



Madrid, July 26th 2017

SPANISH SECURITIES AND EXCHANGE COMMISSION

Pursuant to the applicable legal provisions, please find attached the press release, with relevant information for both shareholders and the general public.

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General Counsel

**MAPFRE EARNS 415 MILLION EUROS IN THE FIRST HALF OF 2017,
AN INCREASE OF 9.1 PERCENT**

HIGHLIGHTS OF THE FIRST SIX MONTHS

- **Excellent first half, with notable growth in revenue, premiums and profit.**
- **The business grows by 8.2 percent, with premium volume of 13.1 billion euros.**
- **Revenue increases by 5.4 percent, reaching 15.4 billion euros.**
- **Notable growth in Spain, with solid increases in both premiums (+4.4 percent) and profit (17.1 percent), and favorable business progress across the main lines.**
- **The Life business in Spain is up by 8.3 percent.**
- **Mutual funds increase by 22.6 percent and pension fund assets rise by 10.6 percent.**
- **Very positive performance in the reinsurance business, contributing over 100 million euros to Group profit (+12.5 percent).**
- **The combined ratio continues to improve, standing at 97.2 percent.**
- **MAPFRE has been in control of Indonesian insurance company ABDA since June, and it contributed 7 million euros in premiums to the Group for the month.**

MAPFRE increased its net profit in the first half of the year by 9.1 percent, for a total of 415 million euros, thanks to the Group's strong performance in Spain, Brazil and EMEA, as well as its reinsurance activity. The business grew by 8.2 percent to reach 13.1 billion euros in premiums, with excellent performance in the Iberia and LATAM North regional areas and the global risks business. The results were also buoyed by revaluations of certain currencies, particularly the Brazilian real.

MAPFRE's total revenue rose to 15.4 billion euros in the first six months of the year, up 5.4 percent on the same period last year, reinforcing the growth trend seen in recent years.

Equity closed the first half of 2017 at 10.9 billion euros, while shareholders' equity rose to 8.9 billion euros and total assets amounted to 68.1 billion euros.

MAPFRE's investments stood at 49.2 billion euros. Nearly 27 billion euros are invested in sovereign debt, while another 9.7 billion euros relate to investments in corporate fixed income.

The Solvency II ratio at the close of March stood at 211.5 percent, with 87 percent of top-notch (TIER 1) capital, which reflects the robustness, stability and financial strength of the company.

1.- Business performance:

1.- A: Insurance Unit

During the first six months of this year, the Insurance Unit's premium volume rose to 10.8 billion euros, representing a 9.8 percent increase relative to the same period last year.

→ The Iberia Regional Area (Spain and Portugal) registered very strong growth in both premiums and results. Premiums increased by 4.4 percent to 3.9 billion euros, while attributable profit grew by 16.5 percent to reach 261 million euros.

In Spain, the business expanded by 4.4 percent, with premiums of 3.9 billion euros. Automobile insurance performed particularly well, with 1.1 billion euros in premiums (+2.3 percent) and the combined ratio improved by 1.8 percentage points to 93.5 percent. Similarly, general property and casualty (P&C) insurance also posted a strong performance with growth of 1.8 percent to reach 965 million euros, while health and accident insurance grew by 4.7 percent to 533 million euros.

Meanwhile, MAPFRE VIDA premiums rose to 1.2 billion euros, representing an increase of 8.3 percent against the first six months of the previous year. This progress comes on the back of exceptional performance from the bank channel, the positive development of our agent network and the contribution from Bankinter Vida in Portugal. Mutual funds and other registered notable growth of 22.6 percent to reach 3.6 billion euros, while pension fund assets increased by 10.6 percent to 4.9 billion euros.

→ In the Brazil Regional Area, premiums grew by 13.9 percent to 2.4 billion euros. General P&C insurance business recorded strong growth, with premium volume of 967 million euros (+23.6 percent), followed by life (741 million euros, +9.1 percent) and automobiles, with premiums of 671 million euros (up 6.9 percent). Also of note was the favorable effect during the first half of the year from the revaluation of the Brazilian real. Likewise, the combined ratio improved by almost one percentage point to stand at 95.4 percent.

→ The LATAM North Regional Area posted a 73.4 percent increase in premium volume, which stood at 1.2 billion euros at the close of June. In particular, Mexico doubled the previous year's growth, reaching 880 million euros, thanks to the renewal of the Pemex policy for a further two years, worth 499 million euros. Business also grew in the other countries in this regional area, with particular highlights being Panama, with 116 million euros (+16.4 percent), the Dominican Republic (66 million euros, +11.9 percent) and Honduras (44 million euros, +12.4 percent).

→ Business in the LATAM South Regional Area expanded by 2.4 percent in the first six months of the year to reach 895 million euros, driven by growth in the life insurance business in the region. Both Peru (249 million euros, +4.1 percent) and Colombia (209 million euros, +4.8 percent) made significant contributions. The attributable profit in LATAM South increased by 71.1 percent in the period, totaling almost 35 million euros.

→ The North America Regional Area registered premium growth of 2.3 percent in the first half of this year to reach almost 1.4 billion euros. The United States saw business growth of 3 percent, exceeding 1.1 billion euros, driven primarily by growth in the automobile business in Massachusetts.

→ The EMEA Regional Area reported business volume of more than 1 billion euros (-5.3 percent), affected by developments in Turkey, where premiums were 359 million euros (-19.6 percent in euros; -1 percent in local currency), due to the depreciation of the Turkish lira (18.2 percent) and a stricter underwriting policy as part of the profitable growth strategy. Business expanded in the remaining countries in this regional area, a particular highlight being Germany, which in June started to operate under the VERTI brand, with premiums rising by 7.5 percent to 201 million euros. Malta also posted notable growth, with an 8 percent increase in premiums to 197 million euros, while Italy reported a 1 percent increase to 252 million euros, as a result of the portfolio clean-up and a pricing policy aligned with improving profitability.

→ The APAC Regional Area grew by 29.3 percent between January and June this year, totaling 33 million euros. It is worth noting that as of June, the ABDA business in Indonesia has been consolidated in the accounts, following MAPFRE's acquisition of an additional 31 percent of the capital of the Indonesian insurer for 90.3 million euros, thereby giving it control of 51 percent of the company's capital. ABDA contributed 7 million euros in premiums in this first month.

1.- B: Reinsurance Unit

The Reinsurance Unit continues to perform positively, despite the market backdrop. Premiums grew by 2.3 percent to more than 2.3 billion euros and the attributable result rose to 102 million euros, up 12.5 percent on the first half of the previous year, supported by an improvement in technical ratios. A particular highlight is the 4.5 percentage point improvement in the combined ratio of the reinsurance business, which stands at 92.3 percent.

1.- C: Global Risks Unit

The Global Risks Unit increased premiums by 14 percent to 725 million euros. The Iberia, LATAM North and EMEA Regional Areas performed especially well, posting double-digit growth. This unit's result was affected by two concurrent large claims and the impact of El Niño.

1.- D: Assistance, Services and Specialty Risks Unit

Finally, the Assistance, Services and Specialty Risks Unit posted revenues of 583 million euros (-4.5 percent), with the drop being primarily due to the ongoing restructuring of the business, the renegotiation of financial conditions with some large clients and the cancelation of loss-making businesses.

2.- Other significant events:

In June, MAPFRE transferred 50 percent of the share capital in Unión del Duero Vida y Duero Pensiones to Banco CEISS for an overall price of 141.7 million euros.

Additionally, on July 24, MAPFRE fully amortized 700 million euros of subordinated debentures issued in 2007. The company's level of indebtedness remains stable, given that in March MAPFRE successfully placed 600 million euros of 30-year subordinated debt instruments, with an amortization option after 10 years and a fixed interest rate set at 4.375 percent over the first ten years.

PRESS RELEASE
FIRST HALF 2017 RESULTS



The definition and calculation of Alternative Performance Measures (APM) used in the Report, which refer to financial measures that are neither defined nor included in the applicable financial reporting framework, can be accessed via the following website: <https://www.mapfre.com/corporate/institutional-investors/investors/financial-information/alternative-performance-measures.jsp>

More information available at <https://noticias.mapfre.com/en/>

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MAIN CONSOLIDATED FIGURES

Results	Million €		% Var.
	6M 2016	6M 2017	6M 2017 / 6M 2016
GROSS WRITTEN AND ACCEPTED PREMIUMS	12,079.5	13,073.1	8.2%
Non-Life	9,510.7	10,256.1	7.8%
Life	2,568.8	2,817.1	9.7%
TOTAL CONSOLIDATED REVENUE	14,640.8	15,438.3	5.4%
RESULT BEFORE TAX AND NON-CONTROLLING INTERESTS	904.7	934.5	3.3%
RESULT AFTER TAX AND NON-CONTROLLING INTERESTS	380.4	415.1	9.1%
EARNINGS PER SHARE (euro cents)	12.35	13.48	9.1%

Balance Sheet	Million €		% Var.
	6M 2016	6M 2017	6M 2017 / 6M 2016
TOTAL ASSETS	69,088.7	68,127.0	-1.4%
ASSETS UNDER MANAGEMENT (1)	58,281.8	59,322.7	1.8%
SHAREHOLDERS' EQUITY	8,946.1	8,859.6	-1.0%

MAIN FIGURES BY REGIONAL AREA

Gross written and accepted premiums	Million €		% Var.
	6M 2016	6M 2017	6M 2017 / 6M 2016
IBERIA	4,027.0	4,219.8	4.8%
BRAZIL	2,186.6	2,480.6	13.4%
EMEA	1,390.1	1,322.9	-4.8%
NORTH AMERICA	1,462.2	1,497.4	2.4%
LATAM SOUTH	945.1	972.9	2.9%
LATAM NORTH	726.1	1,236.2	70.3%
APAC	69.2	70.6	2.0%
MAPFRE RE	2,273.9	2,325.8	2.3%

Profit before tax and non-controlling interests	Million €		% Var.
	6M 2016	6M 2017	6M 2017 / 6M 2016
IBERIA	365.0	395.5	8.3%
BRAZIL	398.7	374.5	-6.1%
EMEA	-27.1	-0.4	98.4%
NORTH AMERICA	60.7	54.4	-10.4%
LATAM SOUTH	30.1	43.7	45.3%
LATAM NORTH	50.1	29.6	-40.8%
APAC	-6.9	-5.9	14.2%
MAPFRE RE	118.9	139.7	17.4%

(1) Includes: investment portfolio, mutual funds and pension funds