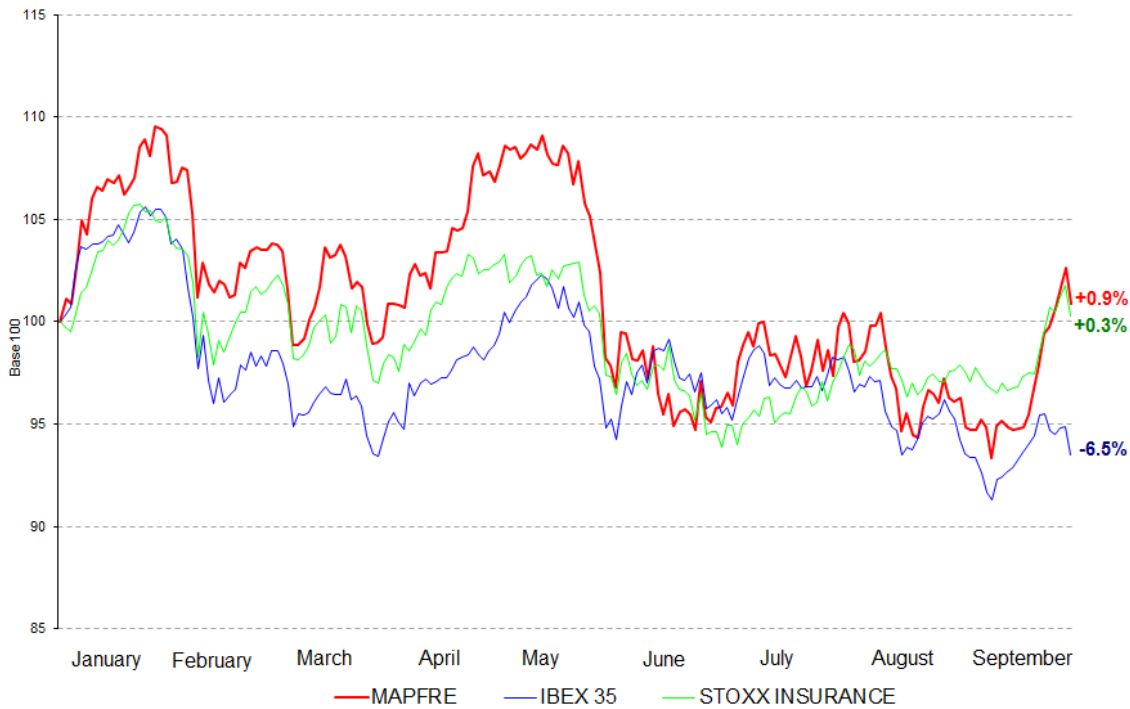
The chart below includes information regarding the development of MAPFRE's shares.

Stock Market Information

	12/31/2015	12/31/2016	12/31/2017	09/30/2018
Total outstanding shares	3,079,553,273	3,079,553,273	3,079,553,273	3,079,553,273
Market cap (million euros)	7,119.9	8,930.7	8,247.0	8,321.0
Share price (euros)	2.312	2.900	2.678	2.702
Changes in value from January 1(%)	-17.8%	25.4%	-7.7%	0.9%
Changes in IBEX 35 from January 1(%)	-7.2%	-2.0%	7.4%	-6.5%
Average number of shares traded daily	9,937,097	9,032,451	7,267,696	5,983,275
Average daily effective value (million euros)	28.5	20.4	21.5	16.0
Period high	3.605	3.130	3.336	2.955
Period low	2.281	1.617	2.621	2.498
Volume / total stock market (%)	0.76%	0.80%	0.85%	0.68%
Book value per share	2.78	2.96	2.80	2.68
Dividend per share (last 12 months)	0.14	0.13	0.145	0.145

In the first nine months of 2018, the price of MAPFRE S.A. stock went up 0.9 percent, while the IBEX 35 went down 6.5 percent. An average of 5,983,275 shares was traded daily, compared to 6,452,366 in September 2017, a decrease of 7.3 percent. The daily effective value reached 16 million euros, versus 19.8 million euros in the previous year, a decrease of 19.2 percent.

Share Performance: January 1, 2018 – September 30, 2018



Average price target (data provided by analysts) and share price: April 1, 2015 – September 30, 2018



58 MAPFRE Financial Information – September 2018



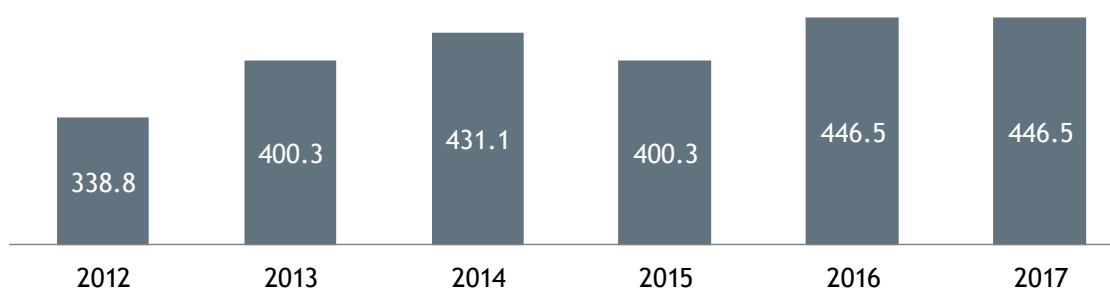
The English version is a translation of the original in Spanish for information purposes only. In case of discrepancy, the Spanish version shall prevail.

Dividend and Payout

On June 14, a final dividend of 0.085 euros gross per share was distributed, as agreed at the Ordinary Annual General Meeting.

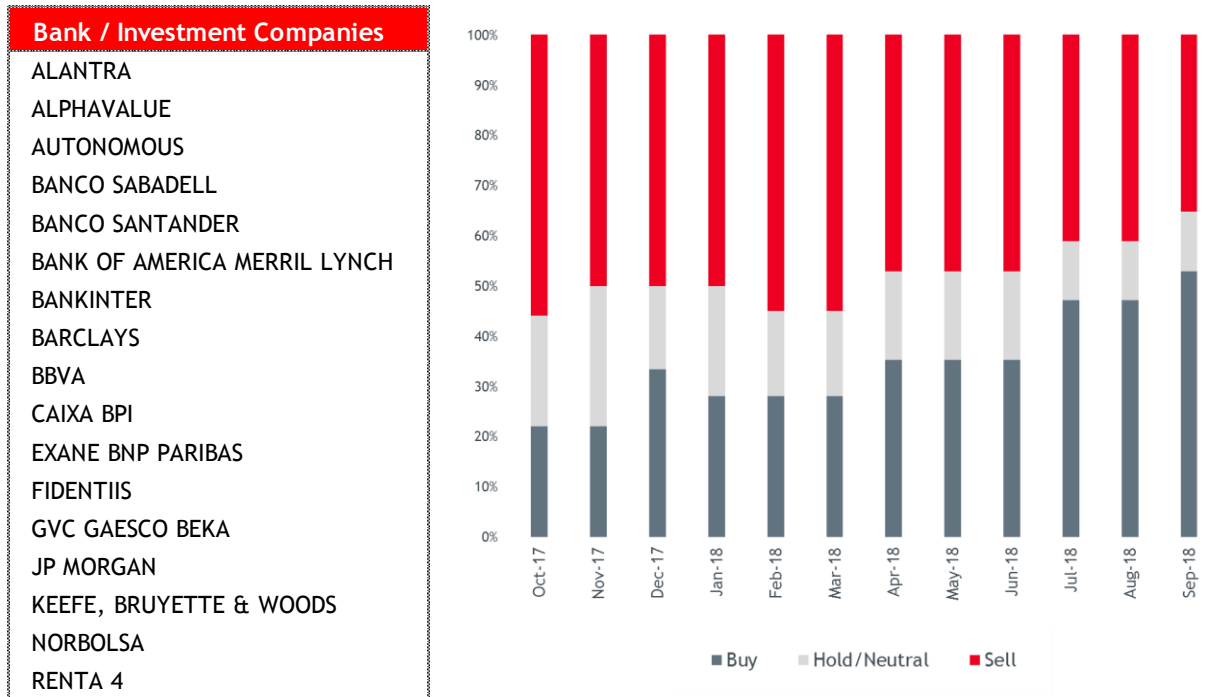
The Board of Directors, at their meeting in September, agreed to pay an interim dividend against 2018 results of 0.06 euros gross per share for all outstanding shares. The amount corresponding to treasury stock will be applied proportionally to the remaining shares. Date of payment is December 20, 2018.

Dividends paid against results (in million euros)

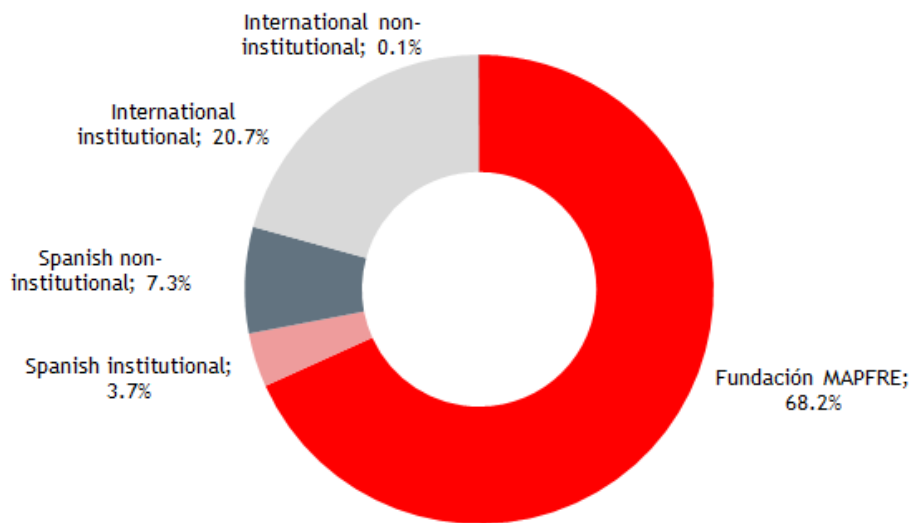


Earnings per share (euros)	0.22	0.26	0.27	0.23	0.25	0.23
Dividend per share (euros)	0.11	0.13	0.14	0.13	0.145	0.145
Payout (%)	50.9%	50.6%	51.0%	56.5%	57.6%	63.7%

Analyst coverage: Recommendation summary



Shareholder composition



11. Accolades Received in the Year

Group

- **MAPFRE Global Intranet, “Best Intranet” in Europe**

MAPFRE’s Global Intranet won the category of “Best Intranet Portal” in the annual awards granted by the European Association for Internal Communication.

- **MAPFRE S.A. receives the distinction of “Equality in the Company” from the Ministry of Health, Social Services and Equality**

The Ministry of Health, Social Services and Equality has awarded MAPFRE S.A. the distinction of “Equality in the Company”, which distinguishes those companies that develop policies for equal opportunity for men and women in the workplace.

- **Antonio Huertas, named 2018 Financier of the Year**

The jury for the ECOFIN awards has recognized the work of Antonio Huertas as Chairman and CEO of MAPFRE AND Fundación MAPFRE with its 2018 Financier of the Year award, highlighting his role as *“a decisive driver of innovation in business success”*.

- **Fernando Mata, CFO of MAPFRE, recognized as one of the best financiers of the year**

Fernando Mata, CFO and member of the Board of Directors of MAPFRE, has been recognized as one of the 100 best financiers of the year by the journal Actualidad Económica and KPMG. Additionally, he was one of 25 award-winners for innovation in financial management.

- **MAPFRE receives the ASTER award for corporate trajectory**

This recognition reaffirms the company’s capacity to continue growing and adapt to society’s new challenges and demands. Further, these awards strengthen the integration and communication between academic activity and business activity.

- **Antonio Huertas, in the top 5 leading executives in Social Responsibility**

Antonio Huertas, Chairman and CEO of MAPFRE, features among the 5 most highly recognized Spanish business leaders in Corporate Social Responsibility, according to the ranking by consulting company Advice Strategic Consultants. The report analyzes the contribution of 36 leaders of the

main companies of the Ibex 35 and other unlisted Spanish systemic companies in terms of their CSR.

- **MAPFRE, included among the most sustainable companies in the world, according to the Dow Jones Sustainability World Index**

MAPFRE is included among the 15 Spanish companies present on the Dow Jones Sustainability World Index, which monitors the performance of companies focused on sustainability and social responsibility.

Spain

- **MAPFRE, the most valuable insurer in Spain, according to Interbrand**

MAPFRE is the most valued insurer according to the ranking of “Best Spanish Brands, 2017”, by the international consultant Interbrand, which highlights the 30 most valuable companies of the country.

- **MAPFRE, the most valuable insurer in Spain, according to Brand Finance**

MAPFRE is once again the most valuable insurer in Spain, according to the ranking carried out by the international consultant, Brand Finance. In the ranking of Spanish companies, MAPFRE is in ninth place, with 17% growth in the value of its brand, to 2.8 billion euros.

- **For the sixth year in a row, MAPFRE is the most attractive insurer to work for**

MAPFRE has been awarded, for the sixth year in a row, with the Ranstad Award for the most attractive company to work for in Spain in the insurance sector. This recognition was given within the framework of the Employer Branding International Study.

- **MAPFRE, among the top ten companies with the best corporate reputation in Spain, according to the Merco report**

MAPFRE continues to be named among the top ten companies with the best reputation in Spain, taking ninth position in the latest report from Merco (from the Spanish *Monitor Español de Reputación Corporativa*), which prepares these rankings of the 100 companies and leaders with the best reputation in Spain.

Other countries and business units

- **World Finance recognizes the management in MAPFRE Peru in the Life Insurance line**

The British publication World Finance has awarded MAPFRE the distinction of “Best Insurer in the Life category in Peru”, in its 2017 Global Insurance Awards.

- **MAPFRE Investimentos, included among the best financial institutions by the Ministry of Finance in Brazil**

MAPFRE Investimentos has once again been named among the best companies in the latest “Podium Curto Prazo” ranking, released by the Secretary of Economic Policy, who works under the Ministry of Finance in Brazil.

- **MAPFRE leads the Merco Social Responsibility ranking in Argentina**

MAPFRE ARGENTINA is included in the most responsible companies in the country, according to the Merco Social Responsibility and Corporate Governance ranking. It is currently in 1st place in the insurance sector, and 28th place in the general ranking, moving up 20 positions from last year.

- **MAPFRE, one of the four Spanish companies with the best reputation in Latin America**

MAPFRE is one of the four Spanish companies with the best corporate reputation in Latin America, according to Merco 2017 Spain-Latam ranking, a benchmark monitor that has been evaluating the prestige of companies in Spain and Latin America since 2000.

- **MAPFRE Mexico, recognized by ‘Great Place to Work’ as the best place to work for the 11th consecutive year**

MAPFRE Mexico was recognized for the 11th consecutive year as the best place to work, for its persistence and interest in maintaining a process of continuous improvement.

- **MAPFRE’s car insurance is the best valued in Massachusetts, according to Valchoice**

MAPFRE Insurance’s car insurance received first place in the ValChoice awards in the state of Massachusetts, with a score of 92 out of 100, in the latest ValChoice Best Value Award, an annual grading system.

- **MAPFRE RE wins an award for its reinsurance quality service in Italy**

MAPFRE RE won an award for its commitment and the growth achieved in the Italian reinsurance market, in the Italy Protection Awards and Forum, presented every year by EMF Group.

- **MAPFRE reaffirms its leadership as the insurer with the best reputation in Mexico**

MAPFRE MÉXICO reaffirms its leadership position for another year in the classification of insurers with the best reputation in the country, according to the latest ranking prepared by MERCOS (Monitor Empresarial de Reputación Corporativa or *Corporate Reputation Business Monitor*).

12. Events Subsequent to Closing

- After the close of the third quarter, a second catastrophic event occurred in Japan (Typhoon Trami) and a new hurricane, Michael, which affected the coasts of Florida in the United States. Based on initial assessments, they are not expected to have significant impacts on the Group results.
- On October 24, a relevant fact was published, informing that MAPFRE España and Santa Lucia S.A. signed a non-binding memorandum of understanding by virtue of which both parties reflected the preliminary agreements reached with the aim of establishing a strategic alliance for the joint development of their respective funeral service businesses in Spain, through the establishment of a joint company. According to this non-binding agreement, should the Alliance be carried out, MAPFRE ESPAÑA is expected to own a non-controlling share, and Santa Lucia would control the Jointly-Owned Company.
- On October 30, the Spanish Securities and Exchange Commission (CNMV) authorized the takeover bid presented by the company MAPFRE España, for the total of the shares representing 100% of the share capital of Funespaña, S.A., for its exclusion from trading on the Madrid and Barcelona Stock Exchanges. The price offered by MAPFRE España to the shareholders of the company in question is 7.5 euros per share. As of this date, MAPFRE España owns approximately 96.003 percent of the share capital of Funespaña, S.A.
- On November 6, the final authorization needed to close the reorganization agreement of the insurance businesses between MAPFRE and Banco do Brasil was received. Based on what is set out in said reorganization agreement, the closing date will be November 30, 2018.

13. Appendixes

13.1. Consolidated Balance Sheet

ITEM	DECEMBER 2017	SEPTEMBER 2018
A) INTANGIBLE ASSETS	3,422.9	3,251.3
I. Goodwill	1,883.0	1,867.4
II. Other intangible assets	1,539.9	1,383.8
B) PROPERTY, PLANT AND EQUIPMENT	1,191.7	1,159.3
I. Real estate for own use	920.6	892.1
II. Other property, plant and equipment	271.1	267.2
C) INVESTMENTS	44,691.2	44,141.3
I. Real estate investments	1,250.7	1,231.2
II. Financial investments		
1. Held-to-maturity portfolio	2,024.2	1,912.7
2. Available-for-sale portfolio	34,516.4	33,844.0
3. Trading portfolio	5,462.6	5,644.1
III. Investments recorded by applying the equity method	203.9	210.5
IV. Deposits established for accepted reinsurance	790.6	831.3
V. Other investments	442.8	467.4
D) INVESTMENTS ON BEHALF OF LIFE INSURANCE POLICYHOLDERS BEARING THE INVESTMENT RISK	2,320.1	2,245.1
E) INVENTORIES	67.1	67.1
F) PARTICIPATION OF REINSURANCE IN TECHNICAL PROVISIONS	4,989.6	5,616.8
G) DEFERRED TAX ASSETS	296.8	296.4
H) RECEIVABLES	6,337.1	6,161.3
I. Receivables on direct insurance and co-insurance operations	4,019.5	3,931.1
II. Receivables on reinsurance operations	987.2	939.5
III. Tax receivables		
1. Tax on profits receivable	143.0	181.8
2. Other tax receivables	128.6	160.6
IV. Corporate and other receivables	1,058.7	948.2
V. Shareholders, called capital	0.0	0.0
I) CASH	1,864.0	2,604.5
J) ACCRUAL ADJUSTMENTS	2,132.3	2,105.3
K) OTHER ASSETS	101.0	85.7
L) NON-CURRENT ASSETS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS	155.6	154.1
TOTAL ASSETS	67,569.5	67,888.0

Figures in millions of euros

ITEM	DECEMBER 2017	SEPTEMBER 2018
A) EQUITY	10,512.7	9,797.6
I. Paid-up capital	308.0	308.0
II. Share premium	1,506.7	1,506.7
III. Reserves	6,433.1	6,676.8
IV. Interim dividend	(184.8)	(184.8)
V. Treasury Stock	(52.4)	(48.2)
VI. Result attributable to controlling company	700.5	528.8
VII. Other equity instruments	10.1	5.8
VIII. Valuation change adjustments	620.7	416.4
IX. Currency conversion differences	(730.7)	(942.2)
Equity attributable to the controlling company's shareholders	8,611.3	8,267.1
Non-controlling interests	1,901.4	1,530.5
B) SUBORDINATED LIABILITIES	617.4	1,109.1
C) TECHNICAL PROVISIONS	45,494.0	46,162.2
I. Provisions for unearned premiums and unexpired risks	8,375.1	8,477.8
II. Provisions for life insurance	24,992.9	25,074.9
III. Provision for outstanding claims	11,223.1	11,659.7
IV. Other technical provisions	902.9	949.9
D) TECHNICAL PROVISIONS FOR LIFE INSURANCE WHERE POLICYHOLDERS BEAR THE INVESTMENT RISK	2,320.1	2,245.1
E) PROVISIONS FOR RISKS AND EXPENSES	661.7	588.9
F) DEPOSITS RECEIVED ON CEDED AND RETROCEDED REINSURANCE	42.4	139.0
G) DEFERRED TAX LIABILITIES	588.0	533.5
H) DEBT	7,073.7	6,953.6
I. Issue of debentures and other negotiable securities	1,003.3	999.8
II. Due to credit institutions	706.7	418.1
III. Other financial liabilities	1,235.2	1,288.3
IV. Due on direct insurance and co-insurance operations	972.1	976.5
V. Due on reinsurance operations	1,218.6	1,044.2
VI. Tax liabilities		
1. Tax on profits to be paid	167.6	214.4
2. Other tax liabilities	343.2	263.5
VII. Other debts	1,427.0	1,748.8
I) ACCRUAL ADJUSTMENTS	258.3	270.7
J) LIABILITIES LINKED TO NON-CURRENT ASSETS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS	1.1	88.4
TOTAL LIABILITIES AND EQUITY	67,569.5	67,888.0

Figures in millions of euros

13.2. Consolidated Income Statement

ITEM	SEPTEMBER 2017	SEPTEMBER 2018
I. REVENUE FROM INSURANCE BUSINESS		
1. Premiums allocated to the financial year, net		
a) Written premiums, direct insurance	15,356.4	14,657.8
b) Premiums from accepted reinsurance	2,630.2	2,560.7
c) Premiums from ceded reinsurance	(3,354.8)	(2,753.0)
d) Variations in provisions for unearned premiums and unexpired risks		
Direct insurance	(736.8)	(265.7)
Accepted reinsurance	(125.3)	(159.0)
Ceded reinsurance	558.1	144.5
2. Share in profits from equity-accounted companies	5.7	9.5
3. Revenue from investments		
a) From operations	1,796.4	1,675.0
b) From equity	150.6	134.6
4. Gains on investments on behalf of life insurance policyholders bearing the investment risk	121.3	68.7
5. Other technical revenue	45.3	46.5
6. Other non-technical revenue	74.5	49.1
7. Positive foreign exchange differences	770.8	757.6
8. Reversal of the asset impairment provision	17.2	32.1
TOTAL REVENUE FROM INSURANCE BUSINESS	17,309.8	16,958.3
II. INSURANCE BUSINESS EXPENSES		
1. Incurred claims for the year, net		
a) Claims paid and variation in provision for claims, net		
Direct insurance	(9,788.3)	(10,147.9)
Accepted reinsurance	(1,665.2)	(1,552.9)
Ceded reinsurance	2,062.3	2,495.6
b) Claims-related expenses	(658.5)	(606.7)
2. Variation in other technical provisions, net	(619.2)	(563.5)
3. Profit sharing and returned premiums	(31.3)	(26.3)
4. Net operating expenses		
a) Acquisition expenses	(3,756.2)	(3,569.2)
b) Administration expenses	(569.2)	(552.0)
c) Commissions and participation in reinsurance	425.6	420.0
5. Share in losses from equity-accounted companies	(0.1)	(0.0)
6. Expenses from investments		
a) From operations	(492.2)	(544.5)
b) From equity and financial accounts	(35.9)	(44.7)
7. Losses on investments on behalf of life insurance policyholders bearing the investment risk	(3.0)	(52.3)
8. Other technical expenses	(81.0)	(95.4)
9. Other non-technical expenses	(73.1)	(105.6)
10. Negative foreign exchange differences	(791.2)	(735.2)
11. Allowance to the asset impairment provision	(26.8)	(70.5)
TOTAL EXPENSES FROM INSURANCE BUSINESS	(16,103.3)	(15,751.3)
RESULT FROM THE INSURANCE BUSINESS	1,206.5	1,207.0
III. OTHER ACTIVITIES		
1. Operating revenue	251.7	247.0
2. Operating expenses	(327.1)	(290.3)
3. Net financial income		
a) Financial income	68.8	49.3
b) Financial expenses	(80.6)	(63.2)
4. Results from non-controlling interests		
a) Share in profits from equity-accounted companies	2.6	1.9
b) Share in losses from equity-accounted companies	(0.0)	(0.0)
5. Reversal of asset impairment provision	0.6	6.9
6. Allowance to the asset impairment provision	(17.9)	(6.2)
7. Result from the disposal of non-current assets classified as held for sale, not included in discontinued operations	0.0	0.0
RESULT FROM OTHER ACTIVITIES	(102.0)	(54.6)
IV. RESULT ON RESTATEMENT OF FINANCIAL ACCOUNTS	5.2	(2.1)
V. RESULT BEFORE TAXES FROM ONGOING OPERATIONS	1,109.8	1,150.3
VI. TAX ON PROFITS FROM ONGOING OPERATIONS	(334.8)	(345.2)
VII. RESULT AFTER TAX FROM ONGOING OPERATIONS	774.9	805.1
VIII. RESULT AFTER TAX FROM DISCONTINUED OPERATIONS	0.0	(0.0)
IX. RESULT FOR THE FINANCIAL YEAR	774.9	805.1
1. Attributable to non-controlling interests	330.3	276.3
2. Attributable to the controlling company	444.6	528.8

Figures in millions of euros

13.3. Key Figures by Region. Quarterly Breakdown.

Period	2017				2018			Δ Annual Jul.-Sept. 2018/2017
	Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Sept.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	
Consolidated figures								
Total consolidated revenue	7,854.9	7,583.4	5,854.0	6,691.4	7,257.0	6,834.0	6,205.5	6.0%
Written and accepted premiums - Total	6,674.6	6,398.6	4,913.5	5,494.1	6,197.2	5,773.2	5,248.1	6.8%
Written and accepted premiums - Non-Life	5,217.9	5,038.2	3,837.8	4,060.7	4,965.9	4,306.2	3,814.1	-0.6%
Written and accepted premiums - Life	1,456.7	1,360.4	1,075.7	1,433.4	1,231.3	1,467.1	1,434.0	33.3%
Net result	206.2	208.9	29.5	255.9	187.0	198.7	143.1	--
Combined ratio	97.5%	96.8%	102.0%	96.3%	96.5%	98.2%	99.5%	-2.5 p.p.
Loss ratio	70.8%	68.6%	72.6%	70.7%	68.3%	70.5%	70.2%	-2.3 p.p.
Expense ratio	26.7%	28.2%	29.4%	25.6%	28.2%	27.8%	29.3%	-0.1 p.p.
Figures by business unit								
Written and accepted premiums - Total								
IBERIA	2,386.9	1,560.5	1,310.5	1,702.3	2,342.4	1,787.5	1,809.5	38.1%
BRAZIL	1,203.1	1,179.7	1,066.4	1,097.7	1,012.9	1,005.1	968.3	-9.2%
NORTH AMERICA	654.0	693.3	630.2	551.1	561.9	685.8	637.5	1.2%
EURASIA	586.9	454.1	405.6	423.1	541.2	455.2	359.4	-11.4%
LATAM SOUTH	428.5	466.2	395.5	408.8	395.4	399.9	410.6	3.8%
LATAM NORTH	366.9	828.3	263.1	313.9	365.2	340.0	277.7	5.6%
MAPFRE RE	1,165.7	1,160.0	974.7	921.9	1,126.4	1,035.5	810.1	-16.9%
MAPFRE GLOBAL RISKS	318.6	406.4	224.5	307.9	266.7	364.6	192.7	-14.2%
MAPFRE ASISTENCIA	276.1	255.2	250.9	201.3	226.9	244.0	239.3	-4.6%
Written and accepted premiums - Non-Life								
IBERIA	1,721.1	1,040.6	930.5	1,048.1	1,805.5	1,158.5	988.2	6.2%
BRAZIL	838.4	803.6	680.6	673.4	689.4	660.7	645.1	-5.2%
NORTH AMERICA	651.3	691.0	627.6	554.1	560.9	684.8	636.4	1.4%
EURASIA	489.3	384.3	337.3	363.0	456.6	362.5	278.9	-17.3%
LATAM SOUTH	361.7	397.6	332.5	343.6	328.5	334.9	345.2	3.8%
LATAM NORTH	256.7	753.7	190.0	237.1	258.0	263.2	197.3	3.8%
MAPFRE RE	1,017.0	911.1	871.6	766.0	1,015.4	777.3	748.2	-14.2%
MAPFRE GLOBAL RISKS	318.6	406.4	224.5	307.9	266.7	364.6	192.7	-14.2%
MAPFRE ASISTENCIA	276.1	255.2	250.9	201.3	226.9	244.0	239.3	-4.6%
Written and accepted premiums - Life								
IBERIA	665.9	519.9	380.0	654.2	536.9	629.0	821.3	116.1%
BRAZIL	364.8	376.1	385.7	424.3	323.6	344.4	323.1	-16.2%
NORTH AMERICA	2.7	2.2	2.6	(3.0)	0.9	1.0	1.0	-60.4%
EURASIA	97.6	69.8	68.3	60.1	84.6	92.6	80.5	17.9%
LATAM SOUTH	66.8	68.7	63.0	65.2	66.9	65.0	65.5	4.0%
LATAM NORTH	110.2	74.6	73.0	76.8	107.2	76.8	80.5	10.2%
MAPFRE RE	148.7	248.9	103.1	155.9	111.1	258.1	62.0	-39.9%
MAPFRE GLOBAL RISKS	--	--	--	--	--	--	--	--
MAPFRE ASISTENCIA	--	--	--	--	--	--	--	--

Figures in millions of euros

Quarter	2017				2018			Δ Annual Jul.-Sept. 2018/2017
	I	II	III	IV	I	II	III	
Period	Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Sept.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	
Net result								
IBERIA	127.6	133.1	128.6	122.3	117.9	132.0	104.1	-19.0%
BRAZIL	26.2	36.8	23.0	39.4	14.5	15.4	9.2	-60.0%
NORTH AMERICA	15.9	16.4	(11.0)	27.4	(4.2)	8.5	16.7	--
EURASIA	8.5	13.0	7.7	10.1	4.3	6.0	6.3	-18.6%
LATAM SOUTH	15.6	19.1	12.2	23.3	13.8	15.0	31.4	157.7%
LATAM NORTH	4.6	12.5	6.7	9.9	9.9	14.3	11.2	67.3%
MAPFRE RE	51.3	50.4	(4.4)	65.4	62.7	39.2	11.5	--
MAPFRE GLOBAL RISKS	0.2	(13.2)	(74.2)	20.9	8.1	12.2	(7.4)	90.1%
MAPFRE ASISTENCIA	(9.1)	(15.4)	(26.6)	(17.3)	(2.7)	0.2	(4.8)	81.8%
Holdings and consolidation adjustments	(34.6)	(43.8)	(32.5)	(45.4)	(37.2)	(44.0)	(35.1)	-8.0%
Combined ratio								
IBERIA	94.6%	95.6%	91.8%	93.0%	92.1%	95.2%	94.0%	2.2 p.p.
BRAZIL	98.5%	92.0%	92.9%	100.9%	98.3%	106.9%	104.8%	11.9 p.p.
NORTH AMERICA	101.4%	101.8%	109.4%	107.5%	106.2%	100.1%	101.0%	-8.4 p.p.
EURASIA	100.7%	98.3%	103.1%	101.5%	104.9%	104.9%	110.5%	7.4 p.p.
LATAM SOUTH	99.2%	100.3%	97.0%	89.9%	97.0%	96.6%	97.4%	0.4 p.p.
LATAM NORTH	99.1%	94.1%	104.1%	95.5%	96.6%	93.6%	99.6%	-4.6 p.p.
MAPFRE RE	91.4%	93.1%	106.4%	91.2%	91.1%	95.0%	98.1%	-8.3 p.p.
MAPFRE GLOBAL RISKS	109.5%	130.9%	231.6%	78.9%	92.0%	86.3%	112.5%	-119.1 p.p.
MAPFRE ASISTENCIA	103.9%	99.0%	104.5%	108.0%	102.2%	104.2%	103.7%	-0.7 p.p.
Loss ratio								
IBERIA	74.1%	74.8%	69.8%	72.6%	71.3%	75.2%	72.4%	2.6 p.p.
BRAZIL	66.4%	56.9%	58.9%	63.6%	63.8%	66.9%	68.0%	9.1 p.p.
NORTH AMERICA	75.8%	76.5%	83.6%	82.1%	76.4%	72.6%	72.5%	-11.1 p.p.
EURASIA	76.8%	78.1%	79.6%	76.3%	80.3%	86.9%	88.0%	8.5 p.p.
LATAM SOUTH	62.1%	61.3%	58.1%	59.9%	61.3%	60.4%	62.1%	3.9 p.p.
LATAM NORTH	69.8%	63.2%	68.1%	60.5%	65.3%	61.1%	67.5%	-0.6 p.p.
MAPFRE RE	64.2%	60.1%	69.4%	70.1%	62.0%	66.5%	62.6%	-6.8 p.p.
MAPFRE GLOBAL RISKS	75.6%	99.7%	197.9%	53.4%	56.1%	55.2%	77.2%	-120.6 p.p.
MAPFRE ASISTENCIA	72.7%	59.4%	64.6%	72.4%	61.3%	63.6%	62.1%	-2.4 p.p.
Expense ratio								
IBERIA	20.5%	20.8%	22.0%	20.4%	20.8%	20.0%	21.6%	-0.4 p.p.
BRAZIL	32.0%	35.1%	34.0%	37.3%	34.5%	40.0%	36.8%	2.8 p.p.
NORTH AMERICA	25.7%	25.3%	25.8%	25.4%	29.8%	27.5%	28.5%	2.7 p.p.
EURASIA	23.9%	20.2%	23.5%	25.2%	24.6%	17.9%	22.5%	-1.0 p.p.
LATAM SOUTH	37.1%	39.0%	38.9%	30.0%	35.7%	36.2%	35.4%	-3.6 p.p.
LATAM NORTH	29.3%	30.9%	36.0%	35.0%	31.3%	32.4%	32.0%	-4.0 p.p.
MAPFRE RE	27.2%	33.0%	37.0%	21.1%	29.0%	28.5%	35.5%	-1.5 p.p.
MAPFRE GLOBAL RISKS	33.9%	31.2%	33.8%	25.6%	35.9%	31.1%	35.3%	1.5 p.p.
MAPFRE ASISTENCIA	31.1%	39.6%	39.9%	35.5%	40.9%	40.5%	41.6%	1.7 p.p.

Figures in millions of euros

13.4. Consolidated Statement of Other Comprehensive Income

	GROSS AMOUNT		TAX ON PROFITS		ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		ATTRIBUTABLE TO CONTROLLING COMPANY	
	SEPTEMBER 2017	SEPTEMBER 2018	SEPTEMBER 2017	SEPTEMBER 2018	SEPTEMBER 2017	SEPTEMBER 2018	SEPTEMBER 2017	SEPTEMBER 2018
A) CONSOLIDATED RESULT FOR THE YEAR	1,109.8	1,150.3	(334.8)	(345.2)	330.3	276.3	444.6	528.8
B) OTHER RECOGNIZED REVENUE (EXPENSES)	(637.6)	(691.6)	(13.8)	88.1	(140.3)	(187.5)	(511.1)	(415.9)
1. Financial assets available for sale	(387.1)	(474.7)	90.8	127.4	(61.0)	(51.6)	(235.3)	(295.6)
a) Valuation gains (losses)	(241.8)	(384.4)	53.4	105.6				
b) Amounts transferred to the income statement	(144.7)	(90.1)	37.2	21.8				
c) Other reclassifications	(0.6)	(0.2)	0.2	0.0				
2. Currency conversion differences	(663.9)	(374.0)	0.8	(0.5)	(136.6)	(162.9)	(526.5)	(211.6)
a) Valuation gains (losses)	(662.9)	(388.3)	0.8	(0.5)				
b) Amounts transferred to the income statement	(0.1)	0.2	0.0	0.0				
c) Other reclassifications	(0.9)	14.2	0.0	0.0				
3. Shadow accounting	415.3	155.5	(105.4)	(38.9)	57.3	26.8	252.7	89.9
a) Valuation gains (losses)	392.3	144.3	(99.6)	(36.1)				
b) Amounts transferred to the income statement	23.1	11.3	(5.8)	(2.8)				
c) Other reclassifications	0.0	0.0	0.0	0.0				
4. Equity-accounted entities	(2.0)	(0.6)	0.0	0.1	(0.0)	0.0	(2.0)	(0.5)
a) Valuation gains (losses)	(2.0)	(0.4)	0.0	0.1				
b) Amounts transferred to the income statement	(0.0)	0.0	0.0	0.0				
c) Other reclassifications	0.1	(0.2)	0.0	0.0				
5. Other recognized revenue and expenses	0.0	2.1	0.0	0.0	0.1	0.2	(0.0)	2.0
TOTALS	472.2	458.7	(348.6)	(257.1)	190.0	88.7	(66.5)	112.9

Figures in millions of euros

13.5. Income Statement by Business Unit

ITEM	IBERIA		BRAZIL		NORTH AMERICA		EURASIA		LATAM SOUTH		LATAM NORTH	
	SEPTEMBER 2017	SEPTEMBER 2018	SEPTEMBER 2017	SEPTEMBER 2018	SEPTEMBER 2017	SEPTEMBER 2018	SEPTEMBER 2017	SEPTEMBER 2018	SEPTEMBER 2017	SEPTEMBER 2018	SEPTEMBER 2017	SEPTEMBER 2018
Gross written and accepted premiums	3,692.1	3,952.2	2,322.6	1,995.2	1,970.0	1,882.2	1,211.0	1,098.1	1,091.7	1,008.5	1,200.5	718.4
Net premiums earned	3,130.9	3,231.8	1,695.2	1,446.9	1,509.5	1,449.1	770.1	690.1	612.0	562.0	421.4	420.8
Net claims incurred and variation in other technical provisions	(2,281.3)	(2,357.7)	(1,033.5)	(957.3)	(1,185.0)	(1,069.0)	(602.1)	(585.7)	(370.8)	(344.2)	(282.0)	(272.0)
Net operating expenses	(659.0)	(666.0)	(571.5)	(534.4)	(397.1)	(423.9)	(168.1)	(145.5)	(231.5)	(202.4)	(130.9)	(126.1)
Other technical revenue and expenses	(1.4)	(6.7)	0.9	(0.8)	11.0	10.1	(5.5)	(4.7)	(2.8)	1.4	(4.0)	(8.3)
Technical result	189.2	201.5	91.2	(45.6)	(61.6)	(33.7)	(5.6)	(45.8)	6.8	16.9	4.5	14.4
Net financial income	165.4	148.5	90.6	67.8	92.9	63.6	45.3	68.1	42.0	64.4	18.1	23.3
Other non-technical revenue and expenses	(19.2)	(45.7)	0.3	0.0	(1.0)	1.3	(0.5)	(1.4)	0.2	(0.1)	(0.1)	(0.3)
Result of Non-Life business	335.3	304.2	182.1	22.2	30.2	31.2	39.3	20.8	48.8	81.5	22.5	37.4
Gross written and accepted premiums	1,565.8	1,987.2	1,126.6	991.1	7.5	2.9	235.7	257.8	198.4	197.4	257.8	264.5
Net premiums earned	1,540.4	1,953.4	1,164.6	1,079.8	5.1	3.9	232.2	254.2	167.8	168.5	189.5	204.1
Net claims incurred and variation in other technical provisions	(1,793.5)	(2,064.0)	(532.8)	(419.9)	(1.8)	(1.1)	(255.7)	(245.0)	(139.9)	(139.4)	(130.7)	(142.6)
Net operating expenses	(182.4)	(182.2)	(478.9)	(409.0)	(4.3)	(2.9)	(14.2)	(16.2)	(85.1)	(81.3)	(62.8)	(61.7)
Other technical revenue and expenses	(20.6)	(16.7)	(3.3)	0.0	0.0	0.0	0.3	0.4	(0.8)	(0.6)	(1.2)	(2.4)
Technical result	(456.0)	(309.6)	149.7	250.9	(1.0)	(0.1)	(37.4)	(6.7)	(57.9)	(52.8)	(5.3)	(2.5)
Financial result and other non-technical revenue	652.0	483.6	158.7	87.8	0.4	0.3	46.6	18.3	80.8	66.0	19.4	22.2
Result of Life business	196.0	174.1	308.4	338.7	(0.6)	0.2	9.2	11.6	22.8	13.2	14.1	19.7
Result from other business activities	44.3	42.5	16.7	13.3	(0.0)	(1.6)	(4.0)	(2.2)	2.6	6.6	(0.2)	(1.7)
Hyperinflation adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Result before tax	575.7	520.8	507.2	374.2	29.6	29.8	44.5	30.2	74.2	101.3	36.4	55.4
Tax on profits	(124.9)	(110.1)	(183.7)	(143.6)	(8.0)	(8.9)	(8.3)	(7.4)	(17.9)	(34.7)	(6.9)	(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	61.6	56.7	237.5	191.5	0.3	(0.1)	7.0	6.2	9.4	6.5	5.6	5.6
Attributable net result	389.3	354.0	86.0	39.2	21.3	21.0	29.2	16.6	46.9	60.2	23.8	35.3
Loss ratio	72.9%	73.0%	61.0%	66.2%	78.5%	73.8%	78.2%	84.9%	60.6%	61.2%	66.9%	64.7%
Expense ratio	21.1%	20.8%	33.7%	37.0%	25.6%	28.6%	22.5%	21.8%	38.3%	35.8%	32.0%	31.9%
Combined ratio	94.0%	93.8%	94.6%	103.1%	104.1%	102.3%	100.7%	106.6%	98.9%	97.0%	98.9%	96.6%
Investments, real estate and cash	30,546.1	30,951.8	4,369.2	3,640.9	2,392.8	2,193.4	3,955.9	3,880.1	1,844.4	1,961.6	1,345.2	1,424.8
Technical provisions	26,861.9	27,342.2	5,163.3	4,482.2	2,939.9	2,772.3	4,058.3	4,114.9	2,425.3	3,026.5	1,861.0	1,707.2
Shareholders' equity	4,094.1	3,783.2	1,231.9	970.4	1,293.4	1,235.3	652.4	569.3	489.1	515.0	756.9	737.2
ROE	13.7%	12.1%	10.6%	7.1%	3.1%	3.8%	-3.2%	4.4%	9.8%	16.6%	3.8%	6.1%

Figures in millions of euros

ITEM	MAPFRE RE		MAPFRE GLOBAL RISKS		MAPFRE ASISTENCIA		CONS. ADJUST. & CORPORATE AREAS		TOTAL	
	SEPTEMBER 2017	SEPTEMBER 2018	SEPTEMBER 2017	SEPTEMBER 2018	SEPTEMBER 2017	SEPTEMBER 2018	SEPTEMBER 2017	SEPTEMBER 2018	SEPTEMBER 2017	SEPTEMBER 2018
Gross written and accepted premiums	2,799.7	2,540.9	949.5	824.0	782.2	710.1	(1,925.4)	(1,643.3)	14,093.8	13,086.2
Net premiums earned	1,631.3	1,679.6	248.1	221.5	555.1	483.2	11.2	8.0	10,584.7	10,193.0
Net claims incurred and variation in other technical provisions	(1,049.4)	(1,071.9)	(301.9)	(136.6)	(364.0)	(301.2)	(7.8)	(5.6)	(7,477.7)	(7,101.3)
Net operating expenses	(524.8)	(513.3)	(77.2)	(69.9)	(203.3)	(184.7)	(1.1)	(1.4)	(2,964.4)	(2,867.7)
Other technical revenue and expenses	(1.6)	(1.3)	(4.6)	(5.4)	(1.4)	(13.5)	(0.2)	(0.1)	(9.6)	(29.2)
Technical result	55.6	93.1	(135.7)	9.5	(13.6)	(16.2)	2.2	0.9	133.0	194.9
Net financial income	60.0	50.4	18.9	13.0	(5.0)	4.0	(0.8)	(9.2)	527.4	493.9
Other non-technical revenue and expenses	(3.0)	(2.4)	0.7	0.2	0.0	0.0	(0.1)	(0.1)	(22.9)	(48.2)
Result of Non-Life business	112.6	141.1	(116.1)	22.7	(18.6)	(12.3)	1.2	(8.4)	637.5	640.6
Gross written and accepted premiums	500.8	431.2	0.0	0.0	0.0	0.0	0.3	0.1	3,892.8	4,132.3
Net premiums earned	443.3	328.2	0.0	0.0	0.0	0.0	0.2	0.1	3,743.1	3,992.3
Net claims incurred and variation in other technical provisions	(380.5)	(297.2)	0.0	0.0	0.0	0.0	12.2	8.7	(3,222.5)	(3,300.5)
Net operating expenses	(107.6)	(80.1)	0.0	0.0	0.0	0.0	(0.1)	(0.0)	(935.4)	(833.5)
Other technical revenue and expenses	(0.5)	(0.4)	0.0	0.0	0.0	0.0	(0.0)	(0.0)	(26.0)	(19.7)
Technical result	(45.3)	(49.5)	0.0	0.0	0.0	0.0	12.4	8.8	(440.9)	(161.5)
Financial result and other non-technical revenue	64.3	59.9	0.0	0.0	0.0	0.0	(12.3)	(10.2)	1,009.9	727.9
Result of Life business	19.0	10.4	0.0	0.0	0.0	0.0	0.1	(1.4)	569.1	566.5
Result from other business activities	0.0	0.0	0.0	0.0	(23.2)	8.5	(138.1)	(120.1)	(102.0)	(54.6)
Hyperinflation adjustments	0.0	0.0	0.0	0.0	(0.1)	(0.0)	5.3	(2.1)	5.2	(2.1)
Result before tax	131.6	151.5	(116.1)	22.7	(41.9)	(3.8)	(131.5)	(131.9)	1,109.8	1,150.3
Tax on profits	(34.3)	(38.1)	28.9	(9.7)	(7.8)	(2.5)	28.0	24.1	(334.8)	(345.2)
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	1.4	1.1	7.5	8.7	330.3	276.3
Attributable net result	97.3	113.3	(87.2)	12.9	(51.1)	(7.4)	(110.9)	(116.4)	444.6	528.8
Loss ratio	64.3%	63.8%	121.7%	61.7%	65.6%	62.3%			70.6%	69.7%
Expense ratio	32.3%	30.6%	33.0%	34.0%	36.9%	41.0%			28.1%	28.4%
Combined ratio	96.6%	94.5%	154.7%	95.7%	102.4%	103.4%			98.7%	98.1%
Investments, real estate and cash	4,582.6	4,570.1	981.2	904.4	272.6	366.9	(919.8)	(11.2)	49,370.4	49,882.9
Technical provisions	4,177.3	4,422.5	2,062.7	2,416.3	679.4	745.7	(2,164.7)	(2,622.6)	48,064.4	48,407.3
Shareholders' equity	1,312.4	1,325.3	296.8	342.8	206.6	210.5	(1,552.3)	(1,421.9)	8,781.3	8,267.1
ROE	12.3%	13.6%	-20.0%	10.6%	-32.8%	-11.9%			7.2%	9.2%

Figures in millions of euros

13.6. Terminology

CONCEPT	DEFINITION
Total managed assets	Includes total balance sheet assets, pension funds, and mutual funds
Managed savings	Includes third party Life technical reserves, pensions funds and mutual funds
Corporate Areas and Consolidation adjustments	Includes the result attributable to MAPFRE RE and MAPFRE INTERNACIONAL's non-controlling interests and other concepts
Gross result	Before taxes and non-controlling interests
Minimum capital requirement (MCR)	Minimum level of capital below which the amount of financial resources should not fall
Solvency capital requirement (SCR)	Reflects a level of eligible own funds that enables insurance and reinsurance undertakings to absorb significant losses and meet their obligations to policyholders
Financial debt	Includes subordinated debt, senior debt and debt due to credit institutions
Senior debt	Issue of debentures and other negotiable securities
Subordinated debt	Subordinated liabilities
Eligible Own Funds / EOF	Funds available to cover the Solvency Capital Requirement on an on-going basis, consisting of the insurance company's assets, free of any foreseeable liabilities, less any intangible items, and having applied another series of adjustments in line with the Solvency II regulation
Solvency ratio	The coefficient between Eligible Own Funds and Solvency Capital Requirement
Technical and financial margin – Life	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
Other business activities	Includes the Group's non-insurance activities undertaken by the insurance subsidiaries, as well as by other subsidiaries: <ul style="list-style-type: none"> • Activities of the holding companies of MAPFRE S.A. and MAPFRE INTERNACIONAL • Non-insurance activities of the Group developed by its subsidiaries, mainly including: • MAPFRE INVERSIÓN (MAPFRE ASSET MANAGEMENT)

	<ul style="list-style-type: none"> • MAPFRE ASISTENCIA: Assistance and Specialty Risks • MAPFRE ESPAÑA: FUNESPAÑA (funeral services), MULTIMAP, CENTROS MÉDICOS MAPFRE SALUD (medical services), CESVIMAP (research and training services) • MAPFRE INTERNACIONAL: GENEL SERVIS (vehicle repair shops in Turkey), BEE INSURANCE (advisory services in Malta), GROWTH INVESTMENTS (investment services in Malta)
Payout	(Total dividend charged against earnings / Result for the year attributable to the controlling company) x 100
Price target	Average of the price targets calculated by analysts over a period of one year
Combined ratio - Non-Life	Expense ratio + Loss ratio
Expense ratio - Non-Life	(Net operating expenses – other technical revenue + other technical expenses) / Net premiums earned. Figures regarding Non-Life Insurance
Loss ratio - Non-Life	(Incurred claims for the year, net + Variation in other technical provisions + Profit sharing and returned premiums) / Net premiums earned. Figures regarding Non-Life Insurance
Solvency II Ratio	Eligible Own Funds / Solvency Capital Requirement (SCR) x 100
Dividend yield	Amount of dividend paid in the year / Average share market price in the year
Result of Life business	Includes technical result, financial result and other non-technical revenue
ROE (Return on equity)	(Attributable result (see definition) for the last twelve months) / Arithmetic mean of equity attributable to the controlling company (see definition) at the beginning and closing of the period (twelve months)) x 100

The Alternative Performance Measures (APM) used in this report correspond to those financial measures that are not defined or detailed within the framework of the applicable financial information. Their definition and calculation can be consulted at the following link: <https://www.mapfre.com/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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MAPFRE S.A. does not undertake to update or revise periodically the content of this document.

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.