

1 Annual Consolidated Financial
Statements and Management Report
Subsidiary Companies

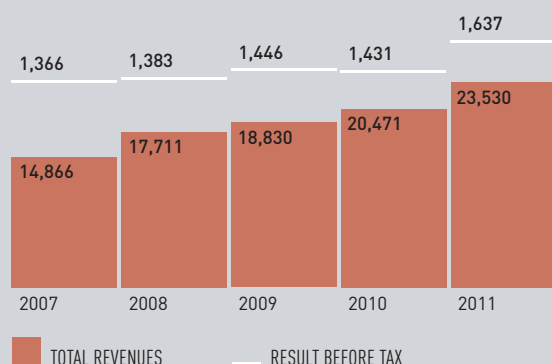
 **MAPFRE**

ANNUAL REPORT 2011

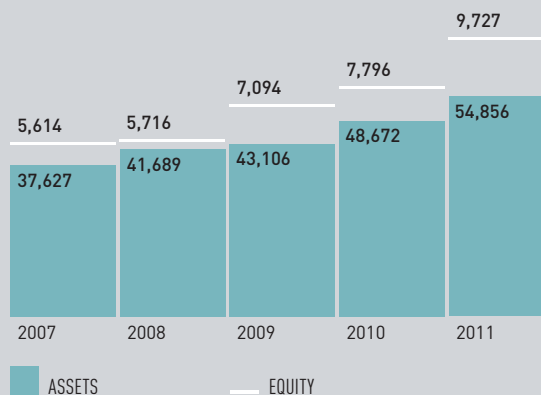


MAPFRE Group: key data

REVENUES AND RESULTS *million euros*



ASSETS AND EQUITY *million euros*



INCOME STATEMENT

	2007	2008	2009	2010	2011
Total revenues	14,866	17,711	18,830	20,471	23,530
Written and accepted premiums	12,311	14,305	15,607	16,973	19,600
Non-life	9,293	10,891	11,900	12,768	14,473
Life	3,018	3,414	3,707	4,205	5,128
Result of the Non-Life business	1,104	1,199	1,149	1,223	1,164
Result of the Life business	204	265	324	368	541
Result of Other business activities	57	(80)	(27)	(160)	(68)
Result before tax	1,366	1,383	1,446	1,431	1,637
Net result	731	901	927	934	963
Third party funds managed in Life assurance	24,149	23,293	24,131	28,119	29,312

FIGURES IN MILLION EUROS

MANAGEMENT RATIOS

	2007	2008	2009	2010	2011
Non-Life					
Loss ratio, net of reinsurance	68.0%	68.8%	70.8%	70.6%	69.2%
Expense ratio, net of reinsurance	24.6%	25.1%	24.9%	25.2%	27.7%
Combined ratio, net of reinsurance	92.6%	93.9%	95.7%	95.8%	96.9%
Life					
Net operating expenses / Reserves (MAPFRE VIDA)	0.88%	0.92%	1.16%	1.07%	1.03%
Return on equity	17.5%	19.5%	16.7%	14.7%	14.2%

BALANCE SHEET

	2007	2008	2009	2010	2011
REAL ESTATE, INVESTMENTES AND CASH	29,137	31,148	31,705	35,205	37,951
Real estate (including property for own use)	1,760	1,849	1,914	2,469	2,503
Equities and mutual funds	2,447	1,468	1,083	1,528	2,085
Fixed income	21,764	24,206	25,772	26,696	29,264
Other investmentes (including unit linked)	1,526	2,210	2,075	3,015	2,845
Cash	1,639	1,415	861	1,497	1,254
TECHNICAL RESERVES	26,781	28,857	29,767	33,462	36,451
Unearned premium reserve	4,308	4,882	5,626	5,886	7,065
Life assurance reserves	16,222	16,195	16,455	17,933	18,623
Claims reserves	5,476	6,409	6,383	7,348	8,286
Other reserves (including unit linked)	776	1,371	1,303	2,295	2,477
EQUITY	5,614	5,716	7,094	7,796	9,727
Shareholders' capital and reserves	4,331	4,902	6,166	6,542	7,043
Minority interests	1,283	814	928	1,254	2,684
TOTAL ASSETS	37,627	41,689	43,106	48,672	54,856

FIGURES IN MILLION EUROS

MAPFRE Group: key data (continued)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	2010	2011
BALANCE AS AT 1 JANUARY	7,094	7,796
Results and expenses recognised directly in equity		
From investments available for sale	(1,073)	(315)
From translation differences	232	(79)
From application of shadow accounting to Life reserves	584	168
TOTAL	(258)	(226)
Distribution of result for the year	1,064	1,220
Distribution of result of previous year	(274)	(295)
Other changes in equity	170	1,232
BALANCE AS AT 31 DECEMBER	7,796	9,727

FIGURES IN MILLION EUROS

GEOGRAPHICAL BREAKDOWN AND PRESENCE	2007	2008	2009	2010	2011
Number of countries in which the Group is present	43	45	43	43	46
Total number of employees	30,615	34,603	35,225	36,744	34,390
Spain	16,671	16,838	17,153	16,680	11,046
Other countries	13,944	17,765	18,072	20,064	23,344
Number of branches	5,458	5,789	5,806	5,351	5,317
Spain	3,090	3,243	3,278	3,226	3,155
Americas - direct insurance	1,890	2,002	1,980	1,972	2,006
Other countries	478	544	548	153	156
Geographical breakdown of premiums					
Spain	64%	55%	49%	41%	38%
Americas - direct insurance	24%	24%	26%	28%	33%
Other countries	12%	21%	25%	31%	29%

MARKET SHARES	2007	2008	2009	2010	2011
Share of total premiums in Spain					
Motor	20.5%	20.6%	20.1%	20.5%	21.0%
Health	7.8%	7.9%	8.1%	6.3%	6.1%
Other Non-life	18.2%	18.2%	17.2%	17.4%	17.1%
Life	10.3%	9.7%	9.0%	12.8%	11.0%
Total	14.4%	13.9%	13.0%	14.7%	13.7%
Share of total Life assurance technical reserves in Spain	11.4%	11.4%	10.7%	12.3%	11.8%
Share of total Non-life premiums in Latin America	6.1%	6.9%	7.9%	10.5%	n.a.

RATINGS	AGENCY	2010	2011
MAPFRE S.A. - Debt issuer rating	STANDARD & POOR 'S	A+	A
Financial strength rating			
MAPFRE RE	STANDARD & POOR 'S	AA	AA-
MAPFRE RE	AM BEST	A+	A
MAPFRE GLOBAL RISKS	STANDARD & POOR 'S	AA	AA-
MAPFRE GLOBAL RISKS	MOODY 'S	Aa3	Aa3
MAPFRE ASISTENCIA	MOODY 'S	A 1	A 1

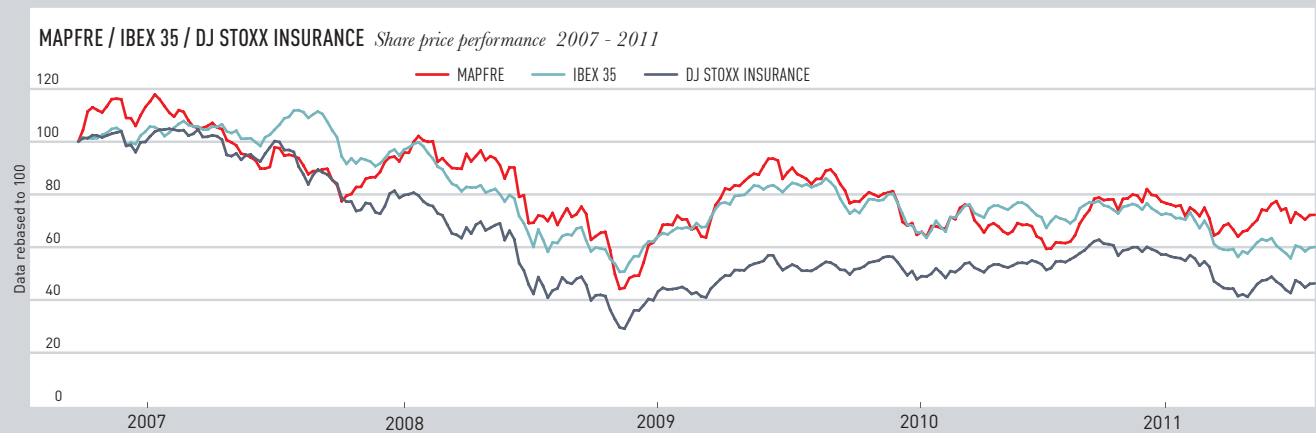
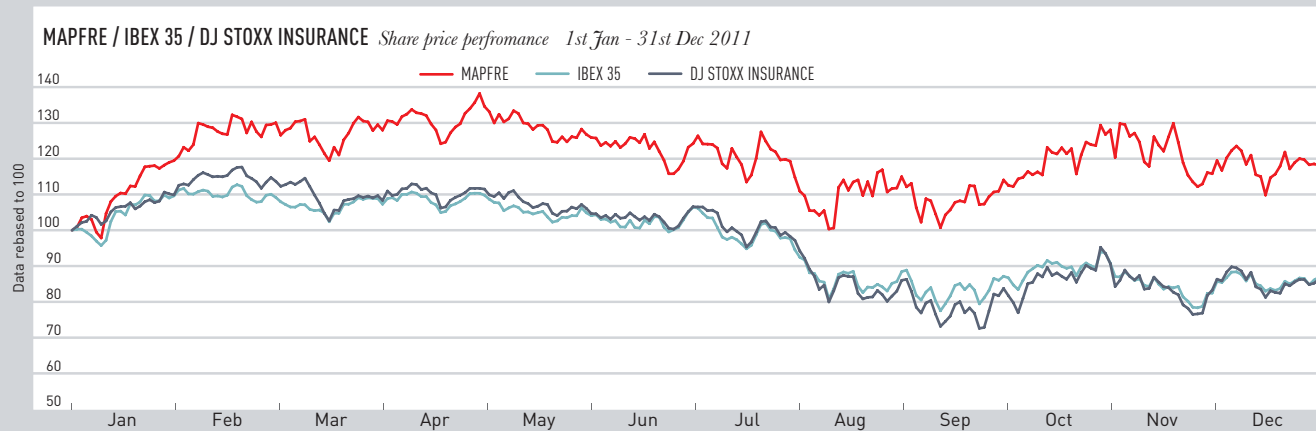
Share information

SHAREHOLDER STRUCTURE	2009		2010		2011	
	%	Number	%	Number	%	Number
CARTERA MAPFRE	64.2	1	64.4	1	64.6	1
Other MAPFRE entities	0.03	2	0.04	3	0.04	2
Investors holding 0.1% or more						
Spanish	16.0	6	15.9	6	15.1	2
Foreign	10.3	23	9.0	21	11.5	20
Investors holding 0.1% or less						
Spanish	7.1	417,539	8.4	380,259	7.2	336,165
Foreign	2.4	5,570	2.3	5,116	1.5	4,472
TOTAL	100	423,141	100	385,406	100	340,662

STOCK MARKET INFORMATION	2007	2008	2009	2010	2011
Market Capitalisation as at 31 December (million Euros)	6,848.7	6,587.6	8,554.8	6,259.3	7,560.3
Number of shares in issue*	2,275,324,163	2,744,832,287	2,922,709,779	3,012,154,351	3,079,553,273
PE Ratio	9.4	7.3	9.2	6.7	7.9
Adjusted earnings per share (Euros)*	0.32	0.33	0.33	0.31	0.32
Price / Book value	1.58	1.34	1.39	0.96	1.07
Dividend per share (Euros)*	0.11	0.14	0.15	0.15	0.15
Dividend yield (%)	3.1	4.7	6.3	6.3	5.9
Average daily number of traded shares*	7,769,398	9,234,024	6,933,551	7,796,816	9,581,223
Average traded daily value (million Euros)	27.55	27.48	16.66	18.67	24.48

(*) The increase in the number of shares is due to the capital increases carried out in 2007, 2008, 2009, 2010 and 2011.

Earnings and dividends per share were calculated using an adjustment factor and the weighted number of shares, in compliance with IAS 33.



Operating units & businesses: premiums, revenues and results

PREMIUMS	MILLION EUROS			% VARIATION	
	2009	2010	2011	10/09	11/10
DOMESTIC DIRECT INSURANCE					
MAPFRE FAMILIAR	4,072	4,005	3,994	(1.6%)	(0.3%)
MAPFRE VIDA	2,567	2,717	3,198	5.8%	17.7%
MAPFRE EMPRESAS	666	683	667	2.4%	(2.3%)
TOTAL PREMIUMS SPAIN	7,306	7,405	7,859	1.4%	6.1%
INTERNACIONAL DIRECT INSURANCE	5,946	7,039	8,788	18.4%	24.8%
MAPFRE AMÉRICA	4,305	5,156	6,874	19.7%	33.3%
MAPFRE INTERNACIONAL	1,641	1,884	1,914	14.8%	1.6%
GLOBAL BUSINESSES	3,249	3,693	4,201	13.7%	13.8%
MAPFRE RE	2,054	2,372	2,631	15.5%	10.9%
MAPFRE ASISTENCIA	357	411	563	15.1%	37.0%
MAPFRE GLOBAL RISKS	838	910	1,007	8.6%	10.7%
TOTAL PREMIUMS ABROAD	9,195	10,732	12,989	16.7%	21.0%
TOTAL GROUP	15,607	16,973	19,600	8.8%	15.5%

TOTAL REVENUES	MILLION EUROS			% VARIATION	
	2009	2010	2011	10/09	11/10
DOMESTIC DIRECT INSURANCE	9,308	9,483	10,020	1.9%	5.7%
MAPFRE FAMILIAR	4,738	4,669	4,589	(1.5%)	(1.7%)
MAPFRE VIDA	3,788	4,021	4,664	6.1%	16.0%
MAPFRE EMPRESAS	782	794	767	1.5%	(3.3%)
OTHER ENTITIES	185	68	44	(63.0%)	(35.6%)
TOTAL BUSINESS SPAIN	9,493	9,552	10,064	0.6%	5.4%
INTERNACIONAL DIRECT INSURANCE	6,603	7,834	10,026	18.6%	28.0%
MAPFRE AMÉRICA	4,738	5,696	7,841	20.2%	37.7%
MAPFRE INTERNACIONAL	1,865	2,138	2,184	14.6%	2.2%
GLOBAL BUSINESSES	3,720	4,414	4,859	18.7%	10.1%
MAPFRE RE	2,326	2,825	3,046	21.5%	7.8%
MAPFRE ASISTENCIA	495	570	730	15.1%	28.0%
MAPFRE GLOBAL RISKS	899	1,019	1,083	13.4%	6.3%
TOTAL PREMIUMS ABROAD	10,323	12,248	14,884	18.7%	21.5%
TOTAL GROUP	18,830	20,471	23,530	8.7%	14.9%

RESULT AFTER TAXES AND MINORITIES	MILLION EUROS			% VARIATION	
	2009	2010	2011	10/09	11/10
DOMESTIC DIRECT INSURANCE	615.3	642.4	594.6	4.4%	(7.4%)
MAPFRE FAMILIAR	430.8	412.8	371.3	(4.2%)	(10.1%)
MAPFRE VIDA	125.2	135.1	133.1	7.9%	(1.5%)
MAPFRE EMPRESAS	59.3	94.5	90.2	59.3%	(4.6%)
OTHER ENTITIES	(64.0)	(79.3)	0.5	23.8%	–
TOTAL BUSINESS SPAIN	551.3	563.1	595.1	2.1%	5.7%
INTERNACIONAL DIRECT INSURANCE	229.4	317.6	390.7	38.5%	23.0%
MAPFRE AMÉRICA	113.4	214.6	304.5	89.2%	41.9%
MAPFRE INTERNACIONAL	116.0	103.0	86.2	(11.2%)	(16.3%)
GLOBAL BUSINESSES	146.1	166.3	131.4	13.8%	(21.0%)
MAPFRE RE	112.5	124.2	78.6	10.4%	(36.7%)
MAPFRE ASISTENCIA	16.3	20.6	25.8	26.2%	25.2%
MAPFRE GLOBAL RISKS	17.3	21.5	27.0	24.0%	25.6%
TOTAL PREMIUMS ABROAD	375.5	483.9	522.1	28.9%	7.9%
TOTAL GROUP	926.8	933.5	963.0	0.7%	3.2%

Operating units & businesses: other information

EQUITY	MILLION EUROS			% VARIATION	
	2009	2010	2011	10/09	11/10
DOMESTIC DIRECT INSURANCE					
MAPFRE FAMILIAR	1,375.9	1,407.9	1,405.5	2.3%	[0.2%]
MAPFRE VIDA	1,148.5	1,228.6	1,612.0	7.0%	31.2%
MAPFRE EMPRESAS ⁽¹⁾	530.8	249.2	259.8	–	4.3%
MAPFRE INMUEBLES	96.7	714.1	647.1	–	[9.4%]
INTERNACIONAL DIRECT INSURANCE					
MAPFRE AMÉRICA	1,465.3	1,740.9	3,945.8	18.8%	126.7%
MAPFRE INTERNACIONAL	2,099.7	2,306.3	2,439.4	9.8%	5.8%
GLOBAL BUSINESSES					
MAPFRE RE	839.7	848.4	847.7	1.0%	[0.1%]
MAPFRE ASISTENCIA	138.3	159.7	179.9	15.5%	12.7%
MAPFRE GLOBAL RISKS ⁽¹⁾	–	422.6	223.0	–	[47.2%]
TOTAL GROUP	7,093.8	7,795.8	9,726.6	9.9%	24.8%

(1) In 2009 MAPFRE EMPRESAS includes MAPFRE GLOBAL RISKS.

MANAGEMENT RATIOS	COMBINED RATIO (NET OF REINSURANCE)		
	2009	2010	2011
Non-life			
DOMESTIC DIRECT INSURANCE			
MAPFRE FAMILIAR	90.7%	91.4%	90.7%
MAPFRE EMPRESAS	93.7%	86.8%	83.7%
INTERNACIONAL DIRECT INSURANCE			
MAPFRE AMÉRICA	103.9%	101.3%	100.8%
MAPFRE INTERNACIONAL	98.9%	100.5%	106.2%
GLOBAL BUSINESSES			
MAPFRE RE	93.5%	95.7%	100.6%
MAPFRE ASISTENCIA	91.2%	91.6%	91.6%
MAPFRE GLOBAL RISKS	98.1%	106.1%	96.2%
MAPFRE	95.7%	95.8%	96.9%
Life			
LIFE ASSURANCE OP. UNIT ⁽¹⁾	1.16%	1.07%	1.03%

(1) Ratio of expenses to funds under management.

ROE	2009	2010	2011
DOMESTIC DIRECT INSURANCE			
MAPFRE FAMILIAR	32.4%	30.7%	27.4%
MAPFRE VIDA	14.6%	16.2%	14.1%
MAPFRE EMPRESAS ⁽¹⁾	15.3%	32.9%	35.4%
INTERNACIONAL DIRECT INSURANCE			
MAPFRE AMÉRICA	9.2%	14.4%	16.8%
MAPFRE INTERNACIONAL	5.9%	4.8%	3.7%
GLOBAL BUSINESSES			
MAPFRE RE	14.2%	14.7%	9.3%
MAPFRE ASISTENCIA	12.8%	14.2%	15.5%
MAPFRE GLOBAL RISKS ⁽¹⁾	–	5.3%	12.8%
MAPFRE	16.7%	14.7%	14.2%

(1) In 2009 MAPFRE EMPRESAS includes MAPFRE GLOBAL RISKS.

AVERAGE NUMBER OF EMPLOYEES			% VARIATION	
	2009	2010	2011	11/10
DOMESTIC DIRECT INSURANCE				
MAPFRE FAMILIAR	8,377	8,149	8,096	[2.7%]
MAPFRE VIDA	766	851	872	11.1%
MAPFRE EMPRESAS ⁽¹⁾	1,559	855	568	–
INTERNACIONAL DIRECT INSURANCE				
MAPFRE AMÉRICA	10,479	11,705	13,310	11.7%
MAPFRE INTERNACIONAL	3,317	3,398	3,757	2.4%
GLOBAL BUSINESSES				
MAPFRE RE	282	283	290	0.4%
MAPFRE ASISTENCIA	3,780	4,361	4,835	15.4%
MAPFRE GLOBAL RISKS ⁽¹⁾	–	610	576	–
TOTAL GROUP	34,326	35,704	32,798	4.0%

(1) In 2009 MAPFRE EMPRESAS includes MAPFRE GLOBAL RISKS.

MAPFRE Group key data. Historical evolution

YEARS	Revenues	Managed assets	Result before taxes	Nº. of employees
1983	142	268	7	1,204
1986	434	706	20	2,323
1989	1,214	1,989	49	3,869
1992	2,419	3,769	37	5,528
1995	3,249	6,879	203	11,292
1998	4,546	9,669	178	15,219
2001	8,933	19,276	316	16,756
2004	10,756	31,482	847	19,920
2005	12,189	36,552	872	24,967
2006	13,234	38,988	1,156	28,091
2007	14,866	44,820	1,366	30,615
2008	17,711	47,759	1,383	34,603
2009	18,830	49,573	1,446	35,225
2010	20,471	56,471	1,431	36,744
2011	23,530	62,585	1,637	34,390

FIGURES IN MILLION EUROS, EXCEPT EMPLOYEES

Evolution of direct insurance in Spain^[1]

YEARS	GROSS WRITTEN PREMIUMS		CLAIMS ^[2]		Market share (%)	Nº. of employees
	Amount	Variation (%)	Number	Value		
1933	11	-	-	1	0.51	n.a.
1934	22	97	11,627	13	0.97	n.a.
1935	30	35	14,309	16	1.31	n.a.
1940	34	11	21,272	22	0.92	n.a.
1945	82	142	23,824	50	1.1	n.a.
1950	125	54	35,681	84	0.81	n.a.
1955	199	59	29,644	149	0.76	106
1960	477	139	25,193	225	0.83	125
1965	1,958	311	37,204	795	1.45	309
1970	4,405	125	59,938	2,608	1.78	561
1975	17,772	303	106,357	7,386	2.95	894
1980	67,301	279	175,610	32,040	4.14	987
1985	188,940	181	313,627	92,297	5.92	1,591
1990	762,017	303	773,725	378,866	7.44	3,308
1995	1,717,025	125	1,478,690	892,485	9.75	5,031
1996	1,826,854	6	1,765,939	927,608	9.57	5,335
1997	1,887,232	3	2,082,761	978,880	9.67	5,436
1998	2,039,979	8	2,326,077	1,039,907	9.69	5,727
1999	2,321,722	14	2,704,864	1,209,206	9.77	5,948
2000	3,816,084	64	3,846,180	2,032,365	10.39	6,376
2001	5,390,719	41	5,025,035	3,274,425	13.00	7,039
2002	5,614,656	4	5,663,558	3,317,072	13.57	7,677
2003	5,819,615	4	6,411,566	4,054,456	14.02	8,230
2004	6,385,386	10	7,144,385	4,663,376	14.12	8,649
2005	6,910,222	8	7,464,928	4,964,230	14.19	8,801
2006	7,083,299	3	18,799,533	4,994,243	13.45	9,138
2007	7,888,708	10	20,529,210	5,627,313	14.38	9,609
2008	8,181,881	4	20,011,134	6,625,322	13.86	10,035
2009	7,786,484	(5)	22,285,007	6,380,507	13.00	10,473
2010	8,454,930	8	20,847,378	8,454,714	14.68	10,182
2011	8,307,447	(2)	19,223,732	7,784,354	13.72	9,844

THOUSANDS EUROS

[1] Figures for gross written premiums and claims include workers' compensation insurance up until 1966, year in which the outline legislation for the Social Security System prohibits this line of insurance as a mercantile activity.

[2] Includes claims arising from life protection and benefits for life savings products.

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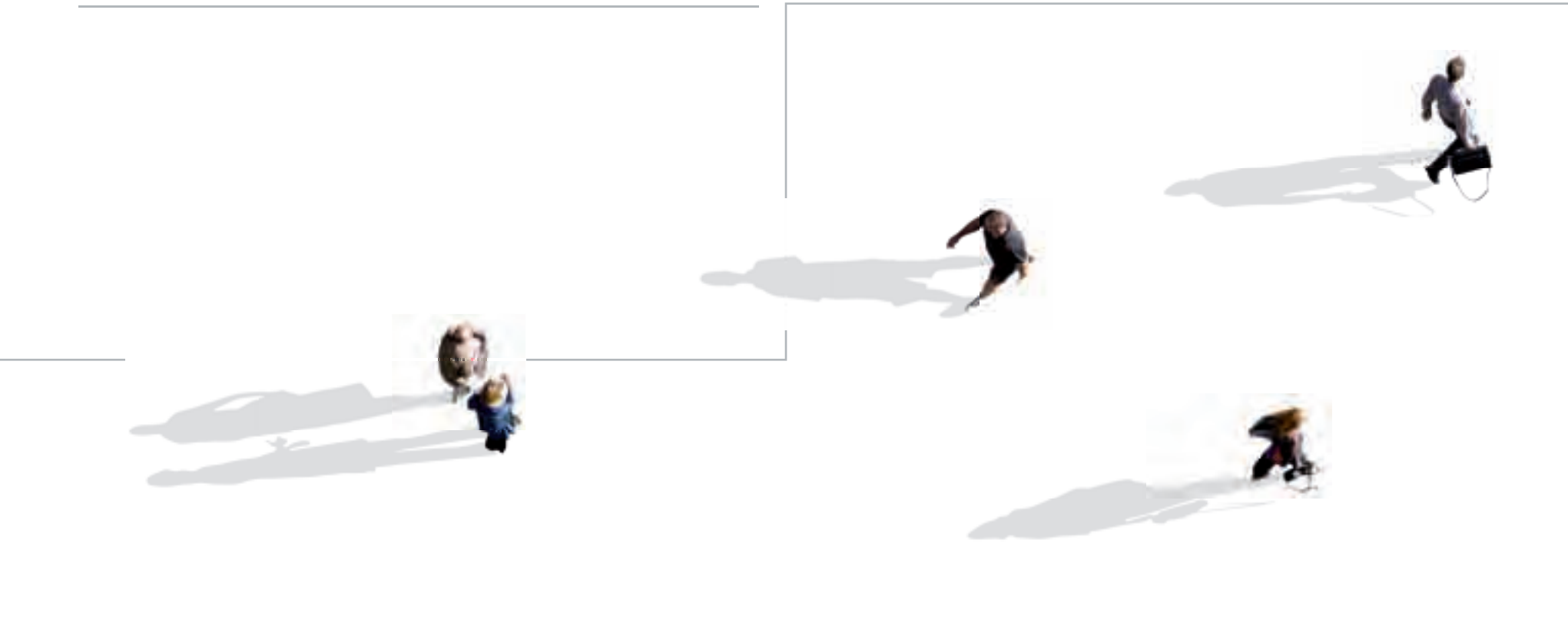
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1 Governing Bodies

HONORARY CHAIRMAN

Mr. Julio Castelo Matrán

BOARD OF DIRECTORS		Steering Committee	Appointments and Remuneration Committee	Audit Committee	Compliance Committee
CHAIRMAN	Mr. Antonio Huertas Mejías	Chairman	Chairman		
SECOND VICE-CHAIRMAN	Mr. Francisco Ruiz Risueño	Second Vice-Chairman	Second Vice-Chairman		Chairman
MEMBERS	Mr. Ignacio Baeza Gómez	Member			
	Mr. Rafael Beca Borrego				Member
	Mr. Rafael Fontoira Suris				Member
	Mr. Santiago Gayarre Bermejo				
	Mr. Luis Hernando de Larramendi Martínez	Member	Member		
	Mr. Luis Iturbe Sanz de Madrid				Member
	Mr. Andrés Jiménez Herradón				
	Mr. Alberto Manzano Martos				
	Mr. Rafael Márquez Osorio			Member	
	Ms. Francisca Martín Tabernero			Member	
	Mr. Antonio Miguel-Romero de Olano				Member
	Mr. Filomeno Mira Candel			Vice Chairman	
	Mr. José Antonio Moral Santín			Member	
	Mr. Antonio Núñez Tovar	Member	Secretary		
	Mr. Rodrigo de Rato Figaredo				
	Mr. Alfonso Rebuelta Badías		Member		
	Mr. Matías Salvá Bennasar		Member		
	Mr. Esteban Tejera Montalvo	Member			
	Mr. Francisco Vallejo Vallejo		Member	Chairman	
SECRETARY	Mr. Ángel L. Dávila Bermejo	Secretary		Secretary	

Composition of the governing bodies resulting from the proposals which are foreseen to be adopted on 10th March 2012.

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Letter to shareholders



Dear shareholder,

As in the previous year, 2011 has been characterised by a challenging environment both in the Spanish insurance sector and in the financial markets. In this scenario, our Group has achieved very positive results, growing both in revenues and profits, while further strengthening its equity. This has allowed us to continue to consolidate our position in Spain, where our market share stands at 13.7%; and in Latin America, where we have enhanced our position as the leading Non-Life insurance company, achieving for the first time a market share above 10%. These excellent results have been achieved thanks to:

- The growing diversification of our activities, due to the dynamism of international direct insurance and reinsurance businesses, which contributed 62% of premiums and nearly 45% of the Group's insurance results.
- The recovery of sales in Spain, with a noteworthy stable premiums volume in Motor insurance, versus a 2.9% contraction of the market, and growth in Life and Homeowner insurance.
- Further focus on the diversification strategy of the distribution channels.
- The positive trend in the Group's direct insurance loss experience, which has offset the impact of the natural catastrophes in Asia, the USA, Australia and New Zealand.
- The Group's prudent investment and financing strategy, which has resulted in large financial revenues, one of the highest solvency margins in the European insurance industry and a reduction in leverage levels.



JOSÉ MANUEL MARTÍNEZ CHAIRMAN

Main activities

Throughout the year, the Group has implemented a series of initiatives aimed at strengthening its strategic position and increasing its growth opportunities. Among these initiatives, the following should be highlighted:

- The authorisation granted by the Brazilian supervisory body for the establishment of the alliance with BANCO DO BRASIL. As of June, BB SEGUROS PARTICIPAÇÕES S.A. and GRUPO SEGUADOR MAPFRE started to operate jointly, under the name GRUPO SEGUADOR BANCO DO BRASIL & MAPFRE.
- On 29th March, MAPFRE and CAJA MADRID CIBELES announced the terms of the agreement for the sale of the 48.97% stake that MAPFRE held in BANCO DE SERVICIOS FINANCIEROS CAJA MADRID-MAPFRE, and the acquisition by MAPFRE of the 12.5% shareholding held by CAJA MADRID CIBELES in MAPFRE INTERNACIONAL. Once the relevant authorisations were granted, this agreement came into force on 1st April 2011.
- MAPFRE participated in the initial public offering of BANKIA, by virtue of which it acquired 42.7 million shares, equivalent to a 2.46% shareholding in the latter. The acquisition of this stake involved an investment of €160 million.
- On 31st July 2011, the increase in the shareholding in MIDDLESEA INSURANCE (Malta) came into effect, rising from 31.08% to 54.56%. Accordingly, from this date onwards this subsidiary is fully consolidated.

MAPFRE strives to implement initiatives aimed at streamlining the Group's structure and enhancing its management's efficiency. In 2011, it has restructured the organisation model of its Domestic Direct Insurance Division in order to further improve the focus on retail and corporate customers and obtain synergies in order to increase its efficiency. Likewise, it has advanced in the coordination of the structures of its International Direct Insurance and Global Businesses Divisions.

With regard to the development of distribution channels complementary to the agents' network, 2011 saw the launch of VERTI, a direct sales company specialising in Motor and Home insurance, which operates basically via Internet and telephone.

During the year MAPFRE and its subsidiaries have continued to receive numerous awards and acknowledgements for its business track record, the quality of the services provided to customers and its responsible attitude towards its employees and Society. It is worth mentioning that MAPFRE's shares are a constituent of the following indices: Dow Jones Sustainability World, Dow Jones Sustainability Europe, FTSE4Good and FTSE4Good Ibex. These indices evaluate the performance of quoted companies in terms of sustainable development and respect for Human Rights. Furthermore, MAPFRE has been chosen for the sixth consecutive year by the Reactions magazine –part of the Euromoney Group– as the best Latin American insurance company, while our company was ranked 394th among the 500 largest companies in the world, as published by Fortune magazine of the USA.

Key figures

The Group's consolidated equity increased 24.8% in 2011 to €9,726.6 million. This positive performance mainly reflects the overall good results obtained by our subsidiaries, among which the following should be highlighted:

- Premiums increased 14.9% to €20,848.3 million, and total consolidated income rose 14.9% to €23,530.3 million. By lines of business:
 - Domestic direct insurance premiums amounted to €7,858.9 million, a 6.1% rise, which reflects the recovery in sales and the consolidation of the insurance operations of CATALUNYACAIXA during the entire year.
 - International direct insurance premiums increased 24.8% to €8,788.1 million, thanks to organic growth, the implementation of the alliance with BANCO DO BRASIL and the consolidation of MIDDLESEA. At the end of 2011, these businesses accounted for 44.8% of total premiums, compared to 41.5% in 2010.
 - The global businesses (Reinsurance, Assistance and Global Risks) reported premiums volume of €4,201.3 million, a 13.8% increase. Of noteworthy mention is the business growth at MAPFRE ASISTENCIA, as a result of organic growth, especially in Turkey and Latin America, and the consolidation of INSUREANDGO in the UK throughout the year.
- Assets under management in Life Assurance, pension funds and mutual funds increased 4.2%.
- Consolidated net results amounted to €963.0 million, 3.2% higher than the previous year. Earnings per share increased from €0.31 to €0.32, a 3.2% rise.

Our share price

The performance of the stock market in 2011 has been marked by volatility. In this environment, our share price increased by 18.1% during the year, to €2.455. During this period, the Dow Jones Stoxx Insurance sector index fell 13.7%, while the IBEX 35 Spanish stock market index recorded a decline of 13.1%.

Dividends

During 2011, our company paid the 2010 final dividend (€0.08 per share), offering Shareholders the possibility to reinvest this in newly issued shares through a capital increase with pre-emptive rights, which had a very positive take-up, contributing €166.2 million of new shareholders' equity; and an interim dividend for 2011 of €0.07, which was fully paid in cash.

The Board of Directors proposes to the Annual General Meeting the payment of a final dividend for 2011 of €0.08 per share.

Outlook

MAPFRE's governing bodies consider that, given the current domestic and international economic scenario, the Group is able to continue to grow and adequately remunerate its shareholders, thanks to:

- The growing international diversification of its activities.
- The strong growth potential of the aforementioned new acquisitions and collaboration agreements, especially those arising from the alliance with BANCO DO BRASIL.
- The consolidation of the agents' and bancassurance networks, and the development of alternative distribution channels.
- Its prudent risk management policy.
- Its financial strength.

Reorganisation of the management team

MAPFRE's Board of Directors unanimously resolved to elect Mr. Antonio Huertas Mejías as the new Chairman of the company and chief executive of the Group, at the meeting held on 21st December 2011 and at the proposal of the Appointments and Remuneration Committee. This resolution will be effective on 10th March 2012, the date on which the next Annual General Meeting will be held. Moreover, Mr. Andrés Jiménez, currently First Vice-Chairman, informed the Board of his decision to retire on 22nd February 2012, 46 years after joining MAPFRE.

These Resolutions conclude the company's restructuring of the management team carried out during the last years, aimed at ensuring an orderly generational handover, affecting those persons who have held key positions in the Group's senior management, while in keeping with statutory provisions.

I would like to end this letter by expressly thanking our shareholders, our customers, the supervisory bodies, and in general everyone who has provided us with their trust and support throughout the year; and also MAPFRE's human resources (directors, executives, employees, delegates, agents and associates), who through their effort and correct decisions have helped us to achieve these excellent results.

I would also like to express my satisfaction with MAPFRE's success over the eleven years during which I have held the Company's Chairmanship, with our excellent business standing and above all with the bright future ahead of us thanks to the excellence of our company's new Chairman, management and personnel teams.

Sincerely,



JOSÉ MANUEL MARTÍNEZ
CHAIRMAN



3



3

General information

MAPFRE is an independent Spanish business group that engages chiefly in insurance and reinsurance activities in more than 40 countries. The Group's parent company is the holding company MAPFRE S.A., whose shares are listed on the Madrid and Barcelona stock exchanges, and form part of the IBEX 35, Dow Jones Stoxx Insurance, Dow Jones Sustainability World Index, MSCI Spain, FTSE All-World Developed Europe Index, FTSE4Good and FTSE4Good IBEX indices.

The majority shareholder of MAPFRE S.A. is FUNDACIÓN MAPFRE, which guarantees the Group's independence and its institutional stability. FUNDACIÓN MAPFRE engages in general interest activities in the fields of Corporate Community Involvement, Insurance Sciences, Culture, Road Safety, Prevention, Health and Environment.

The Group's businesses are structured into 3 principle divisions (Domestic Direct Insurance, International Direct Insurance and Global Businesses). MAPFRE has a solid position in the Spanish Insurance market and a significant international presence. At the end of 2011, it ranked sixth in Non-life Insurance in Europe, and first in the Latin American market, where overall it is ranked second.

In 2000, MAPFRE forged an important strategic alliance with CAJA MADRID, , the key goal being to fully harness the potential of the two group's sales networks (CAJA MADRID's network is currently integrated within BANKIA) in the distribution of insurance and financial products.



Presence

MAPFRE operates in a total of 46 countries through 243 companies. At the end of 2011, it had 5,317 own offices throughout the world, of which 3,155 were located in Spain, and 2,006 in Latin America; it also distributes its products through 9,670 bank branches and other points of sale that sell the Group's policies under association agreements; and has a network of over 70,600 agents and brokers, 5,700 of which were based in the United States and 16,700 in Brazil.

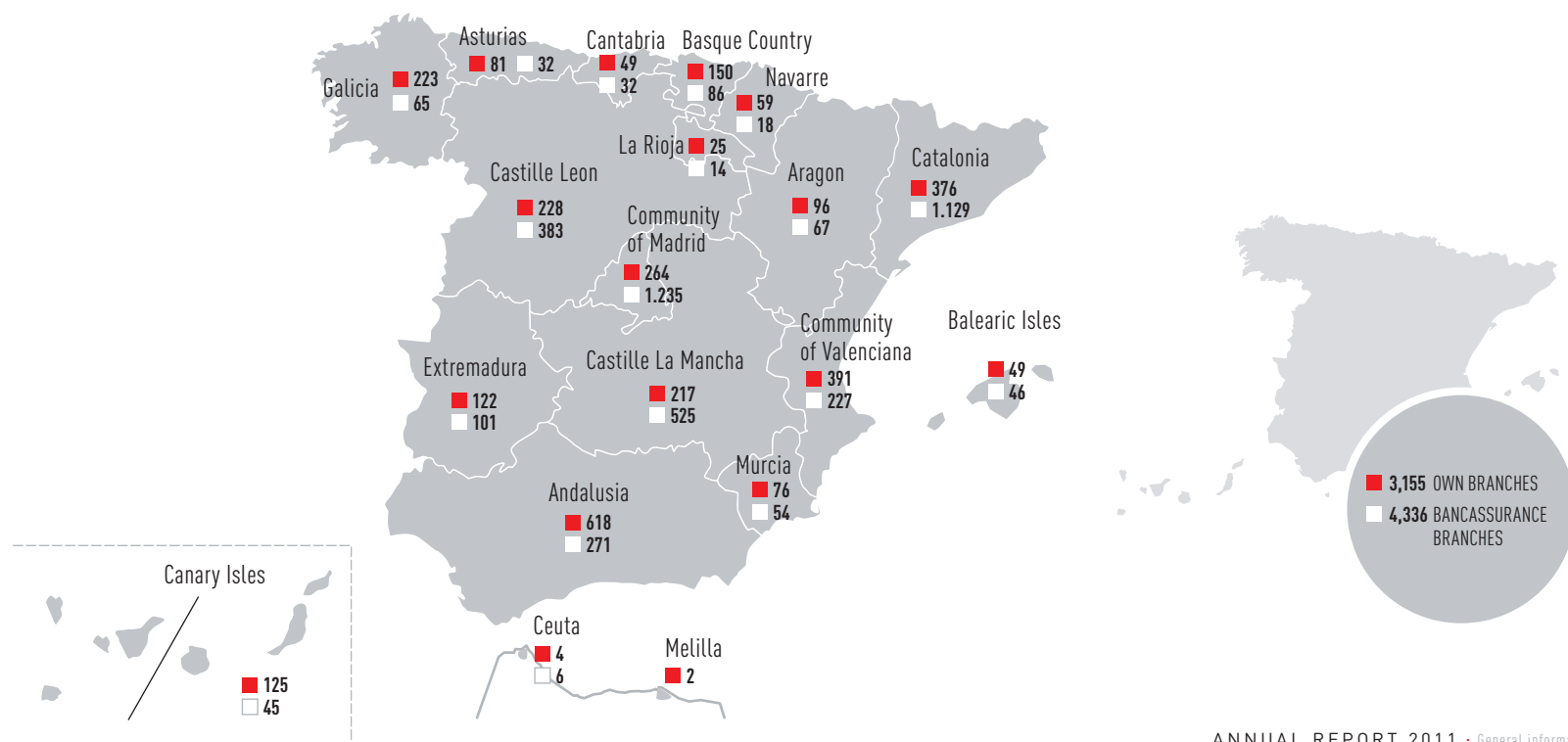
In the direct insurance business, MAPFRE leads the Spanish market and is present in all the Latin American markets (a region where it has become the second largest insurance group and maintains its leadership position in non-life insurance), in the USA, Portugal, Turkey, the Philippines and Malta. In the assistance segment, it operates in 43 countries. The Group also has a professional reinsurance provider (MAPFRE RE) that ranks among the top 20 in the world reinsurance leagues, and which operates worldwide thanks to two subsidiaries and 16 representative offices.

○ ● ●	Argentina
○ ● ●	Brazil
● ● ●	Canada
○ ● ●	Chile
○ ● ●	Colombia
○	Costa Rica
○ ●	Ecuador
○ ●	El Salvador
○ ● ●	USA
○ ●	Guatemala
○ ●	Honduras
○ ● ●	Mexico
○ ●	Nicaragua
○ ●	Panama
○	Paraguay
○ ●	Peru
○ ●	Puerto Rico
○ ●	Dominican Republic
○ ●	Uruguay
○ ● ●	Venezuela
●	Australia

TOTAL OWN BRANCHES	5,317
TOTAL BANCASSURANCE BRANCHES	9,670

● ● ●	Germany
● ● ●	Belgium
○ ● ●	Spain
● ● ●	France
● ● ●	Greece
● ●	Hungary
● ●	Ireland
● ● ●	Italy
● ●	Luxembourg
○ ●	Malta
○ ● ●	Portugal
● ● ●	United Kingdom
● ●	Russia
○ ●	Turkey
●	Bahrain
●	United Arab Emirates
●	China
○ ● ●	Philippines
●	India
●	Japan
●	Jordan
●	Taiwan
●	Algeria
●	Egypt
●	Tunisia

○ DIRECT INSURANCE	● ASSISTANCE	● GLOBAL RISKS	● REINSURANCE
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Ratings

Standard & Poor's

Entity	2011	2010
MAPFRE S.A. (Debt Issuer Rating)	A Credit watch with negative implications	A+ Negative outlook
MAPFRE S.A. (€700 Mn subordinated debt)	BBB+	A-
MAPFRE GLOBAL RISKS (Financial strength rating)	AA- Credit watch with negative implications	AA Negative outlook
MAPFRE RE (Financial strength rating)	AA- Credit watch with negative implications	AA Negative outlook

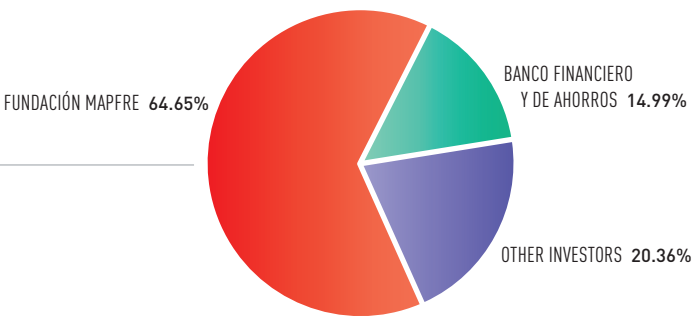
A.M. Best

Entity	2011	2010
MAPFRE RE (Financial strength rating)	A Under review with negative implications	A+ Negative outlook

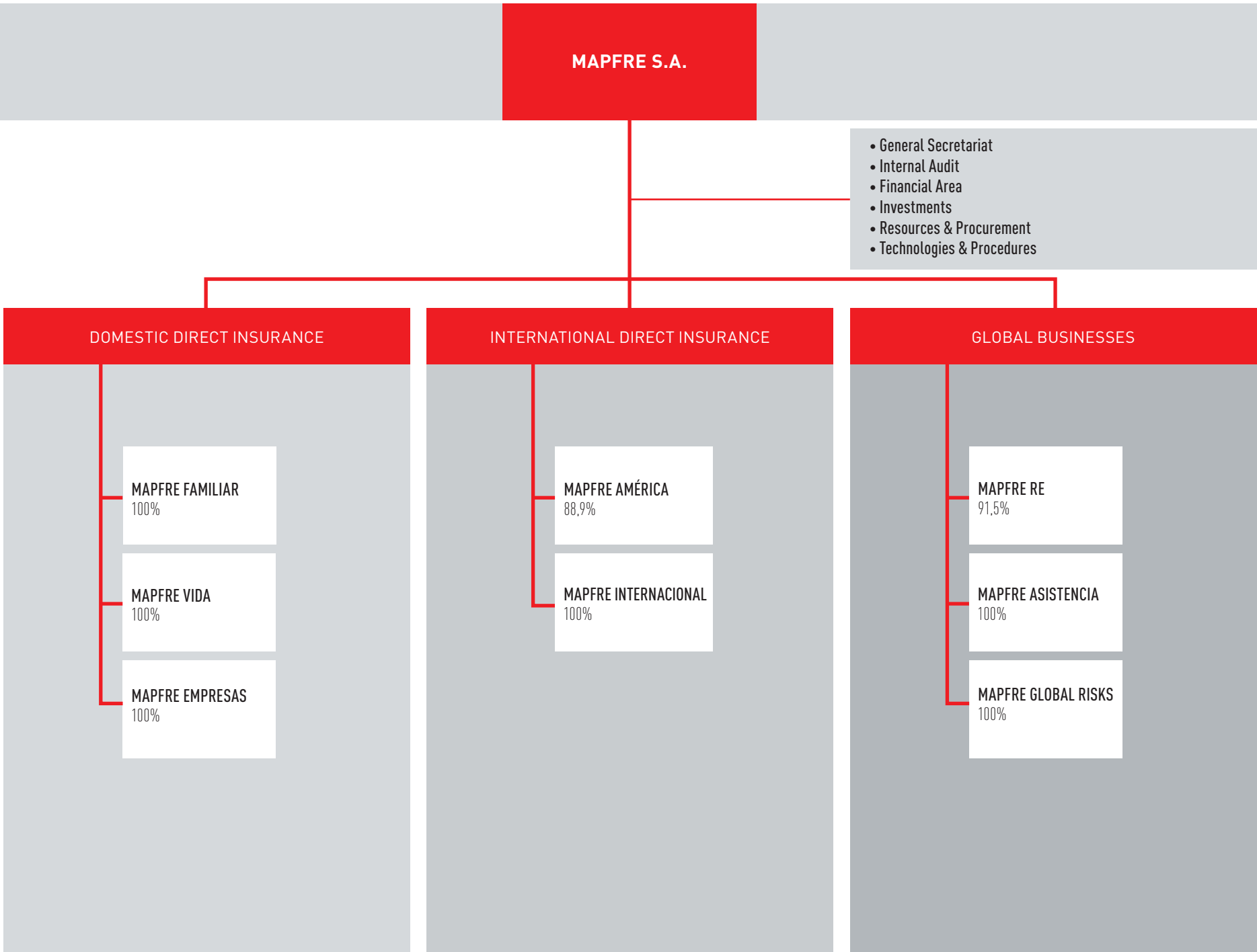
Moody's

Entity	2011	2010
MAPFRE GLOBAL RISKS (Financial strength rating)	Aa3 Negative outlook	Aa3 Negative outlook
MAPFRE ASISTENCIA (Financial strength rating)	A1 Negative outlook	A1 Negative outlook

Shareholder structure



Corporate Organisation chart 2011



4



4

Significant events of the year

JANUARY

01

10th January

VERTI, the Group's new internet and telephone direct sales company, commences operations in Motor and Home Insurance.

31st January

MAPFRE's subsidiary in Panama opens its new headquarters.

FEBRUARY

02

2nd February

MAPFRE presents its earnings for the year 2010, with consolidated revenues of over €20,000 million and a net result of €933.5 million.

7th February

The readers of the RED SEGURIDAD magazine grant MAPFRE the Extraordinary Trophy for its corporate strategy of comprehensive security in information and communication technologies.

9th February

MAPFRE VIDA launches DIVIDENDO VIDA, a Life-savings product linked to Spanish equities.

24th February

MAPFRE starts up the new Vehicle Appraisal and Quick Payment Centre in Guadalajara.

MARCH

03

3rd March

El ECONOMISTA incorporates MAPFRE to its Eco10 index as one of the securities with upside potential.

5th March

MAPFRE's Annual General Meeting approves the Group accounts and dividends for 2010.

8th March

MAPFRE was again ranked by FORTUNE Magazine as the fourteenth non-life worldwide insurance business in its 2011 list of the World's Most Admired Companies.

21st March

MAPFRE has been included among the 409 most sustainable companies in the world, according to The Sustainability Yearbook 2011, put together by the consultancy firms PricewaterhouseCoopers and Sustainable Asset Management.

23rd March

MAPFRE VIDA launches FONDMAPFRE GARANTIZADO 1107, a mutual fund offering guaranteed capital and returns linked to the performance of the EuroStoxx50 index, which comprises the top 50 blue chip companies listed on the Eurozone stock exchanges.

29th March

MAPFRE and CAJA MADRID CIBELES arrive at an agreement whereby the savings bank purchases the 48.97% holding that the insurance company held in BANCO DE SERVICIOS FINANCIEROS CAJA MADRID-MAPFRE, while MAPFRE acquires the 12.5% holding that the savings bank had in MAPFRE INTERNACIONAL.

30th March

MAPFRE ASISTENCIA receives, for the second year in a row, the Company of the Year award from the UK Motor Industry, granted by the Institute of Transport Management.

APRIL

04

7th April

MAPFRE RE'S subsidiary in Brazil receives the Brazilian Insurance Award in the category of 'Best Performance as a Local Insurer' granted by the magazine ASEGURADOR BRASIL.

Key events in MAPFRE'S expansion and development over the last 10 years

2002

- The first Collective Employment Agreement of the MAPFRE Insurance Group for the three-yearly period 2002-2004 is signed.
- A wide-ranging management restructuring is approved and the Commercial Insurance Operating Unit is created.
- SISTEMA MAPFRE manages funds worth over €20,000 million.
- The MAPFRE call centres handle over 20 million calls.
- mapfre@com, a single Internet portal to access the whole of SISTEMA MAPFRE, is launched.

2003

- The Board of Directors of SEPI awards MUSINI and MUSINI VIDA to MAPFRE - CAJA MADRID HOLDING.
- Standard & Poor's upgrades the rating of MAPFRE MUTUALIDAD to 'AA' and those of CORPORACIÓN MAPFRE and MAPFRE RE to 'AA -'.
- CORPORACIÓN MAPFRE's shares are included in the IBEX 35 and Dow Jones Stoxx Insurance equity indices.
- The market capitalisation of CORPORACIÓN MAPFRE exceeds €2,000 million.

- MAPFRE ASISTENCIA ORO is incorporated.
- SISTEMA MAPFRE obtains a result before tax of over €600 million.

2004

- The total operating revenues of SISTEMA MAPFRE exceed €10,000 million.
- MAPFRE insures over 5 million vehicles in Spain.

11th April

MAPFRE ranks 20th on the list of the best companies in Corporate Social Responsibility, put together by the Corporate Reputation Business Monitor (MERC0).

12th April

The Chairman of MAPFRE, Mr. José Manuel Martínez, rises two places in the MERC0 list of most valued business leaders and is now ranked 12th.

27th April

MAPFRE is placed at 353th in the global ranking of the 2,000 largest companies in the world, put together by FORBES magazine. It ranks 9th among the Spanish companies present on the list.

29th April

MAPFRE INTERNACIONAL raises its holding in the Maltese insurance company MIDDLESEA INSURANCE PLC to 50.98%, after buying MUNICH RE's 19.98% holding in the company.

30th April

The magazine REACTIONS highlights the Chairman of MAPFRE, Mr. José Manuel Martínez, as one of the 30 Most Influential Personalities in the Global Insurance Industry of the last 30 years. This ranking analyses the contribution of leaders in the transformation of the industry over the last three decades.

MAY

4th May

MAPFRE's Board of Directors approves a plan for the reinvestment of the 2010 final dividend in new shares of the company.

6th May

MAPFRE is the most awarded company in the 17th Fraud Detection Contest of ICEA (Cooperative Investigation among Insurance Companies), with ten awards.

27th May

MAPFRE and the South Korean company SAMSUNG FIRE & MARINE INSURANCE sign an agreement to boost collaboration in several areas of the insurance sector.

31st May

MAPFRE and MITSUI SUMITOMO INSURANCE sign a collaboration agreement in the fields of reinsurance and risk consultancy services.

JUNE

2nd June

The Universidad Autónoma de Madrid - MAPFRE José Manuel Martínez Chair is instituted with the goal of fostering research and development in the field of insurance.

05

8th June

MAPFRE RE opens its new Paris headquarters.

17th June

- MAPFRE VIDA launches FONDMAPFRE GARANTIZADO 1107, a four year guaranteed mutual fund linking its returns to the IBEX-35 and the Swiss SMI indices.

- The shareholders of FUNESPAÑA, a company in which MAPFRE is a majority shareholder, approve the merger project with GESMAP, a Group company specialising in funeral services.

28th June

MAPFRE is the first insurance company to receive a prize at the Telva Motor Awards.

JULY

07

7th July

MAPFRE is the only Spanish insurance company present in the European non-life Insurance ranking for 2010, where it is placed 6th.

11th July

MAPFRE is ranked 394th among the FORTUNE Global 500 Largest Corporations in the world.

06

- MAPFRE SEGUROS GENERALES insures over 2 million households in Spain.

- CORPORACIÓN MAPFRE carries out a €500 million capital increase.

- MAPFRE acquires a majority shareholding in QUAVITAE, the leading Spanish provider of comprehensive social and health care for the Elderly.

- MAPFRE enters the Chinese market through the incorporation of ROAD CHINA ASSISTANCE, which distributes assistance programs.

2005

- The insurance premiums of SISTEMA MAPFRE exceed €10,000 million.

- The market capitalisation of CORPORACIÓN MAPFRE exceeds €3,000 million.

- SISTEMA MAPFRE manages funds worth over €30,000 million.

- The Board of Directors of SEPI awards CLINISAS to MAPFRE CAJA SALUD.

- MAPFRE acquires a majority shareholding in NOSSA CAIXA SEGUROS E PREVIDENCIA, a Brazilian Life and Pensions Insurer.

- SISTEMA MAPFRE employs over 20,000 staff.

- MAPFRE becomes the leading insurance group by volume of premiums in Non-Life in Latin America.

- All foundations that operate in Spain are merged into FUNDACIÓN MAPFRE.

2006

- MAPFRE implements a new corporate structure.

- Results before tax exceed €1,000 million

- MAPFRE S.A.'s market capitalisation exceeds €4,000 million

- An agreement is established with Caja Castilla La Mancha to develop the Life assurance and Pensions businesses of said Caja.

- MAPFRE S.A.'s shares are incorporated into the "Footsie4Good" Social Responsibility index.

12th July

The Institute of Internal Auditors of the United States grants MAPFRE's Auditing General Directorate the highest quality distinction through its Quality Assurance program.

19th July

MAPFRE and EULER HERMES sign a memorandum of understanding for the joint development of Credit and Surety insurance in Spain, Portugal and Latin America.

20th July

The Portuguese Association of Contact Centers chooses MAPFRE'S Contact Center as the best one in Portugal in 2011.

AUGUST

1st August

The Great Place to Work consultancy considers MAPFRE the 36th best multinational corporation to work for of the 2,000 multinational corporations active in the continent.

3rd August

The magazine INFORMATION WEEK chooses MAPFRE MEXICO as the fourth most innovative company in the country.

29th August

MAPFRE ARGENTINA climbs up 17 positions to 16th in the MERCO rankings.

SEPTEMBER

6th September

MAPFRE VIDA launches a four year guaranteed savings insurance with high returns.

13th September

MAPFRE strengthens its presence in the Dow Jones World and Dow Jones Regional sustainability indices. Its presence is due to its good practices in terms of Corporate Social Responsibility.

26th September

MAPFRE RE ranks 15th in gross premiums and 16th in net premiums in the classifications of world reinsurance companies put together by the rating agencies AM Best and Standard & Poor's, respectively.

OCTOBER

3rd October

The magazine REACTIONS chooses MAPFRE as the Best Direct Insurance Company in Latin America.

10th October

The C&C 24 unit at MAPFRE FAMILIAR receives the prize for "Innovation in multi-channel services" handed out by CONTACT CENTER magazine.

09

19th October

MAPFRE FAMILIAR opens a new Vehicle Appraisal and Quick Payment Center in Logroño.

21st October

MAPFRE VIDA launches the new FONDMAPFRE GARANTIZADO 1111 guaranteed fund, linked to the IBEX-35 and to the Swiss SMI indices.

27th October

The operational organisation of the Domestic Direct Insurance Division has been redefined, with the creation of a new sales structure to improve coordination in all the channels and boost their development. MAPFRE'S Territorial Structure in Spain has also been reorganised, and now consists of 9 Regional Head Offices and 31 Territorial Offices.

NOVEMBER

2nd November

• MAPFRE is the fourth most environmentally friendly company, according to NEWSWEEK magazine.

• MAPFRE ASISTENCIA sets up www.insureandgo.ie in Ireland, with a view to selling online travel insurance to private individuals.

11

2007

- An agreement is established with Bankinter to develop the Life assurance and Pensions businesses of said Bank.
- Acquisition of an 80% shareholding in Turkish insurance companies GENEL SIGORTA and GENEL YASAM.
- Offer to acquire the US insurance group COMMERCE, specialised in motor insurance.
- Agreement to reorganise the Strategic Alliance with CAJA MADRID.
- Over 6 million cars insured in Spain.

2008

- Acquisition of COMMERCE, the Life and Pensions subsidiaries of CAJA DUERO and ATLAS (Ecuador).
- Dividend reinvestment plan.
- Conclusion of reorganisation of the Strategic Alliance with CAJA MADRID.
- MAPFRE FAMILIAR is created.
- MAPFRE AMÉRICA VIDA is absorbed by MAPFRE AMÉRICA.
- Announcement of the reorganisation of the COMMERCIAL and the INTERNATIONAL OPERATING UNITS.

2009

- Splitting up of the Commercial Insurance Operating Unit, MAPFRE GLOBAL RISKS and MAPFRE SEGUROS DE EMPRESAS.
- Business from Abroad represents 50.6% of total Group premiums.
- Agreement with FINIBANCO (Portugal) to acquire 50% of FINIBANCO VIDA.
- MAPFRE is elected the Best insurance Group in Latin America for the fourth consecutive year.

• Memorandum of understanding signed with Banco do Brasil.

• Agreement to jointly develop insurance activities with GRUPO MUNDIAL (Panama).

2010

- Completion of the organisational and operational restructuring of the commercial insurance businesses.
- Approval of the Group's operational and management structures.

3rd November

• The European Corporate Purpose & Performance Impact Study includes MAPFRE in the classification of companies according to the impact of the communication of their corporate mission on financial results.

• MAPFRE has become the second largest insurance group in Latin America, according to the ranking for 2010 published by FUNDACIÓN MAPFRE’s Insurance Science Institute.

7th November

MAPFRE took part in the First Spanish-British Economic Forum in London.

9th November

The INTERNATIONAL TRAVEL INSURANCE JOURNAL granted MAPFRE the award for the Best Travel Insurer in 2011.

16th November

PR Noticias grants VERTI, MAPFRE’S internet and telephone direct sales company, the Best Brand award in 2011.

17th November

A group of US Senators and Congressmen visits MAPFRE in Spain.

21st November

The CEGOS Group and EQUIPOS &TALENTOS grant MAPFRE the Training and Development Award at the 2nd Edition of the Best Practices in Human Resources Awards.

28th November

MAPFRE VIDA starts marketing MAPFRE PUENTE GARANTÍA 10, a new mutual fund that guarantees not only the capital but also returns.

30th November

MAPFRE launches a takeover bid for all of the shares in FUNESPAÑA, of which it is a majority shareholder, paying €7 per share.

DECEMBER

12

5th December

• MAPFRE RE celebrates 25 years of operations in the Philippines.

• MAPFRE ASISTENCIA in Brazil is awarded for its Internal Communications, Social Responsibility and Best Team by the Brazilian Teleservices Association (ABT).

13th December

MAPFRE is awarded the Spanish Maritime Cluster prize for its social action

14th December

• MAPFRE wins the award for the best sponsor in 2011 given by the Spanish Olympic Committee.

• MAPFRE SEGUROS DE EMPRESAS and LABORSALUS reach an agreement whereby the latter is to purchase MAPFRE SERVICIOS DE PREVENCIÓN, the insurance group’s industrial risk affiliate.

15th December

MAPFRE COLOMBIA is among the 25 Top Companies to Work For according to research conducted by Great Place to Work.

16th December

MAPFRE PUERTO RICO wins the award for the Best Life Insurance Company granted by the Professional Insurance Agents of Puerto Rico & the Caribbean (PIA).

21st December

MAPFRE’s Board of Directors elects Mr. Antonio Huertas as the new Group Chairman as from 10th March 2012, replacing Mr. José Manuel Martínez, who is retiring on that date. Mr. Andrés Jiménez, First Vice-Chairman, announces his decision to retire in February 2012.

- Formalisation of the strategic alliance with BANCO DO BRASIL.
- Bancassurance agreement with CATALUNYACAIXA.
- Acquisition of INSUREANDGO (UK), the British leading online travel insurance company.
- Launch of VERTI, the new company specialising in the sale of direct insurance.

2 0 1 1

• VERTI, the Group’s new direct sales company via internet and telephone, starts operations.

- GRUPO SEGUADOR BANCO DO BRASIL & MAPFRE commences operations.
- Agreement with CAJA MADRID CIBELES to purchase the 12.5% it owns in MAPFRE INTERNACIONAL.
- Increase in the stake held in MIDDLESEA INSURANCE, thus becoming the majority shareholder
- Creation of a new sales structure in the Direct Insurance Spain Division and the reorganisation of the regional structure in Spain
- Mr. Antonio Huertas elected as the Group’s new Chairman, effective from 10th March 2012, thus replacing Mr José Manuel Martínez



5



5

Consolidated Management Report

Economic context

The persistence of some exceptionally virulent tensions marked the evolution of the financial markets throughout 2011. Amongst the principal factors which explain this behaviour, the worsening of the sovereign debt crisis in the Economic and Monetary Union, the funding issues of the financial institutions and the deterioration of the economic growth prospects stand out.

In Europe, the escalation of the crisis meant that Portugal joined Greece and Ireland in requesting a financial assistance programme. Meanwhile, difficulties in agreeing the terms of the restructuring of Greek debt and of a new assistance programme for this country, revealed deep disagreements on key issues such as the participation of the private sector in the refinancing of Greece, the size, funding and powers of the future European Financial Stability Facility (EFSF) and the role of the European Central Bank (ECB) in the crisis. The delay in the adoption of new agreements, and in the application of existing agreements, caused further attacks to the sovereign debt which were not limited to relatively small economies such as Greece, Portugal and Ireland, but which rapidly spread to other larger economies, especially the Spanish and Italian economies, even affecting France and Belgium.

The sovereign debt crisis in the Euro Zone vastly affected the banking sector, significantly hindering access to medium and long-term wholesale funding, as evidenced by the reduced emission volumes in wholesale markets. The ECB reactivated the Stock Market Programme, continued to guarantee the liquidity of the European deposit institutions and sporadic purchased debt from peripheral countries at critical moments. The stress tests for the European banking sector incorporated stricter criteria than the previous year. In an exercise of transparency, the Spanish banking system incorporated 93% of the system, significantly higher than the 50% required by the European Banking Authority (EBA). In the most adverse scenario, five banks failed the test, although they would have all passed it if the generic provisions and issue of compulsorily convertible bonds had been taken into account. Likewise, progress continued to be made in the process of restructuring the savings banks which formed part of the FROB (Fund for Orderly Bank Restructuring) and in the adjustment of the development and construction sector.

In accordance with the orthodox line maintained by the ECB with regard to controlling inflation, the monetary authority considered that the recovery of the activity observed during the first part of the year and the upturn in raw material prices made the two interest rate increases made by the ECB advisable, placing the reference rates at 1.5%. However, the escalation of the financial crisis in Europe and renewed doubts about economic growth meant that Mario Draghi would cut the repo rate to 1.25% at his first Council meeting as President of the Central Bank. The Federal Reserve, more prone to policies that promote growth,



*Mr. José Manuel Martínez
at the 2011 Annual General
Meeting of shareholders.*

maintained the interest rates at 0.25%, although it abstained from initiating a third round of asset purchases.

Where public imbalances are concerned, Germany's demand for discipline won through, demanding the application of severe fiscal consolidation plans. Despite the fact that Spain had tended to dissociate itself from the countries most affected by the market tension, and although it stood out due to having a political replacement decided by the ballot box, it could not escape the pressure of the markets in the face of the anticipated reduced economic growth and doubts concerning the achievement of the objective to reduce the public deficit. In the United States, tough negotiations between the Democrats and the Republicans in relation to increasing the debt ceiling and the loss of the AAA credit rating, for the first time since 1941, had a negative influence on the markets. Meanwhile, in Japan, the reconstruction costs following the earthquake and the nuclear crisis in March added pressure to the public finances.

Furthermore, the risk of falling growth significantly increased. The confluence of the austerity plans aimed at restabilising public finances, the deleverage of the financial sector in order to achieve the newly required solvency objectives, the reduction in the level of household indebtedness and the correction of the real estate bubbles (USA, Spain, Ireland), gave rise to an expectation of weaker growth. On the other hand, the emerging economies maintained high rates of growth, although their rate of expansion dropped in parallel to the withdrawal of monetary stimuli and the slower growth of developed economies.

In this context, the prospect of slight economic growth and the search for secure assets gave rise to a fall in profitability, registering all-time lows in terms of long-term debt in economies such as the United States and Germany. In contrast, the profitability of the debt in southern European countries reached all-time highs, registering record levels in their differentials with Germany.

Currencies such as the Swiss franc and the yen, also acted as safe-haven assets and led the authorities to approve exceptional measures for halting the appreciation of their currencies. Likewise, gold compounded its defensive status which catapulted its price to an all-time high of almost USD1,900 per ounce.

On the stock markets, share prices reflected the environment of high aversion to risk with widespread drops, although companies in the financial sector were affected to a greater extent.

Another element which determined the evolution of the financial markets was the high increase in the price of raw materials and, particularly, that of oil. The high level of dynamism in emerging countries contributed towards this evolution, in terms of demand, as well as a few factors in terms of offer, such as the civil disturbances in the Middle East and northern Africa.

In short, 2011 was marked by the sovereign debt crisis of the Euro Zone, the deleverage of the banking sector derived from the demand for greater levels of solvency and the need for fiscal consolidation in developed economies which had a counterpoint in the dynamism of the emerging economies and extremely lax monetary policies.

The economic trend in insurance markets

Spanish market¹

According to preliminary estimates, the total volume of direct insurance premiums written in 2011 amounted to €60,571 million, broken down as follows by lines of business:

¹ Source: ICEA (Association for Cooperative Research between Insurance Companies and Pension Funds), Workshop on the Prospects of Insurance and the Economy for 2012.



MAPFRE forms part of the “Consejo Empresarial para la Competitividad” (Board of Business for Competitiveness)

Line of business	2011	2010	% Chg. 11/10
Life	28,851	26,377	9.4%
Non-Life	31,720	31,804	[0.3]%
TOTAL DIRECT INSURANCE	60,571	58,181	4.1%

FIGURES IN €MILLION

Non-Life insurance policies accounted for 52.4% of the total volume of premiums. Motor insurance accounts for the largest volume, although its growth rate was again negative due to the strong competition and the continuing slump in new car sales that was already seen in 2010. The table below shows the total estimated volume of Non-Life insurance premiums broken down into lines of business, and the change with respect to the previous year:

	2011	2010	% Chg. 11/10
Motor	11,271	11,535	[2.3]%
Health	6,589	6,393	3.1%
Multi-peril	6,505	6,297	3.3%
Other Non-Life	7,355	7,578	[2.9]%
TOTAL NON-LIFE	31,720	31,804	[0.3]%

FIGURES IN €MILLION

As in previous years, the relative importance of the Motor insurance business declined again, as shown in the following table:

	2011	2010	2009	2008	2007
Motor	35.5%	36.3%	36.7%	38.0%	39.5%
Health	20.8%	20.1%	19.2%	18.0%	17.0%
Multi-peril	20.5%	19.8%	19.3%	18.1%	17.2%
Other Non-Life	23.2%	23.8%	24.7%	25.9%	26.3%



MAPFRE's subsidiary in Panama inaugurates its new headquarters.

Based on the trends seen up to the end of September, the technical result improved versus the previous year, following the decline in the claims experience. The following table shows the development of the combined ratio calculated as a percentage of net premiums earned, which measures said technical result:

	TOTAL		MOTOR		MULTI-PERIL		HEALTH	
	30.09.11	30.09.10	30.09.11	30.09.10	30.09.11	30.09.10	30.09.11	30.09.10
Loss ratio	70.5%	72.4%	79.6%	80.5%	58.8%	67.5%	82.5%	84.1%
Expense ratio	21.7%	21.5%	17.6%	17.1%	30.2%	30.5%	12.8%	11.8%
Combined ratio	92.2%	93.9%	97.2%	97.6%	89.0%	98.0%	95.3%	95.9%

The volume of managed Life savings, represented by technical reserves, was €154,114 million, a 5.1% rise with respect to the previous year.

The table below shows the performance of managed Life savings, mutual funds and pension funds, and their respective increases against the previous year:

	2011	2010	% Chg. 11/10
Life Assurance	154,114	146,646	5.1%
Mutual Funds	127,772	138,024	(7.4)%
Pension Funds	82,992	84,750	(2.1)%
TOTAL	364,878	369,420	(1.2)%

FIGURES IN €MILLION

Gold compounded its defensive status which catapulted its price to an all-time high of almost USD1,900 per ounce.

Latin american markets²

The table below displays the changes in the volume of written premiums³ of the major Latin American insurance markets, according to the most recent information available:

COUNTRY	Date	Non-Life	Life	Total
Argentina	30/06/2011	35.0%	33.6%	34.8%
Brazil	30/06/2011	13.2%	24.0%	20.2%
Colombia	30/09/2011	12.8%	15.6%	16.2%
Costa Rica	30/09/2011	2.2%	37.2%	5.6%
Chile	30/09/2011	23.5%	16.3%	19.1%
Dominican Republic	30/11/2011	8.4%	12.8%	9.0%
Ecuador	30/09/2011	23.1%	27.3%	23.8%
Guatemala	30/09/2011	26.1%	34.0%	27.4%
Honduras	30/09/2011	8.4%	19.8%	11.4%
Mexico	31/12/2011 (E)	10.6%	7.1%	9.3%
Nicaragua	31/12/2011	11.2%	13.8%	11.6%
Panama	31/12/2011	19.3%	0.6%	14.6%
Paraguay	30/06/2011	22.2%	42.1%	24.1%
Peru	30/11/2011	14.1%	8.2%	11.5%
Puerto Rico	30/09/2011	7.9%	15.8%	8.5%
El Salvador	30/09/2011	3.3%	5.8%	4.2%
Uruguay	30/09/2011	21.7%	28.3%	23.3%
Venezuela	30/11/2011	n.a.	n.a.	35.4%

Generally, the following trends may be observed:

- Positive growth rates were recorded in all of the countries, in spite of which the total volume of premiums stated in euros declined owing to the significant appreciation of the European currency versus the major local currencies.
- The growth of Non-Life insurance was mainly due to the growth of the economy, with increases in employment levels and sales of commodities and automobiles, as well as a rise of rates in the major markets. The Brazilian market stands out for its size, with growing demand thanks to investments in infrastructure and increases in consumer spending.
- Life insurance increased significantly, boosted once again mainly by the VGBL⁴ product in Brazil, which has attractive tax incentives. There was a substantial increase in Argentina, due to the increase in employment levels and wages, together with higher consumer spending. Conversely, in Chile there was a slowdown in demand due to the volatility of the financial markets.

(2) Data for Latin American markets were obtained from supervisory bodies and sectorial associations in each country, as well as from MAPFRE's companies operating there.

(3) Percentage changes have been calculated with the most recent information available for each country.

(4) Life Insurance Generating Free Benefits.



MAPFRE AMERICA's board meeting held in Panama, with the presence of Mr. José Manuel Martínez and Mr. Alberto Manzano

Reinsurance market

During the first half of the year the earthquakes in Japan and then in New Zealand put the first semester results of nearly all reinsurers in the red, with partial improvements in the second half of the year despite losses due to several tornadoes in the United States and hurricane Irene as well as other catastrophes, to which must be added the losses caused by floods in Thailand in the last quarter, which are yet to be evaluated. Altogether, 2011 can be considered a bad year for the industry, although due to its financial strength it was possible to withstand poor results and the reductions in equity resulting from investments in sovereign debt.

The economic variables affecting investments, such as interest rates, inflation and sovereign risk, will remain volatile, making it hard to produce forecasts. Less developed markets will continue supporting growth, whereas more developed markets, owing to the widespread crisis, will remain stagnated or will worsen. As a result of this, it is expected that reinsurance operators will focus on attaining sufficiently good technical results to allow them to meet the negative effects of the catastrophes that may occur during the year, in a context of financial uncertainty.

Other markets

In the USA, based on market estimates as at September, there was an acceleration in the growth of Non-life insurance compared to the previous year, reaching 3.3% and mainly due to price rises in insurance for private individuals, accompanied by a relative stability of commercial insurance rates. Life insurance and Health insurance also rose (+5.2%) more than in the same period one year earlier, thanks to the positive effect on demand of the better economic situation, especially income-related products.

In Portugal, with figures as at the end of November 2011, there was a strong contraction of 28.9%. This decline is a direct and indirect consequence of the strong economic crisis that is hitting the country. The greatest contraction can be seen in Life assurance, where premiums declined by 38.5%, due to the fact that banks have focused their efforts on attracting deposits to strengthen their liquidity position. Meanwhile, Non-life insurance contracted by 0.6% due to the aforementioned slowdown of economic activity and strong price competition.

In Turkey, with figures to the end of September 2011, there was a significant acceleration in the growth rate of the market, which reached 22.1% thanks to the increase in economic activity, as shown by GDP growth of nearly 7% according to the International Monetary Fund. Non-Life insurance grew by 21.3%, especially the Farming, Credit, Engineering, Transportation and Motor insurance classes. Life assurance rose by 26.5% thanks to the development of life-protection products in the bancassurance channel and also retirement products.



2011 Annual General Meeting of shareholders.



Business development

Operating revenues and funds under management

Direct insurance and accepted reinsurance premiums written by the subsidiaries of the Group amounted to €20,848.3 million in 2011, a 14.9% increase. Consolidated premiums totalled €19,600.2 million, a 15.5% rise. Total operating revenues reached €24,358.0 million, including €827.7 million of new gross contributions to pension funds. The breakdown of these revenues by business line is shown in the following table:

	2011	2010	% 11/10
Domestic Direct Insurance	10,064.3	9,551.6	5.4%
- Gross written and accepted premiums	7,858.9	7,404.9	6.1%
- Income from investments	1,748.9	1,625.6	7.6%
- Non-insurance companies' revenues and other	456.5	521.1	(12.4%)
International Direct Insurance	10,025.7	7,834.3	28.0%
- Gross written and accepted premiums	8,788.1	7,039.1	24.8%
- Income from investments	924.1	731.0	26.4%
- Non-insurance companies' revenues and other	313.5	64.2	---
Global Businesses	4,858.7	4,413.8	10.1%
- Gross written and accepted premiums	4,201.3	3,693.0	13.8%
- Income from investments	482.2	552.9	(12.8%)
- Non-insurance companies' revenues and other	175.2	167.9	4.3%
Parent company	486.8	564.8	(13.8%)
TOTAL REVENUES	25,435.5	22,364.5	13.7%
Consolidation adjustments and other companies	(1,905.2)	(1,893.7)	0.6%
TOTAL CONSOLIDATED REVENUES	23,530.3	20,470.8	14.9%
Gross contributions to pension funds ⁽¹⁾	827.7	616.7	34.2%
TOTAL REVENUES FROM OPERATIONS	24,358.0	21,087.5	15.5%

FIGURES IN MILLION EUROS

⁽¹⁾ Includes MAPFRE INVERSIÓN, CATALUNYACAIXA, BANKINTER VIDA, CCM VIDA Y PENSIONES and DUERO PENSIONES.

In 2011, the total consolidated revenues exceeded the figures for the previous year on the back of the dynamism of the international direct insurance and reinsurance businesses, an increase in sales in Spain and larger financial revenues. Likewise, it includes the incorporation of MIDDLESEA (Malta) and the business with BANCO DO BRASIL, as well as the consolidation during an entire year of the insurance operations of CATALUNYACAIXA.

The following table shows the evolution of funds under management in Life assurance and Savings products:

	2011	2010	% 11/10
Life assurance technical reserves	21,581.8	20,319.8	6.2%
Pension funds	5,081.3	5,193.1	(2.2%)
Mutual funds and managed portfolios	2,648.4	2,605.7	1.6%
TOTAL	29,311.5	28,118.6	4.2%

FIGURES IN MILLION EUROS

The variation in funds under management mainly reflects the consolidation of MIDDLESEA (Malta) and the business with BANCO DO BRASIL, as well as the organic growth of the international Life Assurance business.

Excluding the impact of the adjustments arising from the change in the market value of the assets backing Life assurance technical reserves, funds under management would have increased 4.8%.

Domestic Direct Insurance

Direct insurance and accepted reinsurance premiums written by the Group's direct insurance companies operating primarily in Spain reached €7,858.9 million, to which €827.7 million of new gross contributions to pension funds must be added, with the following breakdown by company:

	2011	2010	% 11/10
MAPFRE FAMILIAR	3,994.2	4,005.4	(0.3%)
FAMILY DIVISION	667.1	682.6	(2.3%)
DOMESTIC NON-LIFE INSURANCE	4,661.3	4,688.0	(0.6%)
LIFE SAVINGS	2,765.9	2,320.6	19.2%
Agents' channel	1,147.8	973.5	17.9%
Bank channel - CAJA MADRID	495.4	821.8	(39.7%)
Bank channel - CATALUNYACAIXA	794.4	164.9	---
Bank channel - Other ⁽¹⁾	328.3	360.4	(8.9%)
LIFE PROTECTION	431.7	396.3	8.9%
Agents' channel	144.6	147.6	(2.0%)
Bank channel - CAJA MADRID	121.4	141.5	(14.2%)
Bank channel - CATALUNYACAIXA	56.7	13.3	---
Bank channel - Other ⁽¹⁾	109.0	93.9	16.1%
DOMESTIC LIFE ASSURANCE	3,197.6	2,716.9	17.7%
TOTAL PREMIUMS	7,858.9	7,404.9	6.1%
Gross contributions to pension funds⁽²⁾	827.7	616.7	34.2%

FIGURES IN MILLION EUROS

⁽¹⁾ Includes BANKINTER VIDA, CCM VIDA Y PENSIONES and UNIÓN DUERO VIDA.

⁽²⁾ Includes MAPFRE INVERSIÓN, CATALUNYACAIXA, BANKINTER VIDA, CCM VIDA Y PENSIONES and DUERO PENSIONES.

Premiums remain stable with respect to the previous year as a result of:

— a stable premiums volume in Motor insurance, versus a 2.9% contraction in the rest of the sector, which has resulted in an increase in the market share to 21%. At the end of the period, MAPFRE insured 5,905,357 vehicles in Spain (5,856,075 in 2010) equivalent to a net increase of 49,282 units in the year;

— a 0.3% decrease in Property insurance, which reflects the impact of the transfer to MAPFRE EMPRESAS of the Trade Disruption insurance business, partly offset by the very good performance in Home insurance (+7.8%);

— a 1% decrease in Health, Accident and Burial, due to lower premiums in the group Accident business;

— the launch of VERTI and the sale of insurance products during the entire year through CATALUNYACAIXA.

The contraction in premiums at MAPFRE EMPRESAS is due to lower business activity as a result of the economic slowdown, which affects in particular the TPL and Engineering lines.

The variation in revenues at MAPFRE VIDA reflects:

— the good performance of the Life-Savings insurance, through the agents' channel, and of Life-Protection insurance, a segment in which MAPFRE's market share continues to increase, strengthening its leadership position;

— the consolidation of the insurance operations of CATALUNYACAIXA during the entire year.

The following table shows the breakdown of written and accepted premiums by insurance lines for 2010 and 2011, together with the corresponding market shares (provisional figures for 2011):

	2011	2010	% Var.	MARKET SHARES ⁽¹⁾	
				2011	2010
Motor	2,366.8	2,367.4	0.0%	21.0%	20.5%
Health	399.2	400.8	(0.4%)	6.1%	6.3%
Other - Non-Life	1,895.3	1,919.8	(1.3%)	17.1%	17.4%
TOTAL NON-LIFE	4,661.3	4,688.0	(0.6%)	16.2%	16.3%
Life Protection	431.7	396.3	8.9%		
Life Savings	2,765.9	2,320.6	19.2%		
TOTAL LIFE	3,197.6	2,716.9	17.7%	11.0%	12.8%
TOTAL	7,858.9	7,404.9	6.1%	13.7%	14.7%

FIGURES IN MILLION EUROS

(1) Market shares based on data published by ICEA, which only consider written premiums. MAPFRE GLOBAL RISKS' figures are included in Global Businesses.

The following table shows the breakdown by company of premiums written through the agents' and bank channels:

	AGENTS AND OTHER CHANNELS			BANK CHANNEL			TOTAL		
	2011	2010	Var. %	2011	2010	Var. %	2011	2010	Var. %
LIFE ASSURANCE OP. UNIT	1.292,4	1.121,1	15,3%	1.905,2	1.595,8	19,4%	3.197,6	2.716,9	17,7%
MAPFRE FAMILIAR	3.770,3	3.805,5	(0,9%)	223,9	199,9	12,0%	3.994,2	4.005,4	(0,3%)
MAPFRE EMPRESAS	656,4	672,2	(2,4%)	10,7	10,4	2,9%	667,1	682,6	(2,3%)
NON-LIFE	4.426,7	4.477,7	(1,1%)	234,6	210,3	11,6%	4.661,3	4.688,0	(0,6%)
TOTAL	5.719,1	5.598,8	2,1%	2.139,8	1.806,1	18,5%	7.858,9	7.404,9	6,1%

FIGURES IN MILLION EUROS



2011 Annual General Meeting of shareholders.

The volume of premiums issued in 2011 through the BANKIA network arising from CAJA MADRID amounted to €816.0 million, a 29.9% decrease, mainly due to the intense competition among financial institutions for customers' savings. The sales volume of asset and liability banking products that RED MAPFRE contributed to BANKIA amounted to €1,394 million, a 29.4% decrease.

Total revenues from investments for direct insurance companies operating in Spain increased 7.6%, and amounted to €1,748.9 million compared to €1,625.6 million in 2010.

Direct insurance and accepted reinsurance premiums written by the subsidiaries of the Group amounted to €20,848.3 million in 2011, a 14.9% increase.



Meeting of the International Direct Insurance Division, held in Miami.

Other revenues from the companies operating primarily in Spain amounted to €456.5 million, a decrease of 12.4% over the previous year. Their breakdown by company is shown in the following table:

	2011	2010	% 11/10
MAPFRE FAMILIAR	311.9	311.6	0.1%
MAPFRE INVERSIÓN and subsidiaries	86.8	85.0	2.1%
Other entities	57.8	124.5	(53.6%)
TOTAL	456.5	521.1	(12.4%)

FIGURES IN MILLION EUROS

The aforementioned decrease in revenues reflects the reorganisation of the activities of MAPFRE INMUEBLES S.G.A. Excluding this, the other revenues from the companies operating primarily in Spain would have recorded a 0.4% decrease over the previous year.

The subsidiaries that operate in stockbroking, as well as mutual and pension fund management, which are grouped under MAPFRE INVERSIÓN, obtained revenues of €86.8 million, a 2.1% increase versus 2010. The volume of assets in mutual funds and managed portfolios stood at €2,648.4 million, equivalent to a 1.6% increase. At the end of the year, assets managed in pension funds amounted to €1,546.4 million, a decrease of 2.2%.

International direct insurance

Premiums written and accepted by the Group's international direct insurance companies evolved as follows:

	2011	2010	% 11/10
Life	1,558.2	1,200.8	29.8%
MAPFRE AMÉRICA	1,462.5	1,128.1	29.6%
MAPFRE INTERNACIONAL	95.7	72.7	31.6%
Non-life	7,229.9	5,838.3	23.8%
MAPFRE AMÉRICA	5,411.5	4,027.5	34.4%
MAPFRE INTERNACIONAL	1,818.4	1,810.8	0.4%
TOTAL PREMIUMS	8,788.1	7,039.1	24.8%

FIGURES IN MILLION EUROS

The following table shows the breakdown of premiums written by these companies by business lines:

	2011	2010	% Var
Motor	3.441,5	2.932,2	17,4%
Health and Accidents	897,3	844,0	6,3%
Life and Burial	1.791,7	1.190,6	50,5%
Others	2.657,6	2.072,3	28,2%
TOTAL	8.788,1	7.039,1	24,8%

CIFRAS EN MILLONES DE EUROS

The premiums development at MAPFRE AMÉRICA reflects:

- the consolidation of the business with BANCO DO BRASIL as of 31st May 2011;
- the good performance of the Motor, Property and Life-Protection lines, due to organic growth and the signing of several sales and distribution agreements.

The following table shows the breakdown of the growth rates of direct insurance premiums achieved in the various countries:

COUNTRY	PREMIUMS (LIFE AND NON-LIFE)			Local Currency % 11/10
	2011	2010	% 11/10	
BRAZIL	3,561.3	2,106.6	69.1%	71.3%
VENEZUELA	640.0	619.7	3.3%	9.1%
MEXICO	557.5	500.4	11.4%	16.3%
ARGENTINA	457.9	458.6	(0.2%)	12.3%
COLOMBIA	452.0	382.2	18.3%	21.6%
PUERTO RICO	307.3	310.7	(1.1%)	5.2%
CHILE	271.9	210.6	29.1%	25.2%
PERU	212.7	189.6	12.2%	16.0%
CENTRAL AMERICA	203.6	187.5	8.6%	---
OTHER COUNTRIES ¹	209.8	189.7	10.6%	---
MAPFRE AMÉRICA	6,874.0	5,155.6	33.3%	

FIGURES IN MILLION EUROS

(1) Includes Ecuador, Paraguay, the Dominican Republic and Uruguay

According to 2010 figures, the latest available, MAPFRE once again ranked as the largest Non-life insurer in Latin America, with a 10.5% market share in the countries and regions in which it operates. The following table shows the Non-life Direct Insurance market shares in the various countries:

COUNTRY	MARKET SHARES ¹
Argentina	7.7%
Brazil	14.9%
Chile	10.2%
Colombia	6.4%
Costa Rica	0.1%
Ecuador	4.0%
El Salvador	15.5%
Guatemala	7.4%
Honduras	11.9%
Mexico	5.2%
Nicaragua	8.8%
Panama	11.2%
Paraguay	25.5%
Peru	14.4%
Puerto Rico	13.4%
Dominican Republic	13.9%
Uruguay	5.9%
Venezuela	8.8%

(1) Figures according to latest figures available for each market

The insurance subsidiaries of MAPFRE INTERNACIONAL obtained total premiums of €1,914.1 million, with a 1.6% increase due to:

- the appreciation of the Euro versus the US Dollar and the Turkish Lira;
- a larger issuance in the USA, as a result of rate rises;
- the increase in business volumes in Turkey, due to the good economic development and rate rises;
- the slowdown in sales through the FINIBANCO channel and the cancellation of tax benefits granted to pensions products in Portugal, partly offset by a satisfactory performance of all other channels;
- the inclusion of MIDDLESEA INSURANCE (Malta) into the scope of consolidation (previously equity-accounted).

The breakdown of the growth rates of Direct Insurance premiums achieved in the various countries is shown in the following table:

COUNTRY	PREMIUMS (LIFE AND NON-LIFE)			Local currency % 11/10
	2011	2010	% 11/10	
USA	1,401.0	1,420.7	(1.4%)	4.7%
TURKEY	279.2	266.0	5.0%	23.2%
PORTUGAL	147.2	168.9	(12.9%)	---
MALTA	56.4	---	---	---
PHILIPPINES	30.3	27.9	8.5%	10.9%
MAPFRE INTERNACIONAL	1,914.1	1,883.5	1.6%	

FIGURES IN MILLION EUROS

The total revenues from the investments of the international direct insurance companies amount to €924.1 million, a 26.4% increase.

Global businesses

Premiums written and accepted by the companies included in the Global Business Division performed as follows:

	2011	2010	% 11/10
MAPFRE GLOBAL RISKS	1,007.4	910.4	10.7%
MAPFRE RE	2,630.7	2,371.6	10.9%
MAPFRE ASISTENCIA	563.2	411.0	37.0%
TOTAL PREMIUMS	4,201.3	3,693.0	13.8%

FIGURES IN MILLION EUROS

MAPFRE GLOBAL RISKS achieved a premium volume of €1,007.4 million, a 10.7% increase. This performance reflects the development of the international business, especially in Fire and Property Damage lines in Latin America.



In the accepted reinsurance business, MAPFRE RE and its subsidiaries recorded consolidated premiums of €2,630.7 million (€2,371.6 million in 2010). The 10.9% growth reflects the good development both of the renewals and the new production, especially Non-Group business, as well as the appreciation of the Euro. At constant exchange rates, growth would have amounted to 13.3%. Net written premiums amounted to €1,784.2 million, which represents a retention percentage of 67.8% (67.6% in the previous year).

The total revenues (premiums and income from the sale of services) at MAPFRE ASISTENCIA and its subsidiaries reached €718.6 million, a 29.1% increase over the same period of the previous year. Of these, €563.2 million corresponded to written and accepted premiums, with a 37.0% increase, and €155.4 million to revenues from services, a 6.7% rise, reflecting organic growth, especially in Turkey and Latin America, and the consolidation of INSUREANDGO in the UK throughout the year.

Total revenues from investments from Global Businesses amount to €482.2 million, representing a 12.8% decrease compared to the previous year.

Management ratios

In Non-life lines, the consolidated combined ratio was 96.9%, reflecting the very good performance of the non-catastrophe loss experience, which has offset the estimated impact of the catastrophes in Japan, New Zealand and Thailand, as well as significant weather-related losses in Asia, Australia and the USA. The increase in the expense ratio reflects a larger contribution from the international business and the growth of the business originated through brokers and new channels. The development of the main management ratios is shown in the following table:

COMPANY	RATIOS					
	EXPENSE RATIO ⁽¹⁾		LOSS RATIO ⁽²⁾		COMBINED RATIO ⁽³⁾	
	2011	2010	2011	2010	2011	2010
MAPFRE S.A. consolidated	27.7%	25.2%	69.2%	70.6%	96.9%	95.8%
Domestic Direct Insurance	19.6%	18.8%	70.3%	72.1%	89.9%	90.9%
MAPFRE FAMILIAR	19.0%	18.3%	71.7%	73.1%	90.7%	91.4%
MAPFRE EMPRESAS	24.3%	23.0%	59.4%	63.8%	83.7%	86.8%
MAPFRE VIDA ⁽⁴⁾	1.03%	1.07%				
International Direct Insurance	34.6%	31.2%	67.5%	69.8%	102.1%	101.0%
MAPFRE AMÉRICA	37.2%	33.3%	63.6%	67.9%	100.8%	101.3%
MAPFRE INTERNACIONAL	26.4%	26.1%	79.8%	74.4%	106.2%	100.5%
Global Businesses	28.3%	28.3%	70.0%	68.0%	98.3%	96.2%
MAPFRE GLOBAL RISKS	27.1%	25.3%	69.1%	80.8%	96.2%	106.1%
MAPFRE RE	28.6%	29.2%	72.0%	66.5%	100.6%	95.7%
MAPFRE ASISTENCIA	28.0%	26.4%	63.6%	65.3%	91.6%	91.6%

(1) Operating expenses, net of reinsurance + profit sharing and returns – other technical income + other technical expenses) / Net premiums earned. Figures for the Non-life business.

(2) [Net claims incurred + variation in other technical reserves) / Net premiums earned. Figures for the Non-life business.

(3) Combined ratio = Expense ratio + Loss ratio. Figures for the Non-life business.

(4) Net operating expenses / average third party funds under management.



17th insurance sector symposium sponsored by ABC Deloitte
(photograph by Ms. Adriana Lorente; ceded by Deloitte)



Results

The net result attributable to the parent company (after minority interests) amounted to €963.0 million, a 3.2% increase. The following table shows the sources and breakdown of results:

	2011	2010	Var. %
NON-LIFE INSURANCE AND REINSURANCE			
Gross written and accepted premiums	14,472.6	12,767.9	13.4%
Premiums earned, net of ceded and retroceded reinsurance	12,374.1	10,882.6	13.7%
Net claims incurred and variation in other technical provisions	(8,566.3)	(7,680.0)	11.5%
Operating expenses, net of reinsurance	(3,365.3)	(2,711.9)	24.1%
Other technical income and expenses	(58.9)	(36.0)	63.6%
Technical Result	383.6	454.7	(15.6%)
Net fin'l. income and other non-technical income and expenses	798.8	783.3	2.0%
RESULT OF NON-LIFE BUSINESS	1,182.4	1,238.0	(4.5%)
LIFE ASSURANCE AND REINSURANCE			
Gross written and accepted premiums	5,127.6	4,205.2	21.9%
Premiums earned, net of ceded and retroceded reinsurance	4,719.0	3,940.4	19.8%
Net claims incurred and variation in other technical reserves	(4,512.4)	(3,834.1)	17.7%
Operating expenses, net of reinsurance	(778.8)	(658.0)	18.4%
Other technical income and expenses	231.0	(1.3)	---
Technical Result	(341.2)	(553.0)	---
Net fin'l. income and other non-technical income and expenses	866.2	922.5	(6.1%)
Unrealised gains and losses in Unit-Linked products	16.2	(1.7)	---
RESULT OF LIFE BUSINESS	541.2	367.8	47.1%
OTHER BUSINESS ACTIVITIES			
Operating revenues	412.2	438.2	(5.9%)
Operating expenses	(383.5)	(418.1)	(8.3%)
Other revenues and expenses	(96.6)	(179.8)	(46.3%)
RESULTS FROM OTHER BUSINESS ACTIVITIES	(67.9)	(159.7)	(57.5%)
Result on restatement of financial accounts	(18.8)	(15.1)	24.5%
Result before tax and minority interests	1,636.9	1,431.0	14.4%
Taxes	(414.8)	(367.4)	12.9%
Result after tax	1,222.1	1,063.6	14.9%
Result after tax from discontinued operations	(2.3)	0.1	---
Result for the year	1,219.8	1,063.7	14.7%
Result attributable to minority shareholders	(256.8)	(130.1)	97.4%
Result attributable to the controlling Company	963.0	933.5	3.2%

FIGURES IN MILLION EUROS

The result attributable to the parent company includes in both years a series of extraordinary items. Excluding these, it would have increased 4.8%.

The contribution of the main Units and Companies to the consolidated results is shown in the following table:

	Net Result	Minority interests	Contribution to consolidated result 2011	Contribution to consolidated result 2010
Domestic Direct Insurance	594.6		594.6	642.4
MAPFRE VIDA	133.1		133.1	135.1
MAPFRE FAMILIAR	371.3		371.3	412.8
MAPFRE EMPRESAS	90.2		90.2	94.5
Internacional Direct Insurance	390.7		356.5	280.9
MAPFRE AMERICA	304.5	(33.9)	270.6	190.7
MAPFRE INTERNACIONAL	86.2	(0.3)	85.9	90.2
Global Businesses	131.4		124.7	155.7
MAPFRE GLOBAL RISKS	27.0		27.0	21.5
MAPFRE RE	78.6	(6.7)	71.9	113.6
MAPFRE ASISTENCIA	25.8		25.8	20.6
Other activities	3.2		0.5	(79.3)
Other companies and consolidation adjustments			(113.3)	(66.2)
MAPFRE S.A.			963.0	933.5

FIGURES IN MILLION EUROS

Investments and liquid assets

The book value of investments and liquid assets as at 31st December 2011 was €37,951.3 million, a 7.8% increase over the previous year. The following table shows their breakdown and percentage distribution:

*Presentation of the new insurance company
Bankinter Seguros Generales*





Agreement with the Korean firm SAMSUNG FIRE & MARINE INSURANCE

— retirement at maturity of senior bonds issued in 2001 amounting to €275 million;

— drawdown of credit facilities for a total net amount of €284 million, including a syndicated revolving credit facility of €500 million maturing in 2013, which was arranged in 2010;

— reimbursements of credit facilities drawn down on by subsidiaries for a total amount of €209.3 million.

Overall, the balance of financial and subordinated debts of the Group at consolidated level has experienced a net decrease of €207.1 million during the year.

As part of the 50% acquisition of the insurance and pension operations of CATALUNYACAIXA, said company granted the Group a loan that, at the end of 2011, amounted to €217.9 million.

Payments on interests arising from debts with financial institutions and securities in issue amounted to €72.1 million (€86.1 million in 2010), a 16.2% decrease.

Balance sheet

The following table shows the consolidated balance sheet:

	2011	2010
ASSETS		
Goodwill	2,266.4	2,258.4
Other intangible assets	2,450.1	897.6
Fixed assets	382.0	399.3
Cash & equivalents	1,254.3	1,497.4
Investments & real estate	36,697.0	33,707.2
Participation of reinsurance in technical reserves	3,305.3	3,092.6
Other assets	8,500.5	6,819.8
TOTAL ASSETS	54,855.6	48,672.3
LIABILITIES		
Shareholders' Equity	7,042.9	6,541.9
Minority interests	2,683.7	1,253.9
Financial & subordinated debt	1,915.0	2,122.1
Technical reserves	36,451.3	33,461.9
- Life assurance reserves ¹⁾	20,502.0	19,649.8
- Other technical reserves	15,949.3	13,812.1
Reserves for risks and expenses	1,153.3	713.2
Other liabilities	5,609.4	4,579.3
TOTAL LIABILITIES	54,855.6	48,672.3

FIGURES IN MILLION EUROS

¹⁾ Includes unit-linked reserves.

	2011	% over total	2010	% over total
Risk-free investments	3,132.9	8.2%	3,214.1	9.1%
- Cash and equivalents	1,254.3	3.3%	1,497.4	4.3%
- Unit-linked investments	1,878.6	4.9%	1,716.7	4.8%
Real Estate Investments	2,503.1	6.6%	2,468.8	7.0%
- Buildings for own use	1,060.0	2.8%	1,001.7	2.8%
- Other Real Estate investments	1,443.1	3.8%	1,467.1	4.2%
Financial investments	31,654.1	83.4%	28,678.7	81.5%
- Shares	1,134.4	3.0%	942.2	2.7%
- Fixed income	29,264.3	77.1%	26,695.5	75.8%
- Mutual funds	950.5	2.5%	585.9	1.7%
- Other financial investments	304.9	0.8%	455.1	1.3%
Other investments	661.2	1.7%	843.0	2.4%
- Investments in associated companies	130.4	0.3%	400.3	1.1%
- Accepted reinsurance deposits	257.0	0.7%	234.0	0.7%
- Hedging derivatives	0.0	0.0%	38.6	0.1%
- Other	273.8	0.7%	170.1	0.5%
TOTAL	37,951.3	100.0%	35,204.6	100.0%

FIGURES IN MILLION EUROS

The value of real estate investments shown in the previous table does not include unrealised gains, which amounted to €1,249.8 million at year end, according to valuations performed by independent surveyors.

Funding operations

The main variations in the Group's funding sources in 2011 were the following:

— a capital increase with pre-emptive subscription right totalling €166.2 million, carried out in execution of the scrip dividend plan approved by the Board of Directors of the Company. As a result of this capital increase, 67,398,922 new shares were issued, so that the total number of outstanding shares reached 3,079,553,273;

The net result attributable to the parent company (after minority interests) amounted to €963.0 million, a 3.2% increase.

Total assets under management, including mutual and pension funds, amounted to €62,585.3 million (€56,471.1 million at the end of the previous year), a 10.8% increase.

Shareholders' equity and returns

The net consolidated equity stood at €9,726.6 million, compared to €7,795.8 million in 2010. Of said amount, €2,683.7 million corresponded to minority interests in subsidiaries. Consolidated shareholders' equity per share amounted to €2.29 at the end of 2011 (€2.17 as at 31.12.2010).

The variation in net equity during the year is shown in the following table:

	2011	2010
BALANCE AS AT PRIOR YEAR END	7,795.8	7,093.8
Additions and deductions accounted for directly in equity		
Investments available for sale	(314.9)	(1,073.3)
Translation adjustments	(79.1)	231.6
Shadow accounting	168.5	584.0
TOTAL	(225.5)	(257.7)
Result for the period	1,219.8	1,063.7
Distribution of previous year's result	(295.1)	(274.4)
Interim dividend for the year	(215.6)	(210.9)
Other items	1,447.2	381.3
BALANCE AS AT PERIOD END	9,726.6	7,795.8

FIGURES IN MILLION EUROS

Equity shows an increase of €1,930.9 million during 2011, which reflects:

- the result for the year;
- the negative impact on the value of the investments of volatility in the financial markets, partly offset by the application of shadow accounting;
- negative translation differences, mainly as a result of the appreciation of the Euro against the main Latin American currencies;
- "Other items", which include:
 - the impact of the consolidation of the agreement with BANCO DO BRASIL, which contributed €1,788.1 million to minority shareholders;
 - the success of the scrip dividend plan, which contributed €166.2 million to shareholders' equity;
 - the decrease in minority shareholders as a result of the acquisition of CAJA MADRID CIBELES' shareholding in MAPFRE INTERNACIONAL

The return on equity (ROE), defined as the ratio between the net profit attributable to the parent company (after minority interests) and its average shareholders' equity, was 14.2% (14.7% in 2010).

The ROE for the main Units and Companies is shown in the following table:

	2011			2010
	Average equity	Net result	ROE % ⁽¹⁾	ROE % ⁽¹⁾
MAPFRE FAMILIAR	1.356,7	371,3	27,4%	30,7%
MAPFRE VIDA	946,9	133,1	14,1%	16,2%
MAPFRE EMPRESAS	254,5	90,2	35,4%	32,9%
MAPFRE AMÉRICA	1.809,3	304,5	16,8%	14,4%
MAPFRE INTERNACIONAL	2.306,3	86,2	3,7%	4,8%
MAPFRE GLOBAL RISKS	211,0	27,0	12,8%	5,3%
MAPFRE RE	848,0	78,6	9,3%	14,7%
MAPFRE ASISTENCIA	166,0	25,8	15,5%	14,2%
MAPFRE S.A. (CONSOLIDATED)	6.792,4	963,0	14,2%	14,7%

FIGURES IN MILLION EUROS

1) Results after taxes and minority interests / Average equity (excluding minority interests)

Main activities in the year

Acquisitions, projects and disposals

The following transactions took place during the year:

— Agreement with BANCO DO BRASIL.

Authorisation was given by the Brazilian supervisor to enter into an alliance with BANCO DO BRASIL. As from 31st May 2011, BB SEGUROS PARTICIPAÇÕES S.A. and GRUPO SEGUADOR MAPFRE began to jointly operate, under the name GRUPO SEGUADOR BANCO DO BRASIL & MAPFRE.

— Agreement with CAJA MADRID CIBELES.

On 1st April 2011 an agreement was entered into between MAPFRE and CAJA MADRID CIBELES for the sale of the 48.97% stake that MAPFRE held in BANCO DE SERVICIOS FINANCIEROS CAJA MADRID-MAPFRE and the purchase by MAPFRE of the 12.5% shareholding that CAJA MADRID CIBELES held in MAPFRE INTERNACIONAL.

The amount at which both parties set the difference between the fair value of the shareholdings that were transferred was €188.6 million.

The agreement maintains the strategic alliance entered into by the two groups in 1998, thus continuing the cooperation of their respective distribution networks.

— Participation in BANKIA's Initial Public Offering.

MAPFRE participated in the Initial Public Offering of Shares in BANKIA, by virtue of which it acquired 42.7 million shares, representing 2.46% of BANKIA'S share capital. The purchase of this holding required an investment of €160 million.



Presentation of the Universidad Autónoma de Madrid - MAPFRE José Manuel Martínez Chair, instituted with the goal of fostering research and development



Mr. Antonio Huertas in his first event as First Vice-Chairman of UNESPA

— greement with EULER HERMES.

MAPFRE and EULER HERMES have signed a Memorandum of Understanding of intent for the establishment of a strategic alliance with the goal of jointly developing Credit and Surety businesses in Spain, Portugal and Latin America.

As a result of this alliance, both groups will have a 50% holding in a joint venture that will integrate their current activities in the aforementioned markets. The resulting entity will have a premiums volume of approximately €200 million (based on 2010 figures), ranking it first or second in most of the countries covered by the agreement.

— Increase in the holding in MIDDLESEA INSURANCE (Malta)

On 31st July 2011 there was an effective increase in the holding in MIDDLESEA INSURANCE (Malta), taking it from 31.08% to 54.56%. Accordingly, from that date onwards this subsidiary will be fully consolidated.

The above investments were financed using available surplus cash and the draw down of credit facilities.

Other projects

On 20th July 2011 an agreement was formalised between MAPFRE and CAJA MADRID with the SAR Group for the sale of MAPFRE QUAVITAE. This transaction fits within MAPFRE's strategy of focusing its activities on the insurance, reinsurance and other related businesses.

In December 2010 the merger project between FUNESPAÑA and GESMAP was signed, the latter being a fully-owned subsidiary of MAPFRE FAMILIAR. The merger took place on 18th November 2011 by means of the takeover of GESMAP by FUNESPAÑA. As a consequence of this transaction, MAPFRE FAMILIAR has a 45.12% holding in the share capital of FUNESPAÑA. On 14th December 2011 MAPFRE FAMILIAR sent to the Spanish Securities and Exchange Commission (CNMV) an application for the authorisation of its tender offering for the acquisition of the shares in FUNESPAÑA.

Investments

The management of securities investments continues to be carried out with prudence, both in terms of credit and stock markets risks. The solvency or creditworthiness of investments in fixed income remains very high: assets with a credit rating of AA or higher represent 70.4% of the total, while securities issued or backed by European Union member states represent 37.3%. As far as stock market risk is concerned, equity positions represent only 7.1% of the financial assets in non-immune portfolios, while all of these positions contain unrealised capital losses of €29.5 million.

The interest rate risk of Life assurance portfolios remains at very low levels. 96.4% of the technical provisions are hedged by fixed income assets and financial swaps, which give protection in respect of interest rate risk, according to Spanish regulation. In Non-life insurance portfolios, the modified duration was reduced owing to market uncertainty regarding European sovereign risk, ending the year at a level of 4.3%.

In real estate investments the same policy of previous years has continued, selling non-strategic buildings and buying very specific buildings for the Group's own

The management of securities investments continues to be carried out with prudence, both in terms of credit and stock markets risks.

use. Our real estate investments are very selective owing to the downturn in the market, with low occupancy rates and high tenant insecurity.

The balance of real estate investments at the end of the year (€2,503.2 million) represented 6.6% of total investments, and 10% of non-matched investments. Of said amount, €1,060 million (42.35%) correspond to properties used by the Group, and the remaining 57.65% (€1,443.2 million) to properties that are for lease or for sale, which at year-end had a weighted average occupancy index of 80%.

A prominent event in 2011 was the sale to the State Heritage of the building located on Calle Gil de Jaz in Oviedo, for €13.5 million; the building on Calle Colón in Valencia was sold to a Family Office for €12.3 million; the building on Calle Claudio Coello in Madrid was sold to CREDIT MUTUEL for €19.5 million; the building on Calle Játiva no. 23 in Valencia was sold to the insurance company DIVINA PASTORA for €17.4 million; and the buildings located on Calle Bárbara de Braganza and Paseo de Recoletos in Madrid were sold to FUNDACIÓN MAPFRE for €10.1 and €41.2 million, respectively.

Also, the head offices of Interlomas II in Mexico City (Federal District) were sold to a local investor for USD 3.9 million; the Urbina building in Caracas was sold to a private individual for USD 41.9 million; the Galería Imperio shopping centre in Santiago de Chile was sold for USD 37.7 million; and 45% of the land in La Tirilluca in Chile was sold for USD 18.9 million.



International conference of internal auditors

Eight storeys of the Torre Caracas building on Avenida Francisco de Miranda, in Caracas, Venezuela, were acquired for €59.9 million, to be used as the MAPFRE headquarters in Venezuela.

A most prominent investment has commenced with the start of the construction of the new Data Processing Centre (CPD) in Alcalá de Henares, amounting to approximately €60 million. The CPD will be MAPFRE’s most prominent building in terms of technology.

The income generated from properties leased to third parties amounted to €59.3 million.

Human resources

The chart below shows the headcount at the end of 2011, compared with the headcount for the previous financial year.

CATEGORIES	NUMBER					
	SPAIN		OTHER COUNTRIES		TOTAL	
	2011	2010	2011	2010	2011	2010
EXECUTIVES	460	450	1,019	754	1,479	1,197
MANAGERS	1,179	1,489	2,880	2,490	4,059	3,966
TECHNICIANS	6,343	6,521	8,579	8,282	14,922	14,836
CLERICAL STAFF	3,064	8,220	10,866	8,538	13,930	16,745
TOTAL	11,046	16,680	23,344	20,064	34,390	36,744

The main reason behind the decrease during the year was the sale of MAPFRE QUAVITAE’s elderly care business to the SAR Group.

The Social Responsibility Report includes extensive information about the Group’s human resources policy, under the heading “MAPFRE and its employees”.

Marketing channels

MAPFRE’s distribution network remains the largest in the insurance industry in Spain, and is one of the financial groups with the most widespread networks in Latin America. MAPFRE continues to prefer maintaining its own networks in the countries where it is present, which is compatible with the use of other distribution channels. Customer focus, the overall product offering and the adaptation to the legal and trade peculiarities of each of the markets in which it is present, are some of the key features behind the success of MAPFRE’S business model.



Opening of the MAPFRE Training Centre at Monte del Pilar

MAPFRE's global network at year-end 2011 comprised of 14,987 branches, of which 7,491 are located in Spain and 7,496 abroad. Its network breaks down as follows:

BRANCHES	2011	2010
Domestic Direct Insurance		
MAPFRE branches	3,155	3,226
Own branches*	423	478
Delegated branches	2,732	2,748
Bancassurance	4,336	4,923
TOTAL IN SPAIN	7,491	8,149
International Direct Insurance		
MAPFRE branches	2,098	2,065
Own branches*	624	652
Delegated branches	1,474	1,413
Bancassurance	5,334	1,201
Global Businesses		
Own branches*	45	42
Representative branches	19	18
TOTAL ABROAD	7,496	3,326
TOTAL BRANCHES	14,987	11,475

* include 46 specific Life assurance branches

Regarding the number of offices overseas shown in the table above, it is worth highlighting MAPFRE's strong presence in Latin America, where it had 2,006 offices at the end of the year.

Overall, in 2011 MAPFRE's worldwide network made it possible for 70,669 mediators to collaborate, including agents, delegates and insurance brokers. This number is broken down in the following table:



MAPFRE received the Spanish Maritime Cluster prize for social action.

SALES NETWORK	2011	2010
Domestic Direct Insurance		
Agents	13,706	14,068
Delegates	2,692	2,731
Brokers	5,673	5,527
TOTAL IN SPAIN	22,071	22,326
International Direct Insurance		
Agents	17,306	19,271
Delegates	3,101	2,433
Brokers	28,191	25,945
TOTAL ABROAD	48,598	47,649
TOTAL SALES NETWORK	70,669	69,975

MAPFRE's own branch network is supplemented by the distribution capacity provided by agreements with various institutions, especially bancassurance agreements (BANKIA, BANKINTER, CCM, CAJA DUERO, CATALUNYACAIXA, BANCO DO BRASIL and BANCO HIPOTECARIO DOMINICANO). Specifically, MAPFRE distributed its products in 2011 through 4,336 bancassurance branches in Spain and 5,334 abroad, this figure including the extensive BANCO DO BRASIL network (5,242 branches). The Group also has 1,101 distribution agreements [797 with garages and car dealerships, 172 with banks and financial entities and 132 other agreements].

In order to respond to the Group's multichannel reality, at the end of 2011 a single Commercial Directorate General was created in Spain, whereby two Commercial Areas (Retail and Commercial) and specific departments were established for the main channels: agents' network, brokers, agriculture, telephone and Internet, bancassurance and specific networks. This change aims at bringing about an improvement in retail and corporate customer focus, while leveraging the synergies which will lead to improved efficiency.



Presentation of the 2011 results

Section 4 of the Corporate Responsibility report provides extensive information about the Group's relations with its intermediaries.

Internal control

MAPFRE's Internal Control System enables the identification and prevention of the potential risks that may affect the attainment of the Company's goals, and it generates value added for the Group insofar as it permits the improvement of its management, efficacy and efficiency of its processes, confidence in accounting and financial records, and the efficient execution of the Strategic Plan.

During 2011 further progress was made in developing the various components of the Internal Control System: Control Environment, Strategic Plans, Risk Management, Control, Reporting and Communication Activities, and Supervision, paying special attention to the Internal Control over Financial Reporting.

Since one of the basic principles of the Internal Control System is the responsibility of all employees in this matter, training initiatives for the professional and skills development of Group managers and employees have been intensified, as well as initiatives to disseminate the main internal policies and procedures via the intranet, publishing the rules of procedure of the Channel for reporting Financial & Accounting Complaints of the MAPFRE GROUP, which came into force on 1st June

Also, work has continued in the field of Risk Management, both via the quarterly preparation of the fixed factor capital model and via Riskmap, in the drawing up of Risk Maps, the implementation of corrective measures to mitigate or reduce the various risks that are detected, and the identification of the control activities carried out in the major processes.



2nd edition of the Latin America Robin Cosgrove Prize for Ethics in Finance

Strategic planning

In January 2012, the Board of Directors of MAPFRE S.A. approved the new Strategic Plans for each Division and Unit, which establish the goals and main Action Plans in accordance with the provisions of the 2011-2013 Strategic Plan for the Group.

In preparing the financial forecasts, efficiency and productivity indicators specific to each Unit or Company were used, along with the common, homogeneous economic and financial indicators established for the Group as a whole.

Internal audit

At the end of the year, the Company and its subsidiaries had four Internal Audit Services (IAS) in Spain, and fifteen Internal Audit Units (IAU) located in the main countries in Latin America, and in Turkey, the Philippines, Portugal, the USA and Malta, all of which are coordinated and supervised by the Group's internal Audit Area.

During 2011 a total 1,016 audits were conducted, of which 457 dealt with Central Services, 161 related with the Territorial Organisation, 110 with subsidiaries, while 184 were special audit tasks and 104 were systems audits; a total of 19,118 hours were dedicated to training internal auditors, which represents an average of 123 hours per auditor each year.

Furthermore, the Internal Audit Area reviewed the Company's Management Reports and Annual Accounts for 2011, the reports that the company submits on a quarterly basis to the Spanish Securities and Exchange Commission (CNMV), and the relevant financial information submitted to MAPFRE'S governing bodies. The Audit Committee is informed regularly of all these actions.

Customer focus, the overall product offering and the adaptation to the legal and trade peculiarities of each of the markets in which it is present, are some of the key features behind the success of MAPFRE's business model.

Technologies and procedures

The year 2011 has witnessed the development of specific activities planned at the start of the year in order to add value to the business and contribute towards the future development thereof, maintaining a high operating efficiency. To this end, the following projects are worthy of note:

- Definition and adaptation of the future strategy for the systems of MAPFRE VIDA (Neo-Evoluciona and Mapa de Ruta), as well as integration proposals into MAPFRE corporate solutions and development of the first phase of the Individual Savings Plan (PAI).
- Migration of group policies (Income, Protection and Savings) hosted on HP3000 equipment to the MAPFRE VIDA systems, with the ensuing removal of an obsolete technological environment.
- Advances made in the building of a new modular Data Processing Centre (DPC) equipped with the latest technology in energy efficiency in electrical and air conditioning installations, once the execution of the building of civil works and main facilities has been awarded.
- Consolidation of the integration of MAPFRE ASISTENCIA and MAPFRE INTERNACIONAL call centres in Europa and the Americas into the corporate "call centre" infrastructure.
- Development and implementation of the sale process for motor insurance policies of ASCAT via SICOF.
- Extension of the Operations Management System (SGO) to commercial insurance.
- Migration to the new Cognos 10 Corporate Business Intelligence Platform.
- Implementation of the "Multi-Channel Customer File" which turns the C@C24 into a multi-channel platform, integrating many channels (telephone, websites, email, sms, etc).
- Consolidation of the Sales Management System (SGC) which becomes the corporate tool incorporating specialisation in the handling of customers by segment (private individuals, self-employed professionals, commercial).
- Creation of new Internet thematic channels, among others: Canal Hogar (Home Channel), Canal Motor (Motor Channel) and Canal Jubilación (Retirement Channel). Implementation and start-up of the Geo positioning service of MAPFRE.
- Advancements, according to schedule, of new issue and benefit platforms with the implementation throughout the year of several functionalities of the TRON21 Benefits Project.

— Notable deployment of IP Telephony with sufficient infrastructure and installation of a total of 5,627 IP terminals.

— Implementation of a New Corporate Directory, a tool for employee search and location, encouraging organisational awareness, contact and communication among employees.

— Execution of twenty-four new ERP SAP implementations, bringing the number of installations serviced by the Administration Process Knowledge Centre to a total of 167 in 37 different countries.

— Implementation of the project profitability valuation methodology in order to help decision making in regard to the viability of projects to be executed and the priority thereof.

— Development and implementation of innovative projects, of which MAPFRE en iPhone and Android are the most notable.

Lastly, it is worth mentioning the consolidation - in a centralised and comprehensive manner, resulting in significant economies of scale - of the management of the contracting of equipment and licences, and the rendering of services by communication operators and technology development suppliers, with framework agreements and global operators.

Safety and the environment

Throughout 2011, MAPFRE continued working on the protection of its corporate assets, with an approach based on prudent risk management and on the optimisation of the investment/protection ratio.

The new Security and Environment Master Plan has been approved this year as a response to the new scenario of global threats and in line with the new corporate and operational structures of the Group. This Master Plan provides the strategic framework for the development of the Corporate Security and Environmental Function at MAPFRE.

The corporate quest for leadership continues to be demonstrated in MAPFRE's comprehensive security model, which continued to consolidate and spread internationally throughout the year.

The definition of the model and the start-up of the operational implementation at the General Control Centre (CCG) places MAPFRE at the forefront in terms of security practices. The General Control Centre (CCG) has become a member in 2011 of 3 of the most prestigious international associations in matters of security and incident response:

- European Network Information Security Agency (ENISA).



Mr. Antonio Huertas at one of the summer courses organised by the Asociación de Periodistas de Información Económica (Press Association for Economic Information) in Santander

- Forum of Incident and Response Security Teams (FIRST).
- Trans-European Research and Education Networking Association (TERENA).

This milestone has made MAPFRE the first insurance company in the world to become a member of said associations, thus reinforcing MAPFRE's commitment to the protection of its information, as well that belonging to its customers and stakeholders, further enabling it to improve its capacity to fight against fraud in any of its forms.

In addition, the optimisation of the mechanisms and procedures for high impact incident response has progressed at a good pace, aiming to minimise the effect thereof on business operations. To this end, the Corporate Business Continuity Model is being deployed in all Group Units and Entities.

With respect environmental issues, MAPFRE has added to its commitment to transparency with the support of global programmes such as the Carbon Disclosure Project, of which it has become a signatory.

The Environmental Management System (SGA) has been extended to all of the MAPFRE's car repair workshops throughout Spain, having attained ISO 14001 certification; the Energy Management System has been adapted to the recently issued UNE/EN/ISO 50001 standard, according to which the corporate headquarters at Majadahonda and the MAPFRE Tower in Barcelona have been certified; and progress has continued on the Environmental Action Plan for international entities.



Communication

In 2011 the Group kept paying special attention to maintaining a communication policy based on transparency and on the collaboration with the media and the entire organisation, to publicise the significant performance MAPFRE undertakes in this area.

The following actions should be noted in this regard:

External communication

- 332 interviews were arranged with the media, 364 press releases were issued, 200 information queries and 556 financial information questionnaires were answered, while 69 events were organised.
- Development of a new Press Room in a Web 2.0 environment in order to permanently attend the media. Creation of the new MAPFRE Press room in Twitter and Facebook.

Internal communication

- Posting of 492 major news items on MAPFRE's intranet, revamped to allow the publication of up to four news items a day.
- Development of a new layer of communication in the corporate portal (MAPFRE HOY), in collaboration with the Human Resources Department, that will make it easier to further publicise MAPFRE's strategies, projects and activities.



The MAPFRE Spanish tennis team wins the Davis Cup



— Four editions and a separate special edition of MUNDO MAPFRE, the institutional magazine, were published, as were ten editions of RED MAPFRE, a magazine oriented to the Sales Network staff.

Advertising and corporate image

In addition to the conventional planning of product campaigns, the advertising activity in 2011 has continued to be based on sports sponsorships of a strategic nature (Tennis, Sailing and Motorcycle Racing). Under the new slogan “MAPFRE, people who care for people”, the product campaigns and visibility of sports sponsorship have meant a permanent presence in the media throughout the financial year.

The effects were borne out by the Brand Image Survey (Omnibus survey conducted by ICEA 1st wave in 2011), which reflected unaided awareness of the MAPFRE brand by 80% of the population, aided awareness of the brand by more than 99% of the population, and campaign recall by more than 79% of respondents.

In addition, the total brand study that the Spanish Institute of Public Opinion (IOPE) conducts on an ongoing basis again underscored a rise of over 50% in mentions of the MAPFRE brand that, as well as topping the insurance league, is now one of Spain's 30 best known-brands, meaning it now ranks ten places higher than last year.

External Audit

The Annual Accounts of the Company and main Group entities for 2011 were audited by Ernst & Young, with the main exception of the subsidiary in Paraguay, which were audited by PriceWaterhouseCoopers.

The External Auditors were paid €8,191,165 in 2011 for the services rendered in connection with the audit of the annual accounts and the limited audit of the consolidated Interim Financial Statements as at 30th June, with the main auditor having received €8,087,999 of that amount. Furthermore, the main auditor received payments of €96,333 for services related with the audit of the annual accounts and of €416,564 for other complementary services. Neither of the latter two payments is deemed to compromise the independence of the auditors.

Outlook

Estimates concerning global economic activity for 2012 anticipate that the rate of growth will be maintained, although the latest updates by the principal supranational bodies reveal a tendency to forecast a slight deceleration. This tendency is particularly marked in relation to the European Union where a lower rate of growth than that of 2011 is expected.

The growth of the Euro Zone will continue to be hampered, principally by the fiscal adjustment process, the delicate situation of the financial institutions and doubts concerning the ability of certain economies in the Euro Zone to finance and face up to their commitments. In general, the economic situation will continue to be hampered by the lack of confidence and credibility.

In order to recover credibility, a substantial fiscal adjustment is taking place which is being executed practically simultaneously throughout all of the Euro countries. The flip side of this policy is that this adjustment is affecting growth.

European financial institutions, in an environment marked by low growth and a lack of confidence, will have to tackle challenges such as an increase in non performing loans, expensive funding levels in the capital markets, the need to boost their solvency, reduction of leverage and, in countries such as Spain, to

continue with the process of restructuring their portfolios and systems. Banks in what are known as periphery countries will continue to face fierce competition when raising liquidity as urged by their respective Treasuries, despite the aforementioned process of fiscal consolidation.

The European Central Bank, just like the principal central banks in developed countries, will continue with its expansionary monetary policy. It will continue to inject all the liquidity required in order to guarantee the funding of the credit institutions in an environment where it is very difficult for them to capture resources through traditional channels: deposits, capital markets or the inter-bank market. The European Central Bank, maintaining its independence, shall intervene in the public debt markets by purchasing bonds with the objective of keeping the interest rates for its sovereign bonds low, with the condition of the commitment to fiscal consolidation.

During 2012, the governments of the Euro Zone will probably slow down the rate of fiscal adjustment; otherwise a vicious circle will be created in which the low growth will cause an increase in deficits due to a drop in tax collection and an increase in welfare expenditure.

Governments and banks should take measures to increase confidence between financial institutions and facilitate the strengthening of the banks with the aim of enabling them to lend, thus supporting a recovery of internal demand.

We believe that the increased doubts in the latter part of 2011, concerning the survival of the euro and the ability of what are known as peripheral countries to service their debt, will gradually disperse throughout the year.

MAPFRE’s governing bodies consider that, in the above-mentioned domestic and international economic context, the Group has the capacity to continue growing and adequately remunerating its shareholders, thanks to:

- The increasing international diversification of its activities.
- The strong growth potential inherent to the new acquisitions and collaboration agreements.
- The consolidation of the agents’ and bancassurance networks, and the development of alternative distribution channels.
- A prudent risk management approach.
- Its financial strength.

Corporate Governance Report

The Company’s Annual Corporate Governance Report, issued pursuant to the provisions of section 49.4 of the Spanish Commercial Code, as reworded in Act 16/2007, follows.

A. Ownership structure

A.1 Fill in the following table on the company’s share capital:

Date of latest change	Share capital (€)	Number of shares	Number of voting rights
01-07-2011	307,955,327.30	3,079,553,273	3,079,553,273

Indicate if there are different kinds of shares with different rights associated to them:
NO

A.2 State the direct and indirect owners of substantial holdings, of their entity as at the close of the financial year, excluding directors:

Name or company name of the shareholder	Number of direct voting rights	Number of indirect voting rights (*)	% of the total voting rights
FUNDACIÓN MAPFRE	0	1,990,232,865	64.627
BANCO FINANCIERO Y DE AHORROS, S.A.	461,691,489	0	14.992

Name or company name of the indirect holder of the shares	Through: Name or company name of the direct holder of the shares	Number of direct voting rights	% of the total voting rights
FUNDACIÓN MAPFRE	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	1,989,580,110	64.606

State any significant modifications in the shareholding structure during the financial year:

Name or company name of the shareholder	Date of the transaction	Transaction description
BANCO FINANCIERO Y DE AHORROS, S.A.	23/05/02011	10% of the share capital has been exceeded
CAJA MADRID CIBELES, S.A.	01/06/2011	Has dropped below 10% of the share capital
CAJA DE AHORROS Y MONTE DE PIEDAD DE MADRID	23/05/2011	Has dropped below 10% of the share capital

A.3 Complete the following table about the members of the Board of Directors of the company who have voting rights on company shares:

Name of director (person or company)	Number of direct voting rights	Number of indirect voting rights (*)	% of the total voting rights
MR. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	226,011	0	0.007
MR. ANDRÉS JIMÉNEZ HERRADÓN	23,452	0	0.001
MR. FRANCISCO RUIZ RISUEÑO	73	0	0.000
MR. ANTONIO HUERTAS MEJIAS	181,385	0	0.006
MR. ALBERTO MANZANO MARTOS	90,154		0.003
MR. ALFONSO REBUELTA BADIÁS	44,346	0	0.002
MR. ANTONIO MIGUEL ROMERO DE OLANO	30,325	2,242	0.001
MR. ANTONIO NUÑEZ TOVAR	258,930	0	0.008
MR. ESTEBAN TEJERA MONTALVO	23	0	0.000
MR. FILOMENO MIRA CANDELA	154,141	0	0.005
MRS. FRANCISCA MARTÍN TABERNERO	23	0	0.000
MR. FRANCISCO VALLEJO VALLEJO	105,000	0	0.003
MR. IGNACIO BAEZA GÓMEZ	79,675	0	0.003
MR. JOSÉ ANTONIO MORAL SANTÍN	0	0	0.000
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	13,179	23	0.000
MR. LUIS ITURBE SANZ DE MADRID	34,816	0	0.001
MR. MATÍAS SALVÁ BENNASAR	363,742	371,368	0.024
MR. RAFAEL BECA BORREGO	0	457,807	0.015
MR. RAFAEL FONTOIRA SURIS	23	0	0.000
MR. RAFAEL MÁRQUEZ OSORIO	69,804	0	0.002
MR. RODRIGO DE RATO FIGAREDO	50	0	0.000
MR. SANTIAGO GAYARRE BERMEJO	7,402	0	0.000

Name or company name of the indirect holder of the shares	Through: Name or company name of the direct holder of the shares	Number of direct voting rights	% of the total voting rights
MR. RAFAEL BECA BORREGO	BEBORSIL, S.L.	457,623	0.015
MR. MATÍAS SALVÁ BENNASAR	MUFTI, S.L.	258,226	0.008
MR. MATÍAS SALVÁ BENNASAR	MRS. ISABEL SALVÁ ROSELLÓ	56,571	0.002
MR. MATÍAS SALVÁ BENNASAR	MRS. MARTA SALVÁ ROSELLÓ	56,571	0.002
MR. RAFAEL BECA BORREGO	BECA INMOBILIARIA, S.A.	23	0.000
MR. RAFAEL BECA BORREGO	CONSTRUCCIONES ALBORA, S.A.	23	0.000
MR. RAFAEL BECA BORREGO	GRUPOBEKINS, S.L.	23	0.000
MR. RAFAEL BECA BORREGO	LAGUNAS DEL PORTIL, S.A.	23	0.000
MR. RAFAEL BECA BORREGO	LAS CERRAJAS, S.L.	23	0.000
MR. ANTONIO MIGUEL ROMERO DE OLANO	MRS. LUZ RUFAS MÁRQUEZ DE ACUÑA	2,242	0.000
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	MRS. MERCEDES VARELA VILLAFRANCA	23	0.000
MR. RAFAEL BECA BORREGO	NUEVO QUINTO, S.A.	23	0.000
MR. RAFAEL BECA BORREGO	PROMOCIONES B.4, S.A.	23	0.000
MR. RAFAEL BECA BORREGO	PROMOTORA SAN MIGUEL, S.L.	23	0.000

% total votes held by the Board of Directors	0.082
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Fill in the following tables with the members of the company’s board of directors with voting rights on company shares:

A.4 Where applicable, list any family, trading, contractual or corporate relationships between holders of significant shareholdings, insofar as the company is aware of them, unless they are of little relevance or due to ordinary commercial traffic and exchange:

A.5 Where applicable, list any family, trading, contractual or corporate relationships between holders of significant shareholdings, and the company and/or its group, unless they are of little relevance or due to ordinary commercial traffic and exchange:

Type of relationship: Contractual
Brief description: STRATEGIC BUSINESS ALLIANCE BETWEEN CAJA MADRID AND MAPFRE, S.A.

Nombre o denominación social relacionados BANCO FINANCIERO Y DE AHORROS, S.A.

Type of relationship: Corporate
Brief description: BANCO FINANCIERO Y DE AHORROS, S.A. holds shares in the following subsidiaries of MAPFRE, S.A.: 10.35% IN MAPFRE AMERICA, S.A. and 49% in MAPFRE CAJA MADRID VIDA, S.A., through CAJA MADRID CIBELES, S.A. Furthermore, MAPFRE, S.A. holds a 2.46% indirect interest in BANKIA., an entity in which CARTERA MAPFRE, S.L. also holds a direct interest of 1.847%.

Name or company name of related person BANCO FINANCIERO Y DE AHORROS, S.A.
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A.6 Indicate if any shareholder agreements have been disclosed to the company that affect it under art. 112 of the securities market act. Where applicable, briefly describe them and list the shareholders bound by such agreement:
YES

% of share capital affected	15
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Brief description of the agreement: The aggregate shareholding of CAJA MADRID will not exceed 15%, nor will it be reduced below 3%. CAJA MADRID undertakes not to exercise the voting rights of any shares that, from time to time, might exceed 15% of the share capital, expressly waiving its right to do so.
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Parties to the shareholders' agreement CORPORACIÓN FINANCIERA CAJA DE MADRID, S.A. CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL



Indicate whether the company knows the existence of concerted actions amongst its shareholders. If so, describe them briefly:
NO

If there has been any alteration or breakdown of said pacts or agreements or concerted actions, indicate this expressly.

A.7 Indicate whether any person or organisation exercises or may exercise control over the company pursuant to article 4 of the Stock- Exchange Act. If so, identify them:
YES

Name or company name
FUNDACIÓN MAPFRE
Comments

A.8 Fill in the following tables regarding the company’s treasury stock:

As at the closing date of the financial year:

Number of direct shares	Number of indirect shares (*)	total % of the share capital
0	0	0.000

(*) through:

Total:	0
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List significant changes occurring during the year, pursuant to Royal Decree 1362/2007:

Capital gains (losses) on treasury stock divested during the period (thousand euros)	0
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A.9 Detail the terms and conditions of the current AGM authorisation to the board of directors to buy and/or transfer treasury stock.

The Board of Directors is currently authorised by the AGM so that the Company can proceed, directly or through subsidiaries, to the derivative acquisition of treasury shares, subject to the following limits and requirements:

- a) Modes: acquisition by sale, or by any other transaction inter vivos for good and valuable consideration, of shares free of any liens or encumbrances.
- b) Maximum number of shares to be acquired: shares whose face value, added to the face value of the shares already owned by the Company and its subsidiaries, does not exceed 10% of the share capital of MAPFRE, S.A.

c) Minimum and maximum acquisition price: 90% and 110%, respectively, of their listed value on the acquisition date.

d) Duration of the authorisation: five years calculated from the date of the resolution, adopted on 5 March 2011.

A.10 Indicate, where applicable, any legal or bylaw restriction on the exercise of voting rights, and legal restriction on the acquisition and/or transfer of shares in the company’s capital. State whether there are any legal restrictions on the exercise of voting rights:
NO

Maximum percentage of voting rights that a shareholder may exercise under the legal restriction	0
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State whether there are any bylaw restrictions on the exercise of voting rights:
NO

Maximum percentage of voting rights that a shareholder may exercise under the bylaw restriction	0
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Indicate whether there are legal restrictions on the acquisition or transfer of shares in the company’s capital:
NO

A.11 Indicate whether the AGM has approved measures to neutralise a public takeover bid, pursuant to Act 6/2007.
NO

If so, explain the measures approved and the terms and conditions under which the restrictions would become inefficient:

B. Governance structure

B.1 Board of Directors

B.1.1 List the maximum and minimum number of directors established in the bylaws:

Maximum number of directors	24
Minimum number of directors	5

B.1.2 Fill in the following table on the board members:

Name of director (person or company)	Representative	Post on the Board	Date of first appointment	Date of last appointment	Election procedure
MR. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ		CHAIRMAN	28-05-1987	05-03-2011	VOTE AT AGM
MR. ANDRÉS JIMÉNEZ HERRADÓN		1ST VICE-CHAIRMAN	29-12-2006	06-03-2010	VOTE AT AGM
MR. FRANCISCO RUIZ RISUEÑO		2ND VICE-CHAIRMAN	12-03-2003	05-03-2011	VOTE AT AGM
MR. ANTONIO HUERTAS MEJÍAS		3RD VICE-CHAIRMAN	29-12-2006	06-03-2010	VOTE AT AGM
MR. ALBERTO MANZANO MARTOS		DIRECTOR	28-05-1987	05-03-2011	VOTE AT AGM
MR. ALFONSO REBUELTA BADÍAS		DIRECTOR	17-04-1999	05-03-2011	VOTE AT AGM
MR. ANTONIO MIGUEL ROMERO DE OLANO		DIRECTOR	17-04-1999	05-03-2011	VOTE AT AGM
MR. ANTONIO NÚÑEZ TOVAR		DIRECTOR	05-03-2011	05-03-2011	VOTE AT AGM
MR. ESTEBAN TEJERA MONTALVO		DIRECTOR	08-03-2008	08-03-2008	VOTE AT AGM
MR. FILOMENO MIRA CANDELA		DIRECTOR	27-06-1981	06-03-2010	VOTE AT AGM
MRS. FRANCISCA MARTÍN TABERNERO		DIRECTOR	29-12-2006	06-03-2010	VOTE AT AGM
MR. FRANCISCO VALLEJO VALLEJO		DIRECTOR	29-12-2006	06-03-2010	VOTE AT AGM
MR. IGNACIO BAEZA GÓMEZ		DIRECTOR	08-03-2008	08-03-2008	VOTE AT AGM
MR. JOSÉ ANTONIO MORAL SANTÍN		DIRECTOR	08-03-2008	08-03-2008	VOTE AT AGM
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ		DIRECTOR	17-04-1999	05-03-2011	VOTE AT AGM
MR. LUIS ITURBE SANZ DE MADRID		DIRECTOR	06-03-2004	08-03-2008	VOTE AT AGM
MR. MATÍAS SALVÁ BENNASAR		DIRECTOR	29-12-2006	06-03-2010	VOTE AT AGM
MR. RAFAEL BECA BORREGO		DIRECTOR	29-12-2006	29-12-2010	VOTE AT AGM
MR. RAFAEL FONTOIRA SURIS		DIRECTOR	29-12-2006	06-03-2010	VOTE AT AGM
MR. RAFAEL MÁRQUEZ OSORIO		DIRECTOR	29-12-2006	29-12-2010	VOTE AT AGM
MR. RODRÍGO DE RATO FIGAREDO		DIRECTOR	06-03-2010	06-03-2010	VOTE AT AGM
MR. SANTIAGO GAYARRE BERMEJO		DIRECTOR	12-05-1989	07-03-2009	VOTE AT AGM

Total number of Directors	22
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Indicate which directors have left their seat on the board during the period:

Name of director (person or company)	Office held by director upon leaving	Date of leaving
DON MANUEL JESÚS LAGARES CALVO	INDEPENDIENTE	17/04/2011
DON SEBASTIÁN HOMET DUPRÁ	DOMINICAL	29/12/2011

B.1.3 Fill in the following tables on the board members and their different kinds of directorship:

EXECUTIVE DIRECTORS

Name of director (person or company)	Committee proposing his/her name	Post within company organisation
MR. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	APPOINTMENTS AND COMPENSATION COMMITTEE	CHAIRMAN
MR. ANDRÉS JIMÉNEZ HERRADÓN	APPOINTMENTS AND COMPENSATION COMMITTEE	1ST VICE-CHAIRMAN
MR. ANTONIO HUERTAS MEJÍAS	APPOINTMENTS AND COMPENSATION COMMITTEE	3RD VICE-CHAIRMAN
MR. ANTONIO NÚÑEZ TOVAR	APPOINTMENTS AND COMPENSATION COMMITTEE	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	APPOINTMENTS AND COMPENSATION COMMITTEE	DIRECTOR
MR. IGNACIO BAEZA GÓMEZ	APPOINTMENTS AND COMPENSATION COMMITTEE	DIRECTOR

Total number of executive directors	6
% of total directors	27.273

EXTERNAL NOMINEE DIRECTORS

Name of director (person or company)	Committee proposing his/her name	Name or company name of the substantial shareholder represented or proposing his/her name
MR. FRANCISCO RUIZ RISUEÑO	APPOINTMENTS AND COMPENSATION COMMITTEE	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL
MR. ALBERTO MANZANO MARTOS	APPOINTMENTS AND COMPENSATION COMMITTEE	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL
MR. ALFONSO REBUELTA BADIÁS	APPOINTMENTS AND COMPENSATION COMMITTEE	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL
MR. ANTONIO MIGUEL ROMERO DE OLANO	APPOINTMENTS AND COMPENSATION COMMITTEE	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL
MR. FILOMENO MIRA CANDELA	APPOINTMENTS AND COMPENSATION COMMITTEE	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL
MR. JOSÉ ANTONIO MORAL SANTÍN	APPOINTMENTS AND COMPENSATION COMMITTEE	CAJA MADRID CIBELES, S.A.
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	APPOINTMENTS AND COMPENSATION COMMITTEE	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL
MR. RAFAEL MÁRQUEZ OSORIO	APPOINTMENTS AND COMPENSATION COMMITTEE	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL
MR. RODRÍGO DE RATO FIGAREDO	APPOINTMENTS AND COMPENSATION COMMITTEE	CAJA MADRID CIBELES, S.A.
MR. SANTIAGO GAYARRE BERMEJO	APPOINTMENTS AND COMPENSATION COMMITTEE	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL

Total number of nominee directors	10
% of total directors	45.455

INDEPENDENT EXTERNAL DIRECTORS

Name of director (person or company)	Profile
MRS. FRANCISCA MARTÍN TABERNERO	HAS BEEN VICE-RECTOR, CATHOLIC UNIVERSITY OF SALAMANCA FOR 17 YEARS. PROFESSOR OF STATISTICS. PH.D IN PSYCHOLOGY AND BA IN HISTORY.
MR. FRANCISCO VALLEJO VALLEJO	B.A. IN ECONOMIC SCIENCE. DIPLOMA IN BUSINESS ORGANIZATION AND EXECUTIVE BUSINESS MANAGEMENT CHAIRMAN OF BANCO URQUIJO.
MR. LUIS ITURBE SANZ DE MADRID	B.A. IN LAW. DIRECTOR OF THE MADRID STOCK EXCHANGE UNTIL 2003. SENIOR EXECUTIVE AT BBVA UNTIL 2002.
MR. MATÍAS SALVÁ BENNASAR	LAWYER. HEAD OF THE LEGAL DEPARTMENT OF MUTUA BALEAR (MUTUAL COMPANY) AND LEGAL COUNSEL TO PREVISIÓN BALEAR (MUTUAL COMPANY) AND ITS FOUNDATION UNTIL DECEMBER 2009.
MR. RAFAEL BECA BORREGO	QUALIFIED ACCOUNTANT. CHAIRMAN OF DIFFERENT REAL ESTATE AND AGRICULTURAL DEVELOPMENT COMPANIES.
MR. RAFAEL FONTOIRA SURIS	ARCHITECT. HEAD ARCHITECT OF THE GALICIAN REGIONAL GOVERNMENT FOR 30 YEARS. MEMBER OF HISTORIC AND ARTISTIC HERITAGE BOARD.

Total number of independent directors	6
% of total directors	27.273

OTHER EXTERNAL DIRECTORS

Detail the reasons why they cannot be considered shareholder-nominated or independent directors and their affiliations with the company or its management or its shareholders:

Indicate any changes that may have occurred during the period in the type of directorship of each director:

Name or company name of the shareholder	Date of change	Previous directorship	Current directorship
MR. ALBERTO MANZANO MARTOS	22/04/2011	EXECUTIVE	NOMINEE

B.1.4 Explain, where applicable, the reasons why nominee directors have been appointed at the behest of the shareholder whose holding is less than 5% of the capital:

Indicate whether formal petitions for a seat on the board have been ignored from shareholders whose holding is equal to or higher than others at whose behest nominee directors were appointed. Where applicable, explain why these petitions have been ignored:
NO

B.1.5 Indicate if any director has stood down before the end of his/her term in office, if the director has explained his/her reasons to the board and through which channels, and if the director sent a letter of explanation to the entire board, explain below, at least the reasons that he/she gave:
YES

Name of director	Reason for standing down
MR. MANUEL JESÚS LAGARES CALVO	RESIGNATION FROM OFFICE ON THE BOARD OF DIRECTORS IN COMPLIANCE WITH THE MAPFRE CODE OF GOOD GOVERNANCE OWING TO THE 12-YEAR LIMIT ON MANDATE FOR INDEPENDENT DIRECTORS. VERBAL EXPLANATION TO THE BOARD AT A PLENARY SESSION AND PRELIMINARY LETTER TO THE CHAIRMAN OF THE BOARD.
MR. SEBASTIÁN HOMET DUPRÁ	RESIGNATION FROM OFFICE ON THE BOARD OF DIRECTORS IN COMPLIANCE WITH THE MAPFRE CODE OF GOOD GOVERNANCE OWING TO THE 5-YEAR LIMIT ON MANDATE FOR EX-EXECUTIVES. VERBAL EXPLANATION TO THE BOARD AT A PLENARY SESSION AND PRELIMINARY LETTER TO THE CHAIRMAN OF THE BOARD.

B.1.6 Indicate any powers delegated to the managing director/s:

B.1.7 Identify any members of the board holding posts as directors or managers in other companies that form part of the listed company’s group:

MR. ANDRÉS JIMÉNEZ HERRADÓN	MAPFRE AMÉRICA, S.A.	CHAIRMAN
MR. ANDRÉS JIMÉNEZ HERRADÓN	MAPFRE FAMILIAR, S.A.	DIRECTOR
MR. FRANCISCO RUIZ RISUEÑO	CCM VIDA Y PENSIONES, S.A.	DIRECTOR
MR. FRANCISCO RUIZ RISUEÑO	MAPFRE FAMILIAR, S.A.	VICE-CHAIRMAN
MR. FRANCISCO RUIZ RISUEÑO	MAPFRE RE, COMPAÑÍA DE REASEGUROS, S.A.	DIRECTOR
MR. FRANCISCO RUIZ RISUEÑO	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
MR. ANTONIO HUERTAS MEJÍAS	MAPFRE ASISTENCIA. CIA. INTERNACIONAL DE SEGUROS Y REASEGUROS, S.A.	MEMBER
MR. ANTONIO HUERTAS MEJÍAS	MAPFRE FAMILIAR, S.A.	DIRECTOR
MR. ANTONIO HUERTAS MEJÍAS	MAPFRE INFORMÁTICA A.I.E.	ADMINISTRATOR
MR. ANTONIO HUERTAS MEJÍAS	MAPFRE INMUEBLES, S.A.	CHAIRMAN
MR. ANTONIO HUERTAS MEJÍAS	MAPFRE INTERNACIONAL, S.A.	DIRECTOR
MR. ANTONIO HUERTAS MEJÍAS	MAPFRE INTERNET, S.A.	ADMINISTRATOR
MR. ANTONIO HUERTAS MEJÍAS	MAPFRE SEGUROS DE EMPRESAS, S.A.	VICE-CHAIRMAN
MR. ANTONIO HUERTAS MEJÍAS	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
MR. ALBERT MANZANO	MAPFRE AMÉRICA, S.A.	DIRECTOR
MR. ALBERT MANZANO	MAPFRE FAMILIAR, S.A.	DIRECTOR
MR. ALBERT MANZANO	MAPFRE INTERNACIONAL, S.A.	DIRECTOR
MR. ALFONSO REBUELTA BADIÁS	MAPFRE AMÉRICA, S.A.	DIRECTOR
MR. ALFONSO REBUELTA BADIÁS	MAPFRE GLOBAL RISKS, S.A.	VICE-CHAIRMAN
MR. ALFONSO REBUELTA BADIÁS	MAPFRE INTERNACIONAL, S.A.	DIRECTOR
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MAPFRE ASISTENCIA, CÍA INTERNACIONAL DE SEGUROS Y REASEGUROS, S.A.	VICE-CHAIRMAN
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MAPFRE GLOBAL RISKS, S.A.	DIRECTOR
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MAPFRE INMUEBLES, S.A.	DIRECTOR
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
MR. ANTONIO NÚÑEZ TOVAR	CENTRO INTERNACIONAL DE FORMACIÓN DE DIRECTIVOS	ADMINISTRATOR
MR. ANTONIO NÚÑEZ TOVAR	MAPFRE AMÉRICA, S.A.	MEMBER
MR. ANTONIO NÚÑEZ TOVAR	MAPFRE ASISTENCIA, CIA. INTERNACIONAL DE SEGUROS Y REASEGUROS, S.A.	MEMBER
MR. ANTONIO NÚÑEZ TOVAR	MAPFRE FAMILIAR, S.A.	MEMBER
MR. ANTONIO NÚÑEZ TOVAR	MAPFRE SEGUROS DE EMPRESAS, S.A.	VICE-CHAIRMAN
MR. ESTEBAN TEJERA MONTALVO	MAPFRE AMÉRICA, S.A.	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	MAPFRE ASISTENCIA, CIA INTERNACIONAL DE SEGUROS Y REASEGUROS, S.A.	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	MAPFRE CAUCIÓN Y CRÉDITO, COMPAÑÍA INTERNACIONAL DE SEGUROS Y REASEGUROS, S.A.	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	MAPFRE FAMILIAR, S.A.	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	MAPFRE GLOBAL RISKS, S.A.	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	MAPFRE INTERNACIONAL, S.A.	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	MAPFRE INVERSIÓN, SOCIEDAD DE VALORES, S.A.	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	MAPFRE USA CORPORATION	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	VICE-CHAIRMAN
MR. FILOMENO MIRA CANDELA	MAPFRE INTERNACIONAL, S.A.	DIRECTOR
MR. FILOMENO MIRA CANDELA	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
MRS. FRANCISCA MARTÍN TABERNERO	DUERO PENSIONES EGFP	DIRECTOR
MRS. FRANCISCA MARTÍN TABERNERO	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
MRS. FRANCISCA MARTÍN TABERNERO	UNIÓN DEL DUERO COMPAÑÍA DE SEGUROS DE VIDA, S.A.	DIRECTOR

Name of director (person or company)	Name of the group's company	Post
MR. FRANCISCO VALLEJO VALLEJO	MAPFRE FAMILIAR, S.A.	DIRECTOR
MR. FRANCISCO VALLEJO VALLEJO	MAPFRE SEGUROS DE EMPRESAS, S.A.	VICE-CHAIRMAN
MR. IGNACIO BAEZA GÓMEZ	CATALUNYACAIXA ASSEGURANCES GENERALS	CHAIRMAN
MR. IGNACIO BAEZA GÓMEZ	CATALUNYACAIXA VIDA	CHAIRMAN
MR. IGNACIO BAEZA GÓMEZ	MAPFRE FAMILIAR, S.A.	CHAIRMAN
MR. IGNACIO BAEZA GÓMEZ	MAPFRE INTERNACIONAL, S.A.	DIRECTOR
MR. IGNACIO BAEZA GÓMEZ	MAPFRE INVERSIÓN DOS S.G.I.I.C., S.A.	DIRECTOR
MR. IGNACIO BAEZA GÓMEZ	MAPFRE VIDA PENSIONES ENTIDAD GESTORA DE FONDOS DE PENSIONES, S.A.	DIRECTOR
MR. IGNACIO BAEZA GÓMEZ	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	CHAIRMAN
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	MAPFRE INTERNACIONAL, S.A.	DIRECTOR
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	VICE-CHAIRMAN
MR. LUIS ITURBE SANZ DE MADRID	MAPFRE INVERSIÓN SOCIEDAD DE VALORES, S.A.	DIRECTOR
MR. MATÍAS SALVÁ BENNASAR	MAPFRE FAMILIAR, S.A.	DIRECTOR
MR. MATÍAS SALVÁ BENNASAR	MAPFRE GLOBAL RISKS, S.A.	DIRECTOR
MR. MATÍAS SALVÁ BENNASAR	MAPFRE RE, COMPAÑÍA DE REASEGUROS, S.A.	VICE-CHAIRMAN
MR. RAFAEL BECA BORREGO	MAPFRE AMÉRICA, S.A.	VICE-CHAIRMAN
MR. RAFAEL FONTOIRA SURIS	MAPFRE INMUEBLES, S.A.	VICE-CHAIRMAN
MR. RAFAEL FONTOIRA SURIS	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
MR. RAFAEL MÁRQUEZ OSORIO	MAPFRE AMÉRICA, S.A.	DIRECTOR
MR. SANTIAGO GAYARRE BERMEJO	MAPFRE PARAGUAY, S.A.	DIRECTOR
MR. SANTIAGO GAYARRE BERMEJO	MAPFRE SEGUROS DE EMPRESAS, S.A.	DIRECTOR
MR. SANTIAGO GAYARRE BERMEJO	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	DIRECTOR

B.1.8 List, where applicable, any company directors that sit on boards of other companies publicly traded in Spain outside the group, of which the company has been informed:

Name of director (person or company)	Name of the group's company	Post
MR. JOSÉ ANTONIO MORAL SANTÍN	BANKIA	DIRECTOR
MR. RODRIGO DE RATO FIGAREDO	BANKIA	CHAIRMAN

B.1.9 Indicate and, where applicable, explain whether the company has established rules on the number of boards on which its directors may sit::
YES

Explanation of the rules
According to the SISTEMA MAPFRE Code of Good Governance, no external director can sit at the same time on more than five Boards of Directors of the Group's Companies.



B.1.10 Regarding the recommendation no. 8 of the Unified Code, list the general strategies and policies in the company that the board reserves for plenary approval:

The investment and funding policy	YES
The definition of how the Group companies are structured	YES
The corporate governance policy	YES
The corporate social responsibility policy	YES
The strategic or business plan and the annual management and budgetary targets	YES
The policy for senior managers' remuneration and performance assessment	YES
The policy for overseeing and managing risks, and the periodic monitoring of the internal information and oversight systems.	YES
The pay-out policy and the treasury-stock policy, especially their limits.	YES

B.1.11. Fill in the following tables on the aggregate remuneration of directors accruing during the year:

a) In the company covered in this report:

Remuneration item	Figures in €000's
Fixed remuneration	1,425
Variable remuneration	1,944
Attendance fees	740
Bylaw perquisites	0
Share and other financial options	34
Others	1,539
TOTAL	5,682

Other benefits	Figures in €000's
Advances	0
Loans granted	0
Funds and pension funds: Contributions	20
Funds and pension funds: Contractual obligations	0
Life insurance premiums	1,085
Guarantees constituted by the company for the directors	0

b) For company directors sitting on other boards of directors and/or belonging to the senior management of group companies:

Remuneration item	Figures in €000's
Fixed remuneration	1,311
Variable remuneration	988
Attendance fees	241
Bylaw perquisites	0
Share and other financial options	77
Others	1,285
TOTAL	3,902

Other benefits	Figures in €000's
Advances	0
Loans granted	0
Funds and pension funds: Contributions	16
Funds and pension funds: Contractual obligations	0
Life insurance premiums	1,169
Guarantees constituted by the company for the directors	0

c) Total remuneration by type of directorship:

Type of directorship	By company	By group
Executive	4,252	2,463
Nominee Directors	979	986
Independent External	451	453
Other External Directors	0	0
TOTAL	5,682	3,902

d) Regarding the attributable profit of the dominant company:

Total remuneration of all directors (€k)	9,584
Total remuneration all directors/attributable profit of dominant company (expressed as a %)	1.0

B.1.12 Identify the members of the senior management that are not in turn executive directors, and indicate total remuneration accruing to them during the year:

Name or company name	Post
MR. JOSÉ MANUEL MURIES NAVARRO	DIRECTOR GENERAL, INTERNAL AUDIT
MR. MIGUEL ÁNGEL ALMAZÁN MANZANO	CHIEF INVESTMENT OFFICER
MR. ÁNGEL LUIS DÁVILA BERMEJO	SECRETARY GENERAL - DIRECTOR GENERAL OF LEGAL AFFAIRS

Total remuneration senior management (€k)	1,398
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B.1.13 Identify in aggregate terms whether there are ring-fence or guarantee clauses for cases of dismissal or changes of control in favour of the senior management, including executive directors, in the company or in its group. Indicate whether these contracts must be disclosed and/or approved by the company or group governance bodies:

Number of beneficiaries	9
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	Board of Directors	Annual General Meeting
Body authorising the clauses	YES	NO
Is the AGM informed of the clauses?		YES



B.1.14 Indicate the process to establish remuneration of board members and the relevant bylaw clauses:

Process to establish remuneration of board members and the relevant bylaw clauses

The basic remuneration of external directors is approved by the Annual General Meeting following a proposal from the Board of Directors and a prior report from the Appointments and Remuneration Committee. The salary of executive directors and attendance allowances for external members of the Steering Committee and Delegated Committees and the fixed stipend for chairing Regional Boards are approved by the Board of Directors following a prior report from the said Committee.

In accordance with article 17 of the Articles of Association, Directors who do not perform executive functions in the Company or in Group companies (External Directors) will receive a fixed sum as their base remuneration, and it may be higher for individuals holding office on the Board itself or for those chairing the Steering Committee, the Executive Committee or the Board's Delegated Committees. This remuneration may be supplemented with other non-cash benefits (life or healthcare insurance, bonuses, etc.) generally provided to the company's personnel. The members of the Board who are members of the Steering Committee, the Executive Committee or the Board's Delegated Committees shall also receive a per diem allowance for attending the meetings.

The members of the Board of Directors who perform executive functions in the Company or in Group companies (Executive Directors) will receive the remuneration allocated to them for the performance of their executive functions (salaries, incentives, whether linked or otherwise to the Company's share price, supplementary bonuses, etc.) in accordance with the established policy for the remuneration of senior executives, according to the provisions of their respective contracts, which may also establish pertinent indemnity clauses in the event they are dismissed from such functions or their relationship with the Company is terminated. They will not receive the remuneration assigned to the External Directors, except for any remuneration assigned to the members of the Steering Committee, the Executive Committee or the Board's Delegate Committees, if it is resolved upon by the Board of Directors, which thus far has only done so in respect of members of the Steering Committee.

Independently of the remuneration referred to in the two preceding paragraphs, all Directors will be reimbursed any travelling, transport and related expenses that they incur in attending the Company's meetings or in carrying out their duties.

State whether the board, in plenary session, has reserved powers to approve the following resolutions:

At the proposal of the CEO, the appointment and possible severance of senior managers, and theircompensation clauses.	YES
Directors' remuneration and any additional remuneration to executive directors for executive responsibilities and other terms and conditions that their contracts must include;	YES

B.1.15 Indicate whether the board of directors approves a detailed remuneration policy and explain on which issues it pronounces its opinion:
YES

Amount of the fixed components, with breakdown, where applicable, for per diem payments for attending the board and its committee meetings and an estimate of the fixed annual remuneration ensuing on this.	YES
Variable remuneration items.	YES
Main characteristics of the pension and annuity systems, with an estimate of their amount or equivalent annual cost.	YES
Conditions that the contracts of executive directors in senior management must respect.	YES

B.1.16 Indicate whether the Board of Directors submits an annual report on the directors pay policy to the AGM for consultation purposes. If so, explain the aspects of the report on the remuneration policy approved by the board for future years, the most significant changes in this policy compared to the policy applied during the year and a global summary of how the remuneration policy was applied during the year. Describe the role played by the Remuneration Committee and if external advisors have been engaged, the identity of the consultants involved:
YES

Issues on which the board pronounces on remuneration policy

For 2012, increases of 1.37% (1% consolidating and 0.37% non-consolidating) are anticipated, except for officers who have taken up new posts and to whom a higher percentage has been applied to bring their remuneration in line with their new responsibilities. Another increase might also be applied if the targets achieved are higher than expected, in which case the matter will be submitted to the Appointment and Remuneration Committee.

During financial year 2012 no significant changes are expected to be made to the Company's remuneration policy. For information on the remuneration policy applied in 2011, see sections B.1.11 and B.1.14 of this report.

For further information, see the Remuneration Policy report issued by the Board of Directors.

Role of the Remuneration Committee

The Appointments and Remuneration Committee fully supports the remuneration policy described herein and, as the case may be, it proposes or reports on each and every resolution resulting from said policy to the Board of Directors.

In particular, the Report is submitted to the Board's consideration to enable it to issue a favourable opinion or otherwise in respect of its contents.

Has external consultancy been used?

Identity of external consultants

B.1.17 Indicate, where applicable, the identity of board members who also sit on boards or form part of the management of companies that hold significant shareholdings in the listed company and/or in its group companies:

Name of director (person or company)	Company name of the substantial shareholder	Post
MR. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	CHAIRMAN
MR. ANDRÉS JIMÉNEZ HERRADÓN	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	VICE-CHAIRMAN
MR. ANTONIO HUERTAS MEJÍAS	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	DIRECTOR
MR. RODRIGO DE RATO Y FIGAREDO	BANCO FINANCIERO Y DE AHORRO, S.A.	CHAIRMAN

List the relevant affiliations other than those considered in the above paragraph, that link board members to significant shareholders and/or companies in their group:

Name of related director (person or company)	Name of related shareholder (person or company)	Description of relationship
MR. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	CAJA MADRID CIBELES, S.A.	DIRECTOR
MR. JOSÉ ANTONIO MORAL SANTÍN	CAJA MADRID CIBELES, S.A.	DIRECTOR
MR. RODRÍGO DE RATO FIGAREDO	CAJA MADRID CIBELES, S.A.	CHAIRMAN

B.1.18 Indicate whether during the year there has been any change in the board regulations:
YES

Description of modifications

On 26th October 2011 the Board of Directors approved an amendment to article 16 of the Board Regulations to adapt the delimitation of duties of the Steering Committee by attributing new duties to the Steering Committees of the Direct Insurance and Global Business Divisions. They are available on the company's website, www.mapfre.com, in the public records of the Spanish Securities Exchange Commission (CNMV), and at the Madrid Companies Registry.

B.1.19 Indicate procedures for appointment, re-election, evaluation and removal of directors. List the competent bodies, the procedures to be followed and the criteria to be employed in each procedure.

Anyone who is offered a directorship of MAPFRE, S.A. or of a subsidiary company must make a true and full Prior Declaration about his/her/its pertinent personal, family, professional and business details, relating in particular to any matter that might give rise to any disqualification at law, the bylaws or the provisions of the Code of Good Governance or to any conflict of interest. This Declaration must be made on the form provided for such purposes by MAPFRE, and will include an express acceptance of the rules set out in the chapter of the Code that addresses directors' rights and duties.

Anyone who holds office as director must have of a renowned prestige in his/her professional and business area, and hold all necessary professional qualifications or experience as provided at law for financial institutions or insurance companies subject to supervision by Public Authorities.

In particular, anyone who has a substantial shareholding in an organisation belonging to a financial group other than that to which the Company or any of its subsidiaries belong cannot be a member of the Board of Directors and whoever is a director, manager or employee of such organisation or who renders services to or on behalf of the same cannot be a member of the Board of Directors either, unless they are appointed on a proposal made by the Board of Directors and provided that on the whole such directors do not represent more than twenty percent of the total number of directors.

— Proposals for the appointment or re-election of Independent Directors must be preceded by a proposal from the Appointments and Remuneration Committee.

Proposals for the re-election of independent directors will be subject to a process that will necessarily include a report issued by the Appointments and Remuneration Committee, assessing the quality of the services provided and the dedication to office throughout the prior term of the director/s whose re-election is/are proposed.

— Proposals for the appointment or re-election of nominee directors must be preceded by an appropriate proposal from the shareholder backing their appointment or re-election, and a report from the Appointments and Remuneration Committee with respect to the suitability of the proposed candidate.

The Appointments and Committee Remuneration may also propose the appointment or of nominee directors at its own initiative when it deems that the Company will benefit from their being members of the Board.

— Proposals for the appointment or re-election of Executive Directors, and for the appointment or the Secretary, must be preceded by a suitable proposal from the Chairman of the Board - or the senior executive officer - and a report from the Appointments and Remuneration Committee.

— In the case of the re-election of a director who holds office on the Board, the said report will include an assessment of how said office has been discharged to enable the Board to express an opinion about the director continuing in office.

The Board of Directors will not propose to the AGM that any independent director be removed from office before end of the term for which the director has been elected, unless the Board considers, after a report from the Appointments and Remuneration Committee, that there are grounds for doing so. In particular, it will be deemed that there are grounds for doing so when:

— The director has failed to perform the duties inherent to the post, has failed to comply with one of the requirements set forth for independent directors in the Unified Code of the Spanish Securities and Exchange Commission, or has incurred an insuperable of conflict of interest according to the provisions of Title IV of the Code of Good Governance.

— Changes occur in the Company's shareholding structure that involve reducing the number of independent directors, in accordance with the criteria set forth in the Code of Good Governance.

B.1.20 Indicate the circumstances under which directors are obliged to resign.

According to the provisions of the corporate Bylaws and the Board Regulations, all members of the Board of Directors must retire on reaching the age of 70. The Chairman and the Vice-Chairmen who hold executive posts, the Managing Director and the Secretary to the Board must retire from such office on reaching 65 years of age or, on any earlier date according to the terms and conditions of their respective contract, but they may continue as director and member without any executive authority for a maximum of five years in the same conditions as external nominee directors.

All Directors must place their directorship and any office held, such as on the Steering Committee and any Delegated Committees, at the disposal of the Board of Directors and tender their formal resignation should the Board deem it pertinent, in the following cases:

a) Whenever they cease to hold the executive office associated with their appointment as member of such governing bodies.

b) Should they become subject to any disqualification or prohibition laid down at law.

c) If they are accused of (or a court issues an order for the opening of a trial for) allegedly committing any crime or are involved in disciplinary proceedings involving a serious or very serious fault at the instance of the supervisory authorities.

d) If they receive any serious warning from the Compliance Committee due to any infringement of their duties as director.

e) When they are affected by circumstances in which their remaining on any such management bodies might cause damage to the Company’s credit or reputation, or place its interests at risk.

f) If the reasons (if any expressly exist) for which they were appointed cease to apply.

The resignation from such offices must be formally tendered in a letter dated directed to the Chairman of the Board in question, and send a copy to the Chairman of the SISTEMA MAPFRE.

Executive Directors who resign from their executive offices can continue to be members of the Board of Directors of the company in the same conditions as External Nominee Directors for a maximum of five years following resignation from those executive offices or following their appointment as Director, if made subsequently.

Directors who, at the time of their appointment, do not hold any executive post or perform any executive duties in the Company, or in another Group company, will not be able to perform any executives duties unless they first resign their directorship, even though they may subsequently remain eligible to the directorship.

Nominee directors must also tender their resignation when the shareholder that appointed them sells its shareholding.

When a shareholder reduces its shareholding, a proportionally equivalent number of nominee directors that it has appointed must resign.

MAPFRE’s independent directors must also tender their resignation when they have held office for twelve years in a row.

B.1.21 Explain whether the role of chief executive officer in the company is played by the chairman of the board. If so, indicate the measures taken to limit the risks of accumulating powers in a single person:
YES

Measures to limit risks
It is considered that there is no measure of risk due to any excessive concentration of authority in view of the collegiate nature of decision-making that commences at Board Committee level; and the presence of senior executive officers on the Board of Directors.

Indicate and, where applicable explain whether rules have been established to empower one of the independent directors to request a board meeting be called or new business included on the agenda, to coordinate and give voice to the concerns of external directors and to direct the assessment by the Board of Directors.
NO

B.1.22 Are reinforced majorities required, other than the legal majorities, for any type of resolution?
YES

Indicate how resolutions are adopted in the board of directors, giving at least the minimum quorum for attendance and the type of majorities required to adopt resolutions:

Description of the resolution	
The transfer of shares in subsidiary companies, if this involves the loss of status as majority shareholder or direct or indirect control over them.	
Quorum	%
There are no specific bylaw requirements regarding the quorum for this resolution, but the favourable vote of three quarters of the members of the Board is required and therefore this minimum quorum of attendance is required.	75.00
Type of majority	%
Favourable vote of three quarters of the members of the Board of Directors.	75.00

B.1.23 Explain whether there are specific requirements, other than those regarding directors, to be appointed chairman.
NO

B.1.24 Indicate whether the chairman has a casting vote:
YES

Circumstances requiring a casting vote
The Chairman has a casting vote in the event of a tie.

B.1.25 Indicate whether the bylaws or the board regulations establish any age limit for directors:
YES

Age limit for chairman	Age limit for managing director	Age limit for director
70	65	70

B.1.26 Indicate whether the bylaws or the board regulations establish any limit for independent directors’ term of office:
YES

Maximum number of years in office	12
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B.1.27 If there are few or no female directors, explain the reasons and the initiatives adopted to correct the situation.

Explanation of reasons and initiatives

The SISTEMA MAPFRE Code of Good Governance and the Board Regulations expressly state that when the Appointments and Remuneration Committee puts forward its proposals, it must ensure that it takes into consideration candidates of both sexes who meet the requirements for the vacancy, and that the selection procedure is not marred by implicit biases that may hinder the selection of people of sex or another.

In particular, indicate whether the Appointments & Remuneration committee has established procedures for selecting female directors, and deliberately seeks entrants meeting the required profile:
YES

Describe the main procedures

The Appointments and Remuneration Committee must ensure that it takes into consideration candidates of both sexes who meet the requirements for the vacancy.

B.1.28 Indicate whether there are formal processes for delegating votes on the board of directors. If so, describe them briefly.

There are no formal procedures for delegating votes on the board of directors.

B.1.29 Indicate the number of meetings the board of directors has held during the year. Where applicable, indicate how many times the board has met without the chairman in attendance:

Number of board meetings	8
Number of board meetings not attended by the chairman	0

Indicate the number of meetings the board’s different committees have held during the year:

Number of Executive or standing Committee meetings	11
Number of Audit Committee meetings	6
Number of Appointments & Remuneration committee meetings	6
Number of Appointments committee meetings	0
Number of Remuneration committee meetings	0

B.1.30 Indicate the number of meetings the board of directors has held during the year without the attendance of all its members. In calculating this number, non-attendance shall mean proxies given without specific instructions:

Number of non-attendances by directors during the year	6
% of number of non-attendances to total votes during the year	3.243

B.1.31 Indicate whether the individual and consolidated financial statements presented to the board’s approval are certified beforehand:

YES

Where applicable, identify the person(s) who has(have) certified the individual and consolidated financial statements to be filed by the board:

Name	Post
MR. ESTEBAN TEJERA MONTALVO	DIRECTOR - DIRECTOR GENERAL
MR. JOSÉ MANUEL MURIES NAVARRO	DIRECTOR GENERAL OF INTERNAL AUDIT
MR. CARLOS BARAHONA TORRIJOS	CHIEF FINANCIAL OFFICER

B.1.32 Explain the mechanisms, if any, established by the board of directors to prevent the individual and consolidated financial statements that it files from being presented to the AGM with a qualified auditors report.

The company has never issued financial statements with a qualified auditors’ report.

The company has Internal Audit and Legal Affairs Departments that oversee all aspects of the annual accounts, and the MAPFRE Audit Committee, which is a Board committee that was set up for this purpose and with supervisory powers in the financial year 2000.

According to the MAPFRE Code of Good Governance, the Board of Directors must do everything possible to issue the financial statements with an unqualified auditors report. However, should the Board deem it pertinent to uphold its opinion, it must publicly explain the content and scope of any discrepancy.

B.1.33 Is the company secretary a director?

NO

B.1.34 Explain the appointment and severance procedures for the secretary of the board, indicating whether his/her appointment and severance have been reported to the Appointments committee and approved by the board in a plenary meeting.

Appointment and severance procedure

According to Article 15 of the Bylaws and article 2 of the Board Regulations, the Board of Directors is responsible for appointing and removing the Secretary, following a report from the Appointments and Remuneration Committee.

Does the Appointment committee have a say in his/her appointment?	YES
Does the Appointment committee have a say in his/her severance?	YES
Does the board approve the appointment?	YES
Does the board approve the severance?	YES



Does the secretary of the board have the duty to take special care in overseeing good governance recommendations?
YES

B.1.35 Indicate what mechanisms the company has established, if any, to preserve the independence of the auditor, the financial analysts, the investment banks and the rating agencies.

In addition to abiding by statutory provisions, the company has decided to voluntarily propose compliance with a number of general guidelines that clearly and precisely aim to achieve and uphold the necessary independence of the external auditors in such regard as is advocated by the MAPFRE Code of Good Governance that lays down the following criteria for the Boards of Directors in their relationship with external auditors:

- The relationship of the Board of Directors with the Company's External Auditors will be maintained through the Audit Committee.
- The Board of Directors will refrain from hiring any auditing firms that are paid or will be paid annual fees by the MAPFRE Group that, for all items, exceed 5% of their total revenues.
- In the annual public documents, the Board will report the overall fees paid by the Company and its consolidated Group to the audit firm for any services rendered other than auditing services.

Apart from the Audit Committee's powers and duties as specified in the bylaws and the Board Regulations, the Audit Committee will be informed at least once every six months of all services rendered by the external auditor and their corresponding fees.

Every year, the Audit Committee will assess the Accounts Auditor, the scope of the audit and the external auditor's independence, considering whether the quality of the audit control measures is adequate and any services other than accounts audit services are compatible with the auditor's independence.

In accordance with the provisions of the Internal Code of Conduct regarding listed securities issued by the Company which sets out the procedures relating to the publication of relevant information, financial analysts will not be provided with any information that is not available to the public at large.

B.1.36 Indicate whether the company has changed its external auditor during the year. If so, identify the incoming and outgoing auditors:

NO

Outgoing auditor	Incoming auditor

If there were disagreements with the outgoing auditor, explain their grounds:
NO

B.1.37 Indicate whether the audit firm does other work for the company and/or its group other than the audit. If so, declare the amount of fees received for such work and the percentage of such fees in the total fees charged to the company and/or its group:

YES

	Company	Group	Total
Amount for work other than audit (€k)	58	455	513
Amount of work other than audit / total amount billed by the audit firm (%)	8.030	5.770	5.960

B.1.38 Indicate whether the audit report on the annual financial statements for the previous year contained reservations or qualifications. If so, indicate the reasons given by the chairman of the Audit committee to explain the content and scope of such reservations or qualifications.

NO

B.1.39 Indicate the number of years during which the current audit firm has been doing the audit of the financial statements for the company and/or its group without interruption. Indicate the percentage of the number of years audited by the current auditing firm to the total number of years in which the annual financial statements have been audited:

	Company	Group
Number of years running	22	22

	Company	Group
Number of years audited by current audit firm / number of years the company has been audited (%)	100.000	100.000

B.1.40 Indicate the holdings of the company’s board members in the capital of institutions that have the same, an equivalent or a supplementary kind of activity to that of the corporate object of the company and its group, that have been communicated to the company. Indicate the posts or duties they exercise in these institutions: Indicate the posts or duties they exercise in these institutions:

Name of director (person or company)	Name of institution	% interest	Post or duties
MR. ALBERTO MANZANO MARTOS	MÜNCHENER RUCK	0.000	---
MR. ALBERTO MANZANO MARTOS	BBVA	0.000	---
MR. ALBERTO MANZANO MARTOS	CAIXABANK	0.000	---
MR. ALBERTO MANZANO MARTOS	BSCH	0.000	---
MR. ALBERTO MANZANO MARTOS	BANKIA	0.000	---
MR. ANTONIO MIGUEL-ROMERO OLANO	BSCH	0.000	---
MR. ANTONIO MIGUEL-ROMERO OLANO	BBVA	0.000	---
MR. FILOMENO MIRA CANDEL	ALLIANZ	0.000	---
MR. FILOMENO MIRA CANDEL	MÜNCHENER RUCK	0.000	---
MR. FRANCISCO VALLEJO VALLEJO	COMPANÍA ESPAÑOLA DE SEGUROS DE CRÉDITO A LA EXPORTACIÓN (CESCE)	0.000	DIRECTOR
MR. FRANCISCO VALLEJO VALLEJO	BANCO URQUIJO, S.A.	0.000	CHAIRMAN

B.1.41 Indicate and, where applicable, give details on the existence of a procedure for directors to get external advisory services:
YES

Details of the procedure
According to the provisions of the MAPFRE Code of Good Governance, and for the purpose of assisting them in the exercise of their office, external directors may, at the cost of the company, request the hire of legal, accounting, finance consultants or other experts. Any such engagement of experts must necessarily be related to specific problems of some import and complexity that arise during the exercise of the office as director.
A decision to engage an expert must be notified to the Chairman of the Company and it may be vetoed by the Board of Directors, provided such the following is shown:
a) That it is not necessary for the reasonable exercise of the duties entrusted to the directors.
b) That the cost is unreasonable bearing in mind the importance of the problem and the company's assets and revenues.
c) That the technical assistance sought may be adequately provided by experts and technicians already employed by the Company.

B.1.42 Indicate and, where applicable, give details on the existence of a procedure for directors to get the information they need to prepare the meetings of the governing bodies in sufficient time:
YES

Details of the procedure
All documents must in general be sent at least three full days in advance. In particular, when documents are sent for delivery on a Friday or on the eve of a bank holiday, it must be ensured that they are delivered in the morning of the said day no later than 12.00 noon.
This aspect is specifically analysed by the Board of Directors at its annual self-assessment session, based on the report received from the Compliance Committee, which is also entrusted with monitoring the effectiveness of the procedure organised.

B.1.43 Indicate and, where applicable give details, whether the company has established rules obliging directors to inform and, where applicable, resign under circumstances that may undermine the company’s credit and reputation:
YES

Explain the rules
Directors must place their office/s at the disposal of the Board of Directors, both as director and any office they hold on any Committee thereof, and formalise any resignation should the Board deem it necessary, in the following cases:
- When they cease to hold executive office associated with their appointment as a member of said management bodies.
- Should they become subject to any disqualification or prohibition laid down at law.
- If they are accused of allegedly committing any crime or are involved in disciplinary proceedings involving a serious or very serious fault at the instance of the supervisory authorities.
- If they receive any serious warning from the Compliance Committee due to any infringement of their duties as director.
- When they are affected by circumstances in which their remaining on any such management bodies might cause damage to the Company's credit or reputation, or place its interests at risk.
- If the reasons, if any, for which they were expressly appointed cease to apply.

B.1.44 Indicate whether any board member has informed the company of being sued or having any court proceedings opened against him or her for any of the offences listed in article 124 of the Companies Act:
NO

Indicate whether the board of directors has analysed the case. If so, explain the grounds for the decision reached as to whether or not the director should remain on the board.
NO

Decision taken	Reasoned explanation

B.2. Board of Directors’ Committees

B.2.1 List all the Board of Directors’ committees and their members:

EXECUTIVE OR STEERING COMMITTEE		
Name	Post	Types
MR. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	CHAIRMAN	EXECUTIVE
MR. ANDRÉS JIMÉNEZ HERRADÓN	1ST VICE-CHAIRMAN	EXECUTIVE
MR. FRANCISCO RUIZ RISUEÑO	2ND VICE-CHAIRMAN	NOMINEE
MR. ANTONIO HUERTAS MEJÍAS	MEMBER	EXECUTIVE
MR. ANTONIO NÚÑEZ TOVAR	MEMBER	EXECUTIVE
MR. ESTEBAN TEJERA MONTALVO	MEMBER	EXECUTIVE
MR. IGNACIO BAEZA GÓMEZ	MEMBER	EXECUTIVE
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	MEMBER	NOMINEE

AUDIT COMMITTEE

Name	Post	Types
MR. FRANCISCO VALLEJO VALLEJO	CHAIRMAN	INDEPENDENT
MR. FILOMENO MIRA CANDELA	VICE-CHAIRMAN	NOMINEE
MRS. FRANCISCA MARTÍN TABERNERO	MEMBER	INDEPENDENT
MR. JOSÉ ANTONIO MORAL SANTÍN	MEMBER	NOMINEE
MR. RAFAEL MÁRQUEZ OSORIO	MEMBER	NOMINEE

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Post	Types
MR. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	CHAIRMAN	EXECUTIVE
MR. ANDRÉS JIMÉNEZ HERRADÓN	1 ST VICE-CHAIRMAN	EXECUTIVE
MR. FRANCISCO RUIZ RISUEÑO	2 ND VICE-CHAIRMAN	NOMINEE
MR. ALFONSO REBUELTA BADIÁS	MEMBER	NOMINEE
MR. FRANCISCO VALLEJO VALLEJO	MEMBER	INDEPENDENT
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	MEMBER	NOMINEE
MR. MATÍAS SALVÁ BENNASAR	MEMBER	INDEPENDENT

COMPLIANCE COMMITTEE

Name	Post	Types
MR. FRANCISCO RUIZ RISUEÑO	CHAIRMAN	NOMINEE
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MEMBER	NOMINEE
MR. LUIS ITURBE SANZ DE MADRID	MEMBER	INDEPENDENT
MR. RAFAEL BECA BORREGO	MEMBER	INDEPENDENT
MR. RAFAEL FONTOIRA SURIS	MEMBER	INDEPENDENT

B.2.2 Mark with a cross the duties as signed to the Auditing Committee:

To supervise the process of drawing up the financial information and its integrity for the Company and its Group, reviewing compliance with regulatory requirements, suitable scope of the consolidation perimeter and the correct application of accounting principles.	YES
To periodically review the systems of internal risk management and oversight to ensure the main risks are identified, managed and sufficiently well known.	YES
To ensure the independence and efficacy of the internal audit. To propose the selection, appointment, re-election and severance of the internal audit officer. To propose the budget for the internal audit service. To receive periodic information on their activities; And to check that the senior management takes the conclusions and recommendations of their reports into account.	YES
To establish and supervise a mechanism that enables employees to confidentially and, if this is deemed appropriate, anonymously communicate irregularities they notice within the Company that may be of potential importance, especially financial and accounting irregularities.	YES
To put to the Board the proposals for selection, appointment, re-election and substitution of the external auditor and the terms and conditions of engagement.	YES
To receive regular information from the external auditor on the auditor's office plan and the outcome of its execution, verifying that the senior management takes due note of its recommendations.	YES
To ensure the independence of the external auditor	YES
In the Group, to help the Group auditor take responsibility for the auditing of the companies comprising it	YES

B.2.3 Give a description of the rules governing the organisation and running of each of the board committees and the responsibilities attributed to each.

Name of Committee

APPOINTMENTS AND REMUNERATION COMMITTEE

Brief description

The Committee is a delegated body of the Board of Directors, responsible for the coordinated development of the appointment and remuneration policy of Senior Representative and Management Officers of MAPFRE, even though these powers are attributed by law and the bylaws to the Company's representative and management bodies.

The Appointments and Remuneration Committee has a maximum of seven members, most of whom are non-executive directors.

Name of Committee

EXECUTIVE OR STEERING COMMITTEE

Brief description

The Committee is a delegated body of the Board of Directors, responsible for the senior management and permanent oversight of the strategic and operational aspects of the company's and its subsidiaries' ordinary business affairs. It also makes any decisions necessary to operate properly, all subject to the powers the Board delegates to it from time to time

The Committee will have a maximum of twelve members, all of whom are members of the Board of Directors. Its Chairman, First and Second Vice-Chairmen and Secretary will automatically be the people who hold such posts on the Board, which will appoint the members, up to a maximum of twelve members. It may also appoint a Vice-Secretary, who will not be entitled to vote.

Name of Committee

AUDIT COMMITTEE

Brief description

The Audit Committee has a minimum of three and a maximum of seven members, who will be appointed by the Board in view of the knowledge, skills and experience of its directors, especially with regard to accounting, audit and risk management issues. The majority of the members, including the Chairman, will be non-executive directors. The Secretary of this Committee will be the Secretary to the Board of Directors. This Committee shall have the following powers:

a) To verify that the Annual Accounts, and the half-yearly and quarterly financial statements and other financial information that must be filed with regulatory or supervisory bodies are true, complete and sufficient; that they have been issued according to the accounting rules and criteria in force internally as laid down by the MAPFRE General Secretariat, and that they are provided on time and with the correct content.

b) To submit proposals to the Board of Directors for submission to the Annual General Meeting regarding the appointment of an External Auditor for the company, and to be given information on his conduct in office and about any matter or circumstance that might affect his/her independence.

c) To supervise the functioning of the Internal Auditing Department, for which purpose it may have unrestricted access to its plans, work results and to follow-up recommendations and suggestions from external and internal auditors.

d) To be acquainted with the company's financial information and internal control process, and to make any observations or recommendations it may deem pertinent for the purposes of improving it.

e) To inform the Shareholders in General Meeting about any matter that falls within its jurisdiction.

f) To issue an annual report on its duties and the activities performed during the financial year, for submission to the Annual General Meeting.



Name of Committee
COMPLIANCE COMMITTEE

Brief description
This is the Board Committee responsible for overseeing the correct application of the code of good governance that must rule in the company.
These duties are performed without prejudice to any legal and bylaw powers attributed to the company's representation and management bodies.
The Committee monitors the application of the code of good governance in force from time to time and it may, if pertinent, propose any measures to improve the same and to update them, whenever necessary.
The Compliance Committee has four members, all of whom are non-executive directors. Its Chairman will automatically be the 2nd Vice-Chairman of the Board of Directors.
The Committee may appoint a Minutes Secretary who will be elected from the members of the MAPFRE Legal Department Head Office.

B.2.4 Indicate the powers of advice, queries and, where applicable, proxies for each of the commissions:

Name of Committee
APPOINTMENTS AND REMUNERATION COMMITTEE

Brief description
Coordinated development of the appointment and remuneration policy applicable to senior management and representative officers.

Name of Committee
EXECUTIVE OR STEERING COMMITTEE

Brief description
Coordination and supervision of strategic and operational aspects of the ordinary business affairs of the company and its subsidiaries.

Name of Committee
AUDIT COMMITTEE

Brief description
Verify financial information, proposal to appoint external auditor and supervision of internal audit.

Name of Committee
COMPLIANCE COMMITTEE

Brief description
Supervision of the correct application of the code of good governance in force in the company.

B.2.5 Indicate, where applicable, the existence of regulations for the board committees, where they can be consulted and any amendments made to them during the year. Indicate whether an annual report on the activities of each committee has been drawn up voluntarily.

Name of Committee
APPOINTMENTS AND REMUNERATION COMMITTEE

Brief description
Provided for in the Bylaws and regulated in the Board Regulations.
They are available on the company's website, www.mapfre.com, in the public records of the Spanish Securities Exchange Commission (CNMV), and at the Madrid Companies Registry.
Since 2008, the company publishes an annual report on its remuneration policy, which is put to the vote, on a consultative basis and as a separate point on the agenda, at the AGM.

Name of Committee
EXECUTIVE OR STEERING COMMITTEE

Brief description
Regulated in the bylaws and in the Board Regulations.
In 2011, article 16 of the Board Regulations, regarding the Steering Committee's powers, was amended.
They are available on the company's website, www.mapfre.com, in the public records of the Spanish Securities Exchange Commission (CNMV), and at the Madrid Companies Registry.

Name of Committee
AUDIT COMMITTEE

Brief description
Regulated in the bylaws and in the Board Regulations.
They are available on the company's website, www.mapfre.com, in the public records of the Spanish Securities Exchange Commission (CNMV), and at the Madrid Companies Registry.
In 2005, the Audit Committee began publishing an annual report on its activities, which is made available to shareholders at the AGM.

Name of Committee
COMPLIANCE COMMITTEE

Brief description
Provided for in the Bylaws and regulated in the Board Regulations.
They are available on the company's website, www.mapfre.com, in the public records of the Spanish Securities Exchange Commission (CNMV), and at the Madrid Companies Registry.

B.2.6 Indicate whether the composition of the executive committee reflects the participation on the board of different directors as a function of their condition:
NO

If not, explain the composition of the executive committee
The Steering Committee is an executive management body, and therefore consists of executive directors (majority) and external nominee directors.



C. Related-party transactions

C.1 State whether the board in plenary session has reserved the powers to approve, on the basis of a favourable report from the Audit committee or any other entrusted with such a report, the transactions in which the company engages with directors, significant shareholders or shareholders represented on the board or parties related to them:

YES

C.2 List the relevant transactions entailing a transfer of resources or obligations between the company or its group companies, and the company's significant shareholders:

C.3 List the relevant transactions entailing a transfer of resources or obligations between the company or its group companies, and the company's directors and/or senior managers:

C.4 List the relevant transactions in which the company has engaged with other companies belonging to the same group, except those that are eliminated in the process of drawing up the consolidated financial statements and that do not form part of the company's habitual traffic with respect to its object and conditions:

C.5 Indicate whether the board members have come across any situation of conflicting interests during the year, as defined under article 127 of the Companies Act.

NO

C.6 List the mechanisms established to detect, determine and resolve possible conflicts of interest between the company and/or its group, and its directors, managers and/or significant shareholders.

All directors and managers must make a Prior Declaration at the time of their appointment with regard to these matters. Furthermore, they are required to update this Declaration on a regular basis, and whenever a potential situation of conflict arises.

Likewise, the MAPFRE Code of Good Governance and the Internal Code of Conduct regulates the special duties within the scope of potential conflicts of interest.

The final decision on these matters is reserved to the Board of Directors, after examination by the company's Appointments and Remuneration Committee or the MAPFRE Institutional Control Committee. There is a special procedure for the approval of resolutions with regard to matters where there is a potential conflict of interest with a board member. The board member in question must refrain from attending or participating in these decisions.

C.7 Are more than one of the group's companies listed in Spain as publicly traded companies?

NO

Identify listed subsidiaries:

D. Systems of risk control

D.1 Give a general description of risk policy in the company and/or its group, listing and evaluating the risks dealt with by the system, along with an explanation of how far these systems match the profile of each type of risk.

Risk management goals, policies, and processes

MAPFRE has a Risk Management System (RMS) based on the integrated management of each and every one of the business processes, and on the tailoring of the risk level to the established strategic objectives. The different types of risk have been grouped into four areas or categories as is set forth below:

- Operational risks: this covers twenty-three types of risks grouped into the following risk areas: actuarial, legal, technology, staff, associates, procedures, information, fraud, market, and material assets.
- Financial risks: includes interest-rate, liquidity, exchange-rate, market and credit risks.
- Insurance Activity Risks: this groups together, separately for Life and Non-Life, the risks of premium shortfalls, the sufficiency of technical provisions, and re-insurance risk.
- Strategic and Corporate Governance Risks: includes corporate ethics and good corporate governance risks, organisational structure risks, alliance risks, mergers and acquisitions risks, risks arising from the regulated environment, and finally, market and competition risks.

Centralisation of the risk management system

The structure of MAPFRE is based on Operational Divisions and Units with a high level of autonomy in their management. The governing and management bodies of the Group approve the lines of activity of the Units and Companies with regard to risk management, and supervise their exposure to risks on a permanent basis by way of indicators and ratios. Furthermore, there are general procedure instructions in order to mitigate the said exposure, such as maximum levels of investments in equities, or the credit rating of re-insurers.

The Financial Area, through the Risks Management, co-ordinates the activities relating to the quantification of risks, and in particular, the implementation of proprietary economic capital models at the operational units with the aim of complying with the future Solvency II requirements.

The Operational Units have a Risk Co-ordinator, reporting to the Administration Management, who implements the risk policies and management in each unit. The coordination of activities for the implementation of Risk Quantification Models is carried out through the Risk Committee. The degree of progress in projects and

other significant aspects are reported to MAPFRE's Senior Management through the Audit Committee.

In general terms, decisions on the underwriting of insurable risks and reinsurance covers are highly decentralised in the Units. Operational Risk-related issues are handled centrally although responsibility for their implementation and monitoring is delegated to the Units. The management of Strategic and Corporate Governance risks is highly centralised. Financial risks are managed centrally through the Group's Investments Area.

Estimation of risks and capital

MAPFRE has an internal capitalisation and dividend policy that is designed to provide the Units with the capital necessary in cover the risks that have been assumed, all in a rational and objective way. Risk estimation is made by means of a standard fixed factors model that quantifies financial risks, credit risks and insurance activity risks. In addition, the level of capital allocated to each Unit will never be lower than the legally required minimum from time to time plus a margin of 10%.

Allocated capital is determined pursuant to an estimation based on the budgets for the following year and is revised at least once a year, according to the evolution of risks.

Certain Units require a level of capitalisation that exceeds the level described in this general rule, either because they operate in a different countries with different legal requirements, or because they are rated and therefore are subject to higher financial solvency requirements. In these cases, the MAPFRE Steering Committee sets the level of capitalisation on an individual basis.

MAPFRE RE uses the estimated Equity model, based on statistical generation of the company's profit and loss account projections, obtained from various scenarios prepared using combinations of different financial and reinsurance-based assumptions, which are applied bearing in mind the particularities of the portfolio of probability of results and the economic capital necessary to ensure the company's solvency with a confidence interval of 99.6% over one year.

Use of that model is framed within a global project for the implantation of statistical models in the MAPFRE Group, in order to comply with the requisites of the future European Solvency II Directive.

Operational risks

Operational Risks are identified and evaluated with Riskm@p, a software application developed in-house at MAPFRE, which draws up the Risk Maps for the companies.

Riskm@p is also the corporate tool used for handling control activities (process manuals, inventory of controls associated to risks and evaluation of their effectiveness).

The operational risk management model is based on a dynamic analysis by Unit processes, such that the managers of each area or department can identify and evaluate on an annual basis the potential risks affecting the following processes: Product Development, Underwriting, Claims / Benefits, Administrative Management, Marketing Activities, Human Resources, Commissions, Coinsurance / Reinsurance, Technical Provisions, Investments, IT Systems, and Client Service.

Financial risks

MAPFRE's policy for mitigating its exposure to this type of risk has been based on prudent management of investments, with a significant weighting of high-class fixed-income securities in the portfolio.

In the management of investment portfolios a distinction is made between those that seek to match the obligations arising from the insurance contracts and those where there is active management. In the former, interest rate and other price variation risks are minimised, whereas in the latter the management policy envisages a certain degree of acceptance of market risks, as follows:

- In the portfolios not covering long term liability commitments, the variable in the management of the interest rate risk is the modified duration; at present, the said magnitude must stand between 3% and 7%.
- Exposure to exchange rate risk is minimised in the case of insurance liabilities. Exposure to this type of risk may not exceed a fixed percentage of assets qualified for the cover.
- Investment in equities is subject to a maximum limit of the investment portfolio, as well as to concentration limits per country and sector.
- Risk limitations are established in terms of quantitative variables that are easily observable. However, a risk analysis in probabilistic terms is carried out in accordance with historic volatilities and correlations.

With regard to the credit risk, MAPFRE's policy is based on maintaining a diversified portfolio formed by securities selected prudently on an issuer solvency basis.

Investments in fixed income and equity securities are subject to concentration limits per issuer.

Insurance activity risks

The organisation of MAPFRE, based on Units and Companies specialising in various business lines, requires them to be highly autonomous in the management of their business, in particular in the underwriting of risks and tariff fixing, as well as the indemnities or provision of services in the case of occurrences.

Premium adequacy is a particularly important element, and its determination is supported by specific computer applications.

Treatment of claim related benefits, together with the adequacy of provisions, are basic principles of insurance activity. Technical provisions are estimated by the actuarial teams of the different Units and Companies and in certain cases are also reviewed by independent experts. The preponderance of the personal injuries business at MAPFRE, with fast settlement of claims, as well as the scarce significance of insured long-tail risks, such as asbestos or professional liability, are factors that mitigate this kind of risk.

The presence of MAPFRE in countries with a higher probability of the occurrence of natural disasters (earthquakes, hurricanes, etc....) requires a special treatment for these kinds of risks which, given their frequency and intensity, may give rise to volatility in the results or require additional capital. The Units and Companies that operate with these kind of risks, mainly MAPFRE AMÉRICA, MAPFRE RE, and MAPFRE INTERNACIONAL, rely on specialised reports on catastrophe exposure, generally drawn up by independent experts, which estimate the impact on the insured risks should a catastrophic event occur. This information allows catastrophic risks to be underwritten in accordance with the financial capabilities of each company, and where necessary, the take up of re-insurance cover limiting the impact on capital. In this regard, it is important to highlight the role of MAPFRE RE, which contributes its long experience in the catastrophe risks market to the management of the Group.

With regard to the re-insurance risk, MAPFRE’s policy is to assign business to re-insurers with a proven financial capacity (Standard & Poor’s credit rating of no less than A).

For its part, MAPFRE RE determines annually the global capacity for catastrophes it allocates to each territory, and establishes the maximum capacities for underwriting and risk and event. It is also protected by risk retrocession programmes to cover variations or increases in catastrophic claim experience in the different territories

Strategic and corporate governance risks

Ethical principles applied to business management have been a permanent feature at MAPFRE and form a part of its by-laws and of its day-to-day activities. In order to regulate this business culture and to bring it into line with current legal requirements regarding to management governance and transparency, in 2008 the Governing Bodies of MAPFRE approved a revised version of the Code of Good Governance, in force since 1999. The strict application of the principles of Good Corporate Governance is considered at MAPFRE to be the most efficient way to mitigate these kind of risks.

D.2 Indicate if any of the risks facing the company and/or its group (operational, technological, financial, legal, reputational, tax, etc) have materialised:

YES

If so, indicate the circumstances and whether the control systems worked properly.

Risk materialised in the financial year
INSURANCE RISK
Circumstances that led to this
EARTHQUAKES IN JAPAN AND NEW ZEALAND AND FLOODS IN THAILAND
Operation of the control systems
The Group's losses at consolidated level have been limited to €216.9 million before tax and minority interests by the protection contracted through reinsurance and retroceded insurance.

D.3 Indicate whether there is any committee or other governing body in charge of establishing and supervising these control systems:

YES

If so, give details of what their duties are.

Name of the Committee or Body
RISK COMMITTEE
Description of duties
It is responsible for co-ordinating the drawing-up of suitable capital models, risk analysis, measurement and control and internal control.

Name of the Committee or Body
BOARD OF DIRECTORS AND STEERING COMMITTEE
Description of duties
The Group's Governing Bodies approve the Units' risk management-related courses of action, and permanently supervise the Units' risk exposure through indicators and ratios. In addition, there are general instructions on procedures for mitigating this exposure, such as maximum levels of investment in equities, or the credit rating of re-insurers.

D.4 Identify and describe the compliance processes for the regulations and standards affecting the company and/or its group.

The Group’s Secretariat General is responsible for issuing instructions and monitoring compliance with the various regulations affecting the company and the group. The Directorate-General of Internal Auditing performs a systematic process for the review of compliance with the various regulations affecting the subsidiaries of the group.



E. AGM

E.1 Indicate and where applicable give details, whether there are any differences from the minimum standards established under the Companies act with respect to the quorum and constitution of the General Meeting

NO

	% quorum different from quorum in art. 102 of the Companies Act	% quorum different from quorum in art. 103 of the Corporations Act, for the special cases cited in art. 103
Quorum required on first summons	0	0
Quorum required on second summons	0	0

E.2 Indicate and where applicable give details, whether there are any differences from the minimum standards established under the Companies act with respect to the adoption of corporate resolutions:

YES

Describe any differences from the guidelines established under the Companies Act.

Describe the differences

Pursuant to the provisions of Article 25 of the company by-laws, the amendment of the provisions of Title IV "Protection of the Company's General Interest" (Articles 25 to 30) can only be amended by a resolution approved with the votes in favour of more than fifty per cent of the share capital at the Extraordinary General Meeting specifically called for this purpose.

E.3 List all shareholders' rights regarding the general meetings different from than those established under the Companies Act.

There are no shareholders' rights in the Company other than those established under the Companies Act with respect to AGMs.

E.4 Indicate measures adopted, if any, to encourage shareholder participation at AGMs.

Shareholders have ample and easily-accessible information in order to make decisions and to vote in a reasoned manner at the AGM. They are allowed to participate with no restrictions of any kind other than the courtesy and good order necessary at a public event.

E.5 Indicate whether the AGM is chaired by the chairman of the board of directors. List measures, if any, adopted to guarantee the independence and correct operation of the AGM:

YES

Details of the measures

Article 11 of the corporate bylaws establishes that the Chairman of the AGM shall be Chairman of the Board of Directors or whoever stands in for him/her in accordance with the provisions of the by-laws.

The Chairman and the Secretary of the AGM ensure that the Meeting is conducted with the utmost respect for shareholders' rights.

To date, no incident has arisen with regard to the smooth running of the general meetings.

E.6 Indicate any changes brought into the AGM Regulations during the year.

E.7 Give attendance data on the general meetings held during the year to which this report refers:

Attendance figures					
Date of AGM	% shareholders present	% attending by proxy	E-voting	% voting remotely Others	Total
05/03/2011	0.130	80.260	0.000	0.000	80.390

E.8 Briefly indicate the resolutions adopted at the general meetings held during the year and the percentage of votes by which each resolution was passed.

At the AGM held on first call on 5th March 2011, the resolutions listed below were passed by a majority of 80.39%. 1 shareholder, holding 2,235 shares (0.000076% of the share capital) voted against the resolutions.

- Approval of the individual and consolidated Annual Accounts for financial year 2010.
- Approval of the Board of Directors' management during financial year 2010.
- Re-election for another four-year period of the Directors Messrs. José Manuel Martínez Martínez, Alberto Manzano Martos, Francisco Ruiz Risueño, Luis Hernando de Larramendi Martínez, Manuel Jesús Lagares Calvo, Antonio Miguel-Romero de Olano and Alfonso Rebuelta Badías, without prejudice to the fulfillment of the statutory requirements and the corporate governance rules.
- Appointment to the Board, for a four-year term, of Mr. Antonio Núñez Tovar, without prejudice to the fulfillment of the statutory requirements and the corporate governance rules.
- To approve the distribution of earnings proposed by the Board of Directors, and accordingly distribute a total dividend of €0.15 gross per share to shares numbers 1 to 3,012,154,351, both inclusive. Part of this dividend, in the sum of €0.07 gross per share, was paid out following a resolution passed by the Board of Directors on 27th October 2010, and the rest, up to the agreed total of €0.08 gross per share, shall be paid on a date to be determined by the Board of Directors, within the period from 1st May 2011 to 30th June 2011.
- To authorise the Board of Directors so that it may, pursuant to section 297 of the Modified Text of the Spanish Companies Act, during the five years following the date of this resolution, increase the share capital once or several times by up to a maximum of €150,607,717.55, equivalent to 50% of the share capital.
- Request that the shares that the company issues as a result of the share capital increase carried out by the Board of Directors under the authorization referred to in the preceding paragraph be listed for trading on the Stock Exchange.



— Authorization of the Board of Directors so that, pursuant to section 146 and related sections of Revised Text of the Spanish Corporations Act, the Company can proceed, directly or through subsidiaries, to the derivative acquisition of treasury shares whose face value, added to the face value of the shares already owned by the Company and its subsidiaries, does not exceed 10% of the share capital of MAPFRE, S.A. and during a term of five years calculated from the date of this resolution

— Endorse the report on the directors' remuneration policy that is submitted to the AGM for consultative purposes.

— Extend the appointment of the firm Ernst & Young, S.L. as the Company's Accounts Auditors.

E.9 Indicate the number of shares, if any, that are required to be able to attend the General Meeting and whether there are any restrictions on such attendance in the bylaws:

YES

Number of shares necessary to attend the AGM

1,500

E.10 Indicate and explain the policies pursued by the company with reference to proxy voting at the AGM.

The company does not pursue any specific policy with regard to voting by proxy at the AGM.

E.11 Indicate whether the company is aware of the institutional investors' policy regarding whether or not to participate in the company's decision making:

NO

E.12 Indicate the address and mode of access to the content on corporate governance on your web-site.

Access is as follows: www.mapfre.com

General information
Shareholders and Investors.

F. Degree of compliance with corporate governance recommendations.

Indicate the extent to which the company follows the recommendations of the unified code on corporate governance. Should the company not have complied with any of them, explain the recommendations, standards, practices and/or criteria that the company does apply.

1. The bylaws of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.

- See sections: A.9, B.1.22, B.1.23 and E.1, E.2.
- Complies

2. When a dominant and a subsidiary company are publicly traded, the two should provide detailed disclosure on:

- a) The type of activity they engage in, and any business dealings between them, as well as between the subsidiary and other group companies;
- b) The mechanisms in place to resolve possible conflicts of interest.

- See sections: C.4 and C.7
- Not applicable

3. Even when not expressly required under company law, any decisions involving a fundamental corporate change should be submitted to the General Meeting for approval or ratification. In particular:

- a) The transformation of listed companies into holding companies through the process of subsidiarisation, subsidiaries, reallocating core activities to subsidiaries that were previously carried out by the holding company, even though the holding company retains full control of the subsidiaries;
- b) Any acquisition or disposal of key operating assets that would effectively alter the company's corporate purpose;
- c) Operations that effectively entail the company's liquidation.

- Complies

4. Detailed proposals of the resolutions to be adopted at the General Meeting, including the information stated in Recommendation 28, should be made available at the same time as publication of the call to meeting.

- Complies

5. Separate votes should be taken at the General Meeting on materially separate items, so shareholders can express their preferences in each case. This rule shall apply in particular to:

- a) The appointment or ratification of directors, with separate voting on each candidate;

b) Amendments to the bylaws, with votes taken on all articles or groups of articles that are materially different.

- See section: E.8
- Complies

6. Companies should allow split votes, so financial intermediaries acting as nominees on behalf of different clients can issue their votes according to instructions.

- See section: E.4
- Complies

7. The Board of Directors should perform its duties with unity of purpose and independent judgement, according all shareholders the same treatment. It should be guided at all times by the company's best interests and, as such, strive to maximise its value over time.

It should likewise ensure that the company abides by the laws and regulations in its dealings with stakeholders; fulfils its obligations and contracts in good faith; respects the customs and good practices of the sectors and territories where it does business; and upholds any additional social responsibility principles it has subscribed to voluntarily.

- Complies

8. The board should see its core mission as approving the company's strategy and authorising the organisational resources to carry it forward, and ensuring that management meets the objectives set while pursuing the company's interests and corporate purpose. As such, the board in full should reserve the right to approve:

- a) a) The Company's general strategies and policies, and in particular:
 - i) The strategic or business plan and the annual management and budgetary targets;
 - ii) The investment and funding policy;
 - iii) The definition of how the Group companies are structured;
 - iv) The corporate governance policy;
 - v) The corporate social responsibility policy;
 - vi) The policy for senior managers' remuneration and performance assessment;
 - vii) The policy for overseeing and managing risks, and the periodic monitoring of the internal information and oversight systems.
 - viii) The pay-out policy and the treasury-stock policy, especially their limits.

- See sections: B.1.10, B.1.13, B.1.14 and D.3

b) The following decisions:

- i) At the proposal of the CEO, the appointment and possible severance of senior managers, and their compensation clauses.

- See sections: B.1.14.

- ii) Directors' remuneration and any additional remuneration to executive directors for executive responsibilities and other terms and conditions that their contracts must include.

- See section: B.1.14.

- iii) The financial information that the Company, as a publicly traded company, must disclose periodically.

- iv) Investments and/or transactions of any kind, whose high value or special characteristics make them strategic, unless the AGM is charged with approving them;

- v) The creation or acquisition of shares in special-purpose entities or entities domiciled in countries or territories considered tax havens, and any other transactions or operations of an analogous nature whose complexity could undermine the Group's transparency.

c) Transactions between the Company and its directors, its significant shareholders and/or shareholders represented on the board, and/or parties related to them ("related-party transactions").

However, board authorisation need not be required for related-party transactions that simultaneously meet the following three conditions:

1. They are carried out under arms' length contracts with standard terms and conditions, applicable en masse to a large number of customers;
2. They go through at market rates set in general by the supplier of the goods or services;
3. They are worth less than 1% of the Company's annual revenues.

Related-party transactions should only be approved on the basis of a favourable report from the Auditing Committee or any other committee entrusted with such a report; and the directors involved should neither exercise nor delegate their votes, and should withdraw from the meeting room while the board deliberates and votes.

The above powers should not be delegated with the exception of those mentioned in b) and c), which may be delegated to the Executive Committee in urgent cases and later ratified by the full board.

- See sections: C.1 and C.6
- Complies

9. In the interests of maximum effectiveness and participation, the Board of Directors should ideally comprise no fewer than five and no more than fifteen members.

- See sections: B.1.1
- Explain

The company considers that the size of the Board meets the interests of maximum effectiveness and participation, and is suited to the Group's historical performance and particular circumstances.

10. External, shareholder-nominated and independent directors should occupy an ample majority of board places, while the number of executive directors should be the minimum required to deal with the complexity of the corporate group and reflect the ownership interests they control.

- See sections: A.2 , A.3, B.1.3 and B.1.14.
- Complies

11. If any external director cannot be considered a shareholder-nominated or an independent director, the company should disclose this circumstance and the affiliations between the director and the company or its senior officers, or its shareholders.

- See section: B.1.3
- Not applicable

12. Amongst external directors, the ratio between the number of shareholder-nominated and independent directors should reflect the percentage of shares held by the company that the shareholder-nominated director represents and the remaining share capital.

This strict proportionality can be relaxed so the percentage of nominee directors is greater than would strictly correspond to the total percentage of capital they represent:

1. In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings, despite the considerable sums actually invested in absolute terms.

2. In companies with a plurality of shareholders represented on the board but not otherwise related to each other.

- See section: B.1.3 , A.2 and A.3
- Explain

Even though the shareholders that appoint the nominee directors (10) represent almost 79% of the share capital, there is a large number of independent directors (6).

13. Independent directors should account for at least one third of the total number of seats.

- See section: B.1.3
- Explain

The company has established its own criterion in the MAPFRE Code of Good Governance: at least one third of the directors must be independent directors (6) or minority nominee directors (2).

14. The Board should explain the type of each directorship to the AGM that must appoint the director or ratify their appointment. This should be confirmed or reviewed each year in the annual report on corporate governance, after verification by the Appointments & Remuneration committee. Said report should also disclose the reasons for the appointment of nominee directors at the behest of shareholders controlling less than 5% of capital; and it should explain any rejection of a formal request for a board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a nominee directorship.

- See sections: B.1.3 and B.1.4
- Complies

15. If there are few or no female directors, the board should explain the reasons and the initiatives adopted to correct the situation. In particular, the Appointments committee should take steps to ensure that, when vacancies arise:

a) The procedure for filling board vacancies has no implicit bias against women candidates;

b) The company makes a conscious effort to include women with the target profile among the candidates for board seats.

- See sections: B.1.2, B.1.27 and B.2.3.
- Complies in part

The Code of Good Governance lays down express rules in this respect for the Appointments and Remuneration Committee.

16. The chairman, who is responsible for the efficient running of the Board, should at all times ensure that the directors receive sufficient prior information for the meetings; encourage directors to debate and participate actively in the meetings, safeguarding their freedom to take their own stance and express their own opinion. He/she should organise and coordinate periodic assessment of the board with the chairs of the relevant committees and with the Bank's managing director or chief executive officer, when this is not also the chairman.

- See section: B.1.42
- Complies

17. When a company's chairman is also its chief executive, an independent director should be empowered to request a board meeting be called or new business included on the agenda; to coordinate and give voice to the concerns of external directors; and to lead the board's evaluation of the chairman.

- See section: B.1.21
- Complies in part

Pursuant to article 18 of the company by-laws, any director may request the inclusion of a point on the agenda and so any one of them has the power to make his/her concerns known to the Board of Directors.

A Board meeting may be requested by three directors, irrespective of their type of directorship.

Pursuant to the MAPFRE Code of Good Governance, every year the Board shall evaluate the performance of the Chairman, and where appropriate, the most senior executive officer, should these not be the same person, on the basis of the report drawn up for this purpose by the Appointments and Remuneration Committee. The external Vice-Chairman of the company is responsible for overseeing the evaluation of the Chairman of the Board of Directors.

18. The Secretary should take care to ensure that the board's actions:

- a) Adhere to the spirit and letter of laws and their implementing regulations, including those issued by regulators;
- b) Comply with the corporate bylaws and the regulations of the general meeting, the board of directors or others;
- c) Are informed by those good governance recommendations of the Unified Code that the company has subscribed to.

In order to safeguard the independence, impartiality and professionalism of the company secretary, his or her appointment and removal should be proposed by the Appointment committee and approved by a full board meeting; the relevant appointment and removal procedures being spelled out in the board's regulations.

- See section: B.1.34
- Complies

19. The board should meet with the necessary frequency to properly perform its functions, in accordance with a calendar and agendas set at the beginning of the year, to which each director may propose the addition of other items.

- See section: B.1.29
- Complies

20. Directors should keep their absences to the bare minimum. Absences should be quantified in the Annual Corporate Governance Report. When directors have no choice but to delegate their vote, they should do so with instructions.

- See sections: B.1.28 and B.1.30
- Complies

21. When directors or the company secretary express concerns about some proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the board meeting, the person expressing them may request they be recorded in the minutes.

- Complies

22. The board in full should evaluate the following points on a yearly basis:

- a) The quality and efficiency of the board's operation;
- b) Based on a report submitted by the Appointments committee, how well the chairman and chief executive have carried out their duties;
- c) The performance of its committees on the basis of the reports furnished by such committees.

- See section: B.1.19
- Complies

23. All directors should be able to exercise their right to receive any additional information they require on matters within the board's competence. Unless the bylaws or board regulations indicate otherwise, such requests should be addressed to the chairman or secretary.

- See section: B.1.42
- Complies

24. All directors should be entitled to call on the company for the advice and guidance they need to perform their duties. The company should provide suitable channels for the exercise of this right. Under special circumstances it could include external assistance at the company's expense.

- See section: 1.41
- Complies

25. Companies should organise induction programmes for new directors to acquaint them rapidly with the workings of the company and its corporate governance rules. Directors should also be offered refresher programmes when circumstances so advise.

- Complies

26. Companies should require their directors to devote sufficient time and effort to perform their duties effectively, and, as such:

a) The directors must inform the Appointments & Remuneration committee of their other professional obligations, in case these interfere with the dedication required to perform their duties;

b) Companies should lay down rules about the number of directorships their board members can hold.

- See sections: B.1.8, B.1.9 and B.1.17
- Complies

27. The proposal for the appointment or renewal of directors which the board submits to the General Meeting, as well as provisional appointments by co-option, should be approved by the board:

a) At the proposal of the Appointments committee for independent directors.

b) On the basis of a report by the Appointments committee for all other directors.

- See sections: B.1.2
- Complies

28. Companies should publish the following director particulars on their website and keep them permanently updated:

a) Professional experience and background;

b) Directorships held in other companies, listed or otherwise;

c) An indication as to whether the directorship is executive, shareholder-nominated or independent; in the case of nominee directors, stating the shareholder they represent or to whom they are affiliated.

d) The date of their first and subsequent appointments as a company director, and;

e) Shares and/or share options held in the company.

- Complies

29. Independent directors should not stay on as such for a continuous period of more than 12 years.

- See section: B.1.2
- Complies

30. Nominee directors must resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to nominee directors, the number of such nominee directors should be reduced accordingly.

- See sections: A.2 , A.3 and B.1.2
- Complies

31. The board of directors must not propose the removal of independent directors before the expiry of their term in office pursuant to the bylaws, except where due cause is found by the board, based on a report from the Appointments committee. In particular, due cause will be presumed when a director is in breach of his or her fiduciary duties or comes under one of the disqualifying grounds enumerated in section III.5 (Definitions) of this Code.

The removal of independent directors may also be proposed when a takeover bid, merger or similar corporate operation produces changes in the company's capital structure, in order to meet the proportionality criterion set out in Recommendation 12.

- See sections: B.1.2, B.1.5 and B.1.26
- Complies

32. Companies should establish rules obliging directors to inform the board of any circumstance that might undermine the organisation's name or reputation, tendering their resignation as the case may be, with particular mention of any criminal charges brought against them and the progress of any subsequent proceedings.

If a director is indicted or tried for any of the crimes stated in article 124 of the Companies Act, the board should examine the matter as soon as possible and, in view of the particular circumstances, decide whether or not he or she should be called on to resign. The board should also disclose all such determinations in the Annual Corporate Governance Report.

- See sections: B.1.43, B.1.44
- Complies

33. The directors should clearly express their opposition when they consider that a resolution submitted to the Board may not be in the Company's best interest. In particular, independents and other directors unaffected by the conflict of interest should challenge any decision that could go against the interests of shareholders lacking board representation.



When the Board adopts material or reiterated resolutions on issues about which a director has expressed serious reservations, said director must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next Recommendation.

This Recommendation should also apply to the company secretary, even if the secretary is not a director.

— Complies

34. If leaving office before the end of its term, the director should explain the reasons in a letter sent to all board members. Whether or not such resignation is filed as a significant event, the reasons for leaving must be explained in the Annual Corporate Governance Report.

→ See section: B.1.5
— Complies in part

The two directors who resigned during this financial year explained their decision verbally to the plenary Board meeting and had presented their letters of resignation previously to the Chairman of the Board of Directors.

Mr. Lagares resigned from his office on the Board in compliance with the SISTEMA MAPFRE Code of Good Governance owing to the 12-year limit on mandate for independent directors, and Mr Homet resigned owing to the 5-year limit for ex-executives also provided in that Code.

35. The company's remuneration policy, as approved by its board of directors, should specify at least the following points:

a) Amount of the fixed components, itemised where applicable, for per diem payments for attending the board and its committee meetings and an estimate of the fixed annual remuneration ensuing on this;

b) Variable remuneration items, including, in particular:

- i) The types of directors they apply to, with an explanation of the relative weight of variable to fixed remuneration items.
- ii) Performance evaluation criteria used to calculate entitlement to the award of shares or share options or any performance-related remuneration;
- iii) The main parameters and grounds for any system of annual bonuses or other, non cash benefits; and
- iv) An estimate of the sum total of variable payments arising from the remuneration policy proposed, as a function of degree of compliance with pre-set targets or benchmarks.

c) The main characteristics of pension systems (for example, supplementary pensions, life insurance and similar arrangements), with an estimate of their amount or annual equivalent cost.

d) Conditions that the contracts of executive directors in senior management must respect, including:

- i) Duration;
- ii) Notice periods: and

iii) Any other clauses covering hiring bonuses, as well as indemnities or ringfencing in the event of early termination or rescission of the contractual relationship between company and executive director.

→ See section: B.1.15
— Complies

36. Remuneration comprising the delivery of shares in the company or other companies in the group, share options or other share-indexed instruments, payments indexed to the company's performance or membership of pension schemes should be confined to executive directors.

The delivery of shares is excluded from this limitation when directors are obliged to retain them until the end of their term of office.

→ See sections: A.3, B.1.3
— Complies

37. External directors' remuneration should sufficiently compensate them for the dedication, qualifications and responsibilities that the post entails; but should not be so high as to compromise their independence.

— Complies

38. Deductions should be made to remuneration linked to company earnings, for any qualifications stated in the external auditor's report that reduce such earnings.

— Complies

39. In the case of variable awards, remuneration policies should include technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, atypical or exceptional transactions or circumstances of this kind.

— Complies

40. The board should submit a report on the directors' remuneration policy to the advisory vote of the General Meeting, as a separate point on the agenda. This report can be supplied to shareholders separately or in the manner each company sees fit.



The report will focus on the remuneration policy the board has approved for the current year with reference, as the case may be, to the policy planned for future years. It will address all the points referred to in Recommendation 35, except those potentially entailing the disclosure of commercially sensitive information. It will highlight the most significant changes in these policies compared to those applied during the year prior to that put before the AGM. It will also include a global summary of how the remuneration policy was applied during said prior year.

The board should also report to the General Meeting on the role of the Remuneration committee in designing the policy, and identity any external advisors engaged.

- See section: B.1.16
- Complies

41. The notes to the annual accounts should list individual directors' remuneration in the year, including:

- a) Itemisation of each company director's remuneration, to include where appropriate:
 - i) Attendance fees and other fixed payments for directorship;
 - ii) Additional remuneration for acting as chairman or member of a board committee;
 - iii) Any payments made under profit-sharing or bonus schemes, and the reason for their accrual;
 - iv) The payments made to any director's defined-benefit pension scheme; or increase in the director's vested rights when linked to contributions to defined-benefit schemes;
 - v) Any severance packages agreed or paid;
 - vi) Any remuneration they receive as directors of other companies in the group;
 - vii) The remuneration executive directors receive in respect of their senior management posts;
 - viii) Any kind of remuneration other than those listed above, of whatever nature and provenance within the group, especially when it may be accounted a related-party transaction or when its omission would detract from a true and fair view of the total remuneration received by the director.
- b) A breakdown of shares, share options or other share-based instruments delivered to each director, itemised by:
 - i) Number of shares or options awarded in the year, and the terms set for exercising the options;
 - ii) Number of options exercised in the year, specifying the number of shares involved and the exercise price;
 - iii) Number of options outstanding at the annual close, specifying their price, date and other exercise conditions;
 - iv) Any change in the year in the exercise terms of previously awarded options.

c) Information on the relationship in the previous year between the remuneration obtained by executive directors and the company's earnings or any other measure of performance.

- Complies in part

The detail of individual remuneration paid by the company to its directors during the financial year is shown in the Report on MAPFRE, S.A.'s remuneration policy for the financial year 2011, included in Recommendation 40, instead of the annual report, for more precise information.

That report includes the itemised remuneration received by all directors for performance of their duties on the Board and delegate committees, as well as itemised remuneration (fixed and variable) paid by MAPFRE, S.A. to executive directors and additional information on any other assimilated concept.

For greater clarity, please see the Report on MAPFRE, S.A.'s remuneration policy for the financial year 2011.

42. When the company has an executive committee, the breakdown of its members by director category should be similar to that of the board itself. The secretary of the board should also act as secretary to the executive committee.

- See sections: B.2.1 and B.2.6
- Explain

The company has its own criterion, configuring it as a delegated body that is fully executive, with the presence of the senior managers of the main bodies of the Group, and with the presence of two external nominee directors.

43. The board should be kept fully informed of the business transacted and resolutions adopted by the Executive committee. To this end, all board members should receive a copy of the committee's minutes.

- Complies

44. In addition to the Audit committee mandatory under the Securities Market Act, the board of directors should form a committee, or two separate committees, for appointments and remuneration.

The rules governing the composition and operation of the Auditing committee and the committee(s) for appointments and remuneration should be set forth in the board regulations, and include the following:

- a) The board of directors should appoint the members of such committees in view of the knowledge, skills and experience of its directors and the terms of reference of each committee; discuss their proposals and reports; and be responsible for overseeing and evaluating their work, which should be reported to the first full board meeting following each meeting;

b) These committees should be formed exclusively of external directors and have a minimum of three members. Executive directors or senior management may also attend meetings at the committees' express invitation.

c) These committees should be chaired by an independent director.

d) They may engage external advisors, when they feel this is necessary for the discharge of their duties.

e) Meeting proceedings should be minuted and a copy sent to all board members.

- See sections: B.2.1 and B.2.3
- Complies in part

All recommendations are complied with except for sections b) and c). Both Committees have executive directors and the chairman of the Appointments and Remuneration Committee is not an independent board member.

45. The job of supervising compliance with internal codes of conduct and corporate governance rules should be entrusted to the Auditing committee, the appointments committee or, as the case may be, separate compliance or corporate governance committees.

- Complies

46. All members of the audit committee, particularly its chairman, should be appointed with regard to their knowledge and background in accounting, auditing and risk management.

- Complies

47. Listed companies should have an internal audit function, under the supervision of the audit committee, to ensure the proper operation of internal reporting and control systems.

- Complies

48. The head of internal audit should present an annual work programme to the audit committee; report to it directly on any incidents arising during its implementation; and submit an activities report at the end of each year.

- Complies

49. The oversight and risk management policy should specify at least:

a) The different types of risk (operational, technological, financial, legal, reputational, etc) the company is exposed to, with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks;

b) The level of risk that the company considers acceptable;

c) The measures established to mitigate the impact of the risks identified, should they materialise;

d) The internal oversight and reporting systems that will be used to control and manage said risks, including contingent liabilities and off-balance-sheet risks.

- See section: D
- Complies

50. The Audit committee's role should be:

1. With respect to internal control and reporting systems:

- a) To supervise the process of drawing up the financial information and its integrity for the Company and its Group, reviewing compliance with regulatory requirements, suitable scope of the consolidation perimeter and the correct application of accounting principles.
- b) To periodically review the systems of internal risk management and oversight to ensure the main risks are identified, managed and sufficiently well known.
- c) To ensure the independence and efficacy of the internal audit. To propose the selection, appointment, re-election and severance of the internal audit officer. To propose the budget for the internal audit service. To receive periodic information on their activities; and to check that the senior management takes the conclusions and recommendations of their reports into account.
- d) To establish and supervise a mechanism that enables employees to confidentially and, if this is deemed appropriate, anonymously communicate irregularities they notice within the company that may be of potential importance, especially financial and accounting irregularities.

2. With respect to the external auditor:

- a) To put to the Board the proposals for selection, appointment, re-election and substitution of the external auditor and the terms and conditions of engagement.
- b) To receive regular information from the external auditor on the auditor's office plan and the outcome of its execution, verifying that the senior management takes due note of its recommendations.
- c) To ensure the independence of the external auditor, to which end:
 - i) The company should notify any change of auditor to the CNMV as a significant event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.
 - ii) Also to ensure that the company and the external auditor respect prevailing standards on the provision of services other than auditing, the limits on concentration of the auditor's business and, in general, other standards established to guarantee auditors' independence;
 - iii) Should the external auditor resign, to examine the circumstances leading to the resignation.

- d) In groups, to help the group auditor take responsibility for auditing the companies belonging to it.

→ See sections: B.1.35, B.2.2, B.2.3 and D.3
 – Complies

51. The Auditing Committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.

– Complies

52. The Audit Committee should prepare information on the following points from Recommendation 8 for input to board decision-making:

a) The financial information that the Company, as a publicly traded company, must disclose periodically. The committee should ensure that interim statements are drawn up under the same accounting principles as the annual statements and, to this end, may ask the external auditor to conduct a limited review.

b) The creation or acquisition of shares in special-purpose entities or entities domiciled in countries or territories considered tax havens, and any other transactions or operations of an analogous nature whose complexity could undermine the group's transparency.

c) Related-party transactions, except where their scrutiny has been entrusted to some other supervision and control committee.

→ See sections: B.2.2 and B.2.3
 – Complies

53. The Board of Directors shall try to avoid the accounts it has filed being presented to the AGM with reservations and qualifications. When this is not possible, both the chair of the Audit committee and the auditors must clearly explain the content and scope of discrepancies to the markets and shareholders.

→ See section: B.1.38
 – Complies

54. Que la mayoría de los miembros de la Comisión de Nombramientos –o de Nombramientos y Retribuciones, si fueran una sola– sean consejeros independientes.

→ See section: B.2.1
 – Explain

The company has its own criterion with regard to the proper make-up of the Appointments and Remuneration Committee (which may be seen in detail in sub-section B.2.1. of this report).

55. The Appointments Committee should have the following duties in addition to those stated in earlier recommendations:

a) Evaluate the balance of skills, knowledge and experience required on the board, define the roles and capabilities required of the candidates to fill each vacancy accordingly, and decide the time and dedication necessary for them to properly perform their duties.

b) Examine or organise, in the manner it deems suitable, the succession of the chairman and/or chief executive officer and put corresponding proposals to the board for an orderly, well-planned succession.

c) Report on the senior officer appointments and removals that the chief executive proposes to the board.

d) Report to the board on the gender diversity issues discussed in Recommendation 14 of this code.

→ See section: B.2.3
 – Complies

56. The appointments & remuneration committee shall consult with the company chairman and the chief executive officer with respect to matters related to executive directors.

Any board member may suggest directorship candidates to the appointment committee for its consideration.

– Complies

57. The appointments committee should have the following duties in addition to those stated in earlier recommendations:

- a) Propose to the Board of Directors:
 - i) The policy for directors' and senior managers' remuneration;
 - ii) The individual remuneration and other contractual conditions of executive directors.
 - iii) The core conditions for senior officer employment contracts.

b) Oversee compliance with the remuneration policy set by the company.

→ See sections: B.1.14, B.2.3
 – Complies



58. The appointments & remuneration committee shall consult with the company chairman and the chief executive officer, especially with respect to matters related to executive directors and senior managers.

— Complies

G. Other information of interest

List and explain below the contents of any relevant principles or aspects of corporate governance applied by the company that have not been covered by this report.

This section may include any other relevant information, clarification or detail related to previous sections of the report.

Specifically indicate whether the company is subject to corporate governance legislation from any country other than Spain and, if so, include the compulsory information to be provided when different from that required by is report.

The company adheres to and complies with the contents of the Code of Good Fiscal Practices approved and promoted by the Forum of Corporations and the Spanish Tax Office.

Binding definition of independent director:

Indicate whether any of the independent directors has or has had any relationship with the company, its significant shareholders and/or its executives which, if sufficiently significant, would have meant that the director could not be considered independent under the definition given in section 5 of the unified code of good governance:
NO

Date and signature:

This annual report on corporate governance has been approved by the Company's board of directors on 08/02/2012.

Indicate whether any members have voted against or abstained with respect to the approval of this report

NO

Appendix to the annual Corporate Governance Report of MAPFRE, S.A. for the financial year 2011

Introduction

Additional information to the MAPFRE, S.A. Corporate Governance annual report for the financial year 2011 is provided to complete the new minimum content to be offered in that report pursuant to Section 61 bis of the Securities Market Act (Law 24/1988), as amended by the Sustainable Economy (Law 2/2011), of 4th March.

INFORMATION ON SECURITIES THAT ARE NOT TRADED IN A REGULATED COMMUNITY MARKET.

The company has no securities that are not traded in a regulated community market. All MAPFRE, S.A. shares are listed in the continuous market, on the Madrid and Barcelona Stock Exchanges ISIN Code: ES0124244E34.

INFORMATION RELATIVE TO THE RULES APPLICABLE TO AMENDMENT OF THE COMPANY'S ARTICLES OF ASSOCIATION.

There are no particularities other than those established in legislation in force for amendment of the company's articles of association, except for amendment of Articles 25 to 30 (Title IV- Protection of the Company's General Interest). As stated in paragraph E.2 of the Annual Report on Corporate Governance, a resolution adopted with the favourable vote of more than fifty percent of share capital at the Extraordinary General Shareholders' Meeting specially called for that purpose is necessary.

Accordingly, for amendment of all other articles of association, Articles 288, 194 and 201 of the Capital Companies Act will apply, whereby the quorum necessary to discuss this matter at the Ordinary or Extraordinary Shareholders' Meeting will be at least fifty percent of share capital with voting rights on the first call, and twenty-five percent on the second call, and the favourable vote of the majority of attendees will also be necessary if fifty percent of share capital is present or the favourable vote of two thirds of capital present or represented at the meeting when shareholders present on the second call do not represent fifty percent.

In all events, Directors or shareholders who table the amendment of articles of association must prepare a written report accrediting that amendment, which will be placed at the disposal of all shareholders when the Annual General Meeting is called.

At the same time, pursuant to the MAPFRE, S.A. Annual General Meeting Regulations and the SISTEMA MAPFRE Code of Good Governance, in the event of amendment of the articles of association each article or substantially independent set of articles will be voted separately.



ANY RESTRICTION ON THE TRANSFERABILITY OF SECURITIES AND ANY RESTRICTION ON VOTING RIGHTS.

There have never been any legal or statutory restrictions on the acquisition or transfer of securities and neither has there any article of association that limits the maximum number of votes that can be cast by a shareholder.

Pursuant to the Articles of Association each share gives the right to one vote. However, shareholders with 1,500 shares entered in the Accounting Record five days prior to the date of the holding of the meeting shall be entitled to attend it. Shareholders with a smaller number of shares than indicated above may group together until at least completing that number. They must appoint a representative and communicate this to the Secretary of the Board of Directors of the Company five days prior to the date of the meeting in a letter signed by all the shareholders in the group and with the name and acceptance of the representative shareholder, who will exercise the right to vote on behalf of all of them.

They may also delegate their representation in the meeting to another shareholder with the right to attend under the law, grouping their shares together with those of that shareholder. The group must be set down in writing specifically for each meeting.

See sections A.10, E.9 and F.1 of the Annual Corporate Governance Report.

INFORMATION ON SIGNIFICANT RESOLUTIONS ADOPTED BY THE COMPANY AND THAT TAKE EFFECT, ARE AMENDED OR CONCLUDED IN THE EVENT OF A CHANGE IN CONTROL OF THE COMPANY ON ACCOUNT OF A TAKEOVER BID AND ITS EFFECTS.

There are no significant resolutions adopted by the company and that take effect, are amended or concluded in the event of a change in control of the company on account of a takeover bid.

AGREEMENTS BETWEEN THE COMPANY AND ITS ADMINISTRATION AND MANAGEMENT OR EMPLOYEES WHO RECEIVE INDEMNITIES WHEN DISMISSED OR WHO ARE UNFAIRLY DISMISSED OR WHEN THE RELATIONSHIP COMES TO AN END ON THE OCCASION OF A TAKEOVER BID.

Cessation or resignation of a company director will not entail an indemnity. Nor will voluntary resignation of senior management or other workers entail any indemnity, with the exception of default on the company's legal obligations.

Possible indemnities for resignation for a fair cause by any worker or member of senior management –that implies default by the company- or for cessation at the decision of the company, are referred in all events to Article 56.1.a) of the Workers' Charter.

There are no specific provisions in employment or senior management contracts in the event that the relationship comes to an end on the occasion of a takeover bid; nevertheless, in such event the provisions of Article 10 of Royal Decree 1382/1985, of

1st August, which regulates the special Senior Management employment relationship will apply, paragraph d) of which permits the senior management member to resign with the right to indemnity mentioned above, in the event of succession of the company or a significant change in its ownership, which results in a renewal of its governing bodies or the content and approach to its main activity.

INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT IN THE PROCEDURE FOR THE ISSUE OF FINANCIAL INFORMATION (SCIIF).

Description of the mechanisms that comprise control systems and risk management in relation to the company's procedure for the issue of financial information (SCIIF).

1 Company's control environment

1.1. Bodies and offices responsible for: (i) the existence and maintenance of an appropriate and effective SCIIF; (ii) its implementation and (iii) its supervision.

MAPFRE's Internal Control system is a set of ongoing procedures, which are the responsibility of the Board of Directors, Senior Management and all other MAPFRE personnel, and are designed to offer reasonable certainty vis-à-vis the accomplishment of its established targets.

The Board of Directors delegates ordinary management to the Steering Committee and to Senior Management, and reserves the approval of risk control and management policies and approval of the periodic follow-up of both internal information and control systems and financial information to be published by the Company owing to its status as a listed company.

The Audit Committee, in relation to internal information and control systems, holds competencies, among others, a) to supervise the preparation procedure and the integrity of financial information relative to the Company and the Group, reviewing compliance with rules applicable, the appropriate delimitation of consolidation perimeters, and the correct application of accounting standards; b) To periodically review the systems of internal risk management and oversight to ensure the main risks are identified, managed and sufficiently well known.

1.2. Departments and/or mechanisms entrusted with: (i) the design and review of the organisational structure; (ii) the clear definition of lines of responsibility and authority, ensuring the existence of sufficient procedures for correct diffusion in the company. All relative to the procedure for the preparation of financial information.

The Code of Good Governance establishes the corporate and business structures of the Group; operational and functional; supervision and coordination, as well as senior management entrusted with representation and management.

The Board of Directors reviews and authorises the Group's organisational structure, and approves the lines of responsibility and authority based on the organisational structure defined.

The distribution of jobs and duties is performed by the area manager following instructions from the Resources and Means Area.

The Secretariat General establishes the accounting policies and standards applicable to the Group, and the Finance Area is responsible for coordination between the various Corporate Units and Areas in relation to the financial information preparation procedure.

1.3. Code of conduct, approval body, degree of diffusion and instruction, principles and values included, body entrusted with analysing defaults and proposing corrective measures and sanctions, in relation to the financial information preparation procedure.

The Code of Ethics and Conduct, approved by the Delegate Committee at its meeting held on 23rd June 2009, is published on the Group's Intranet or internal portal. It is inspired by the institutional and business principles contained in the Code of Good Governance and is intended to reflect corporate values and the basic principles that should guide the conduct of MAPFRE and its staff.

To guarantee application of the Code, as well as supervision and control of its compliance, the Ethics Committee was created as the body entrusted with ensuring its compliance and analysing and resolving complaints lodged for its noncompliance.

1.4. Whistleblower Channel that permits the communication of financial and accounting irregularities to the Audit Committee, in addition to possible breaches of the code of conduct and irregular activities in organisation, indicating, as the case may be, that the information is confidential.

The modus operandi of the MAPFRE Group Whistleblower Channel for Financial and Accounting Complaints, approved by the Audit Committee at its meeting held on 3rd May 2011, is published on the Group's Intranet or internal portal.

The Secretariat General is responsible for administrative management of that Whistleblower Channel and controls and files complaints received, and refers those that comply with the modus operandi established to the Audit Committee.

The Financial and Accounting Whistleblower Channel permits Group employees to notify the Audit Committee, via email or written correspondence, irregularities with a potential financial and accounting transcendence detected within the company. Without prejudice to the rights of those reported, MAPFRE guarantees confidentiality of the whistleblower.

1.5. Training schemes and periodic updating for personnel involved in the preparation and review of financial information, as well as evaluation of the SCIIF, which covers, at least, accounting rules, audit, internal control and risk management.

The Resources and Means Area designs specific training schemes for the various collectives in the company based on their professional needs and interests, with

particular emphasis on the e-learning course on internal control rules to be followed obligatorily by Group employees.

Specifically, with regard to the preparation of financial information, the Secretariat General issues circulars containing instructions, and includes an update of the rule applicable.

At the same time, those responsible for financial management have specific models and instructions for the preparation of financial information, provided in the consolidation manual and accounting models that are updated annually.

2 Risk assessment of financial information

The main characteristics of the risk identification procedure, including error or fraud, in relation to:

2.1. If the process exists and is documented.

On 8th February 2005, the Board of Directors agreed to create the Risk Management System (SGR) throughout the Group, based on integrated management of each and every one of the business procedures, and on adapting the degree of risk to strategic objectives established.

2.2. Whether the procedure covers all financial information targets (existence and occurrence; integrity; valuation; presentation, breakdown and comparability; and rights and obligations), whether it is updated and how frequently.

The identification of risks that affect the reliability of financial information materialises in the evaluation of operational risks, inasmuch as these include the objectives of existence and occurrence, integrity, valuation, presentation, breakdown and comparability and rights and obligations.

Operational risk management, integrated in the MAPFRE Risk Management System, is conducted through the Riskm@p IT application, developed internally by MAPFRE, and the management model is based on a dynamic analysis by procedures, so that the managers of each area or department can identify and evaluate potential risks that affect both business procedures and supports.

Based on risk evaluations made, Riskm@p enables an analysis of the sustainability of economic magnitudes depending on the risks by which they are affected.

2.3. The existence of a procedure for identification of the consolidation perimeter, bearing in mind, inter alia, the possible existence of complex corporate structures, instrumental companies or those with a special purpose.

The MAPFRE Consolidation Manual prepared by the Financial Area describes the identification procedure for the consolidation perimeter, and is updated monthly.

2.4. Whether the procedure takes into account the effects of other risk typologies (operational, technological, financial, legal, reputational, environmental, etc.

The different types of risk that form the Risk Management System have been grouped in four areas or categories as detailed below:

Operational Risks	This covers twenty-three types of risks grouped into the following risk areas: actuarial, legal, technology, staff, associates, procedures, information, fraud, market, and material assets.
Financial Risks	Includes interest-rate, liquidity, exchange-rate, market and credit risks.
Insurance Activity Risks	This groups together, separately for Life and Non-Life, the risks of premium shortfalls, the sufficiency of technical provisions, and re-insurance risk.
Strategic and Corporate Governance Risks	Includes corporate ethics and good corporate governance risks, organisational structure risks, alliance risks, mergers and acquisitions risks, risks arising from the regulated environment, and finally, market and competition risks.

2.5 Which of the entity’s governing bodies oversees the process.

The Audit Committee’s powers with regard to the information and internal control systems include to periodically review the systems of internal risk management and oversight to ensure the main risks are identified, managed and sufficiently well known.

3. Control activities

3.1. Procedures for review and authorisation of financial information and description of the SCIIF, to be published in securities markets, indicating those responsible, as well as descriptive documentation on activity and control flows (including those relative to the fraud risk) of the different types of transactions that could have a material effect on financial statements, including the procedure for close of accounts and specific review of lawsuits, estimates, valuations and relevant projections.

The Financial Area consolidates All the financial information about MAPFRE S.A. and its subsidiaries and prepares the reports with the financial information.

The Internal Audit Area evaluates the reliability and integrity of individual and consolidated accounting and financial information prepared by MAPFRE SA, Divisions, Units and Operational Companies, Controlled Companies and Corporate Areas, as well as the validity, sufficiency and application of accounting and legal principles and standards, which it presents to the Audit Committee.

The Audit Committee verifies that the Annual Accounts, and the half-yearly and quarterly financial statements and other financial information that must be filed with regulatory or supervisory bodies are true, complete and sufficient in order to provide a true and fair view of the MAPFRE Group’s net worth, financial position and results; that they have been issued according to the accounting rules and criteria in force internally as laid down by the Group General Secretariat, and that they are provided on time and with the correct content.

The Board of Directors approves the terms of financial information to be published periodically by the Company.

Within the risk management procedure, manuals are prepared that describe the procedures and activities that exist, based on the jobs and participants therein, identifying the associated risks and controls by which they are offset, referred to the consolidation procedure and deterioration test calculation, and this information is fed to the Riskm@p corporate application.

The closing calendar drawn up by the Secretariat General details the main activities in the consolidation procedure and preparation of the annual accounts and its controls, and sets deadlines for compliance.

At the same time, a review of the estimates and assumptions used, based on historical experience and on other factors that may be considered more reasonable from time to time, is given in the instructions for close of accounts. That review is conducted periodically, and changes in estimates that occur over a determined period are applied during that period and, as the case may be, successive periods.

3.2. Internal control policies and procedures for information systems (inter alia, safe access, change control, operation thereof, operational continuity and segregation of duties) that concern the company’s relevant procedures in relation to the preparation and publication of financial information.

The Resources and Means Area, through the Subdirectorate General for Safety and the Environment, acts with regard to regulations related to the safety of information.

In particular, the measures established are defined in a Documentary Safety System (SDSI) or Regulatory Corpus for the Safety of Information, organised by targets set in the Information Safety Plan (PSI) approved by the Management Committee on 22 December 2004.

Both the policy and the rules and standards of this Regulatory Corpus for the Safety of Information are published on the internal portal (Intranet) to enable all employees access thereto.

At the same time, the Master Plan for Safety and the Environment, approved by the Steering Committee in December 2010, establishes the strategic framework and model for applying the various safety and environmental measures.



In addition, the Group has a Policy, a Governance Framework and a Business Continuity Methodology that define the framework and actions necessary to guarantee the correct functioning of operations vis-à-vis the occurrence of an incident, so that its impact will be minimal.

Furthermore, the Internal Audit Area verifies appropriate functioning of the Internal Control System in its various aspects, and the Technologies and Procedures Area offers support to procedures addressed at their maintenance from a single perspective.

3.3. Internal control policies and procedures addressed at supervising the management of activities subcontracted to third parties, as well as those aspects of evaluation, calculation or valuation entrusted to independent experts, which can have a material effect on financial statements.

In general, relations with suppliers are articulated by specific managers by business areas, for technological goods and services they handle in relation thereto. The selection of goods and services to third parties is made using objective professional and economic criteria in compliance with internal rules on selection and contracting established.

All services subcontracted materialise under specific contracts, and providers are supervised directly by the contracting Units or Areas.

The Resources and Means Area is currently developing a global purchasing and service contracting plan, to be implanted progressively in coming financial years, which includes the definition of criteria, procedures and systems for the control thereof

4. Information and Communication

4.1. Specific function entrusted with defining, updating accounting policies (accounting policies area or department) and resolving doubts or disputes deriving from their interpretation, keeping a fluid communication with those responsible for operations in the organisation, as well as an updated manual of accounting rules that is communicated to the units through which the company operates.

The Subdirector General of Accounting Coordination of the Secretariat General is entrusted with defining and updating accounting policies and rules applicable that concern Group Information, and for resolving consultations and disputes deriving from their interpretation.

At the same time, it maintains a close and fluid relationship with the Group's Financial Area, with the financial managements of the various Units and with the Corporate Areas, to which it communicates formally established accounting procedures and rules.

The Subdirector General of Accounting Coordination updates the annual accounts models applicable to the various Group companies, which include accounting policies and breakdowns of information to be presented. The Subdirector General of Control and Economic Information of the Financial Area defines instructions on policies and breakdowns for preparation of the Group's consolidated information using the consolidation manual.

4.2. Mechanisms for the capture and preparation of financial information with homogeneous formats, for application and use by all units of the company or the group, that support the main financial statements and notes, as well as information provided on the SCIIF.

Since March 2010, the management of financial information on MAPFRE Group companies is conducted using the corporate consolidation application, a tool that represents a centralised database (common and single data repository), which is parameterised by the consolidation rule and with process controls.

Within the procedure for preparation of financial information, the consolidation certificate represents the medium for communication of the information necessary in the consolidation procedure or in the preparation of consolidated financial statements.

Based on the information contained in the consolidation certificates and using the accounts model approved by the Subdirector General of Accounting Coordination, the Subdirector General of Control and Economic Information prepares the annual accounts and all other financial statements.

5. Supervision of the system's operation

5.1. Supervision of the SCIIF conducted by the Audit Committee and whether the company has an internal audit duty that includes the competencies of support to the committee in its supervision of the internal control system, including the SCIIF. At the same time, the scope of evaluation of the SCIIF made during the financial year and the procedure whereby the person responsible for executing the evaluation communicates its results will be reported, whether the company has a plan for action that describes possible corrective measures, and whether its impact on financial information has been taken into account.

While supervising the SCIIF, the Audit Committee verifies the following information:

- The management report and individual and consolidated annual accounts of MAPFRE S.A. and its controlled companies.
- The report on review of intermediate, summarised, consolidated financial statements of MAPFRE S.A. corresponding to the intermediate period ending on 30th June of each financial year.



— The information that MAPFRE S.A. sends every quarter to the Spanish Securities and Exchange Commission (CNMV). Previously, this economic-financial information is reviewed by the Directorate General of Internal Audit, which issues a report in which it is emphasised that MAPFRE S.A.'s intermediate financial statements were prepared applying the same criteria applied to the annual accounts and that these are reasonable, objective and verifiable, with prevalence of the principle of reasonable care over any other.

— The information prepared by MAPFRE S.A. for investors and analysts, which is reviewed and analysed by the Audit Committee before publication.

In addition, the Audit Committee approves the annual audit plan and conducts a periodic follow-up thereof.

MAPFRE S.A. has a Subdirector General of Internal Audit composed of 4 Internal Audit Departments located in Spain (Direct Insurance Spain, Direct Insurance International, Global Business and Information Technologies) and 15 Internal Audit Units abroad, which are fully independent and which review and evaluate the suitability and correct functioning of all Company procedures, as well as the Internal Control System.

The Internal Audit Charter provides that the Internal Audit Area has, inter alia, the following duties:

- To supervise the suitability and efficacy of the Internal Control System and other elements of the Governance System, which is centred on:
 - Evaluation of the suitability, sufficiency and efficacy of elements of the Internal Control System.
 - Evaluation of the Risk Management System (SGR) based on integrated management of each and every one of the business procedures and on suitability of the level of risk for the strategic targets of GRUPO MAPFRE.
 - Evaluation of the suitability and performance of governance duties included in the Governance System provided in Solvency Directive II.
 - Contribution towards good corporate governance by verification of compliance with the rules established in the MAPFRE Code of Good Governance.
- Evaluation of the reliability and integrity of accounting and individual and consolidated information and other economic information prepared by MAPFRE S.A.; Operational Units and/or Divisions, Controlled Companies and Corporate Areas, as well as the validity, sufficiency and application of accounting and legal principles and rules.

Evaluation and valuation by the Directorate General of Internal Audit follows a pre-established methodology approved by the Audit Committee, based on objective variables. The result of this review is presented to the heads of the Units and to the Audit Committee and to the Board of Directors of that company, which, pursuant

to regulations applicable, issues an annual report on the effectiveness of Internal Control procedures.

In addition, each Internal Audit Unit or Department issues a report on recommendations for each company, establishing measures to be implanted to improve, whenever necessary, the Internal Control System. Subsequently, a follow-up is conducted of measures adopted to comply with the recommendations given.

At the same time, the external auditor, within his audit procedures conducted to validate the annual accounts, reviews the SCIIF and issues a preliminary report on recommendations during his interim visit, and, if necessary, issues an internal control report during his final visit. Those reports, which include measures the company's management undertakes to adopt to implant each recommendation, are presented to the Audit Committee.

Every year, the Audit Committee holds a monographic meeting on internal control, at which the evaluations and recommendations issued by the Internal Audit Area on the Internal Control System (which includes the SCIIF) are analysed, along with the Internal Control Reports approved by the Boards of Directors of the various Group companies in Spain.

5.2. Procedure for discussion whereby the account auditor (pursuant to the provisions of the NTAs), based on the internal audit and other experts, can communicate to key management and to the Audit Committee or company directors significant weaknesses in internal control identified during procedures to review the annual accounts or others that may have been commissioned. Action plan that endeavours to correct or mitigate the weaknesses observed.

Communication with the external auditor is very frequent and fluid in MAPFRE S.A. and all its subsidiaries. Both at the beginning, during and at completion of work to review the company's annual accounts by the external auditors, planning, follow-up and coordination meetings are held, which are attended by external auditors, internal auditors, the Secretariat General and those responsible for the accounting, administration and other areas concerned. At the same time, at completion of work a meeting is held with the Director General of Internal Audit to publicise the results and conclusions detected. Action plans are available to correct or mitigate weaknesses observed, which incorporate the responses prepared by Management to the recommendations put forward by the external auditors; these plans are submitted to the Audit Committee.

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Annual Consolidated Financial Statements 2011



A) Consolidated balance sheet as at 31 december 2011 and 2010

ASSETS	NOTES	2011	2010
A) INTANGIBLE ASSETS	6.1	4,716.52	3,156.03
I. Goodwill	6.1	2,266.41	2,258.39
II. Other intangible assets	6.1	2,450.11	897.64
B) PROPERTY, PLANT AND EQUIPMENT	6.2	1,441.98	1,400.93
I. Property for own use	6.2	1,060.02	1,001.66
II. Other property, plant and equipment	6.2	381.96	399.27
C) INVESTMENTS		33,758.38	30,988.77
I. Investments in property	6.2	1,443.13	1,467.14
II. Financial investments			
1. Portfolio held to maturity	6.4	1,766.97	1,108.70
2. Portfolio available for sale	6.4	26,888.45	26,392.10
3. Trading portfolio	6.4	2,998.64	1,177.90
III. Investments recorded applying the equity method	3.1	130.44	400.26
IV. Deposits established for accepted reinsurance		256.96	234.00
V. Other investments		273.79	208.67
D) INVESTMENTS ON ACCOUNT OF LIFE POLICYHOLDERS BEARING THE INVESTMENT RISK	6.5	1,878.65	1,716.73
E) INVENTORIES	6.6	123.62	129.77
F) PARTICIPATION OF REINSURANCE IN TECHNICAL PROVISIONS	6.14	3,305.34	3,092.60
G) DEFERRED TAX ASSETS	6.21	1,264.25	969.90
H) CREDITS & RECEIVABLES	6.7	5,376.88	4,133.11
I. Credits on direct insurance and coinsurance operations	6.7	3,266.70	2,732.80
II. Credits on reinsurance operations	6.7	711.00	718.66
III. Tax credits			
1. Tax on profits to be collected	6.21	126.50	28.67
2. Other tax credits		69.60	187.38
IV. Corporate and other credits	6.7	1,203.08	465.60
V. Shareholders, called capital		--	--
I) CASH AND BANK	6.9	1,254.35	1,497.41
J) ACCRUAL ADJUSTMENTS	5.12	1,574.17	1,347.43
K) OTHER ASSETS		150.23	146.82
L) NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	6.10	11.28	92.81
TOTAL ASSETS		54,855.65	48,672.31

FIGURES IN MILLION EUROS

LIABILITIES AND EQUITY	NOTES	2011	2010
A) EQUITY	6.11	9,726.62	7,795.81
I. Share capital	6.11	307.95	301.21
II. Share premium reserve, other reserves and interim dividends	6.11	6,161.17	5,501.12
III. Treasury stock		--	--
IV. Retained earnings	4.1	962.96	933.54
V. Other equity instruments		--	--
VI. Valuation adjustment reserves		(399.60)	(260.37)
VII. Translation differences	6.23	10.42	66.38
Equity attributable to the controlling Company's shareholders		7,042.90	6,541.88
Minority interests		2,683.72	1,253.93
B) SUBORDINATED LIABILITIES	6.12	607.90	610.07
C) TECHNICAL PROVISIONS	6.14	34,572.67	31,745.16
I. Provisions for unearned premiums and for risks in progress	6.14	7,074.66	5,895.78
II. Provisions for life assurance	6.14	18,623.31	17,933.03
III. Provisions for outstanding claims	6.14	8,286.36	7,347.64
IV. Other technical provisions	6.14	588.34	568.71
D) TECHNICAL PROVISIONS FOR LIFE ASSURANCE WHERE POLICYHOLDERS BEAR THE INVESTMENT RISK	6.14	1,878.65	1,716.73
E) PROVISIONS FOR RISKS AND EXPENSES	6.15	1,153.31	713.22
F) DEPOSITS RECEIVED ON CEDED AND RETROCEDED REINSURANCE	6.16	129.79	107.48
G) DEFERRED TAX LIABILITIES	6.21	1,730.83	1,096.31
H) DEBT	6.17	4,774.40	4,575.29
I. Issuance of debentures and other negotiable securities	6.13	153.71	433.50
II. Due to credit institutions	6.13	1,153.37	1,078.56
III. Other financial liabilities	6.13	392.82	252.14
IV. Due on direct insurance and coinsurance operations	6.17	831.02	695.74
V. Due on reinsurance operations	6.17	687.89	695.81
VI. Tax payable			
1. Tax on profits to be paid	6.21	249.00	128.30
2. Other tax debts		321.42	334.38
VII. Other debts	6.17	985.17	956.86
I) ACCRUAL ADJUSTMENTS	5.12	281.39	281.36
J) LIABILITIES LINKED TO NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	6.10	0.09	30.88
TOTAL LIABILITIES AND EQUITY		54,855.65	48,672.31

FIGURES IN MILLION EUROS

B) Consolidated income statement for years ended 31 December 2011 and 2010

B.1 Consolidated income statement

CONCEPT	NOTES	2011	2010
I. REVENUES FROM INSURANCE BUSINESS			
1. Insurance premiums, net			
a) Written premiums, direct insurance	7.2	17,283.85	14,974.32
b) Premiums from accepted reinsurance	7.2	2,316.39	1,998.81
c) Premiums from ceded reinsurance	6.20	(2,140.90)	(1,795.10)
d) Variation in provisions for premiums and risks in progress, net			
Direct insurance	6.14	(365.97)	(228.95)
Accepted reinsurance	6.14	(71.97)	(162.05)
Ceded reinsurance	6.20	71.67	35.94
2. Profits from companies recorded by the equity method		4.12	10.52
3. Income from investments			
a) From operations	6.18	2,303.32	2,016.41
b) From equity	6.18	301.40	267.27
4. Unrealised gains in investments on account of life policyholders bearing the investment risk	6.5	129.72	93.55
5. Other technical revenues		289.64	49.74
6. Other non technical revenues		76.51	57.66
7. Positive translation differences	6.23	307.68	461.96
8. Reversal of the asset impairment provision	6.8	2.89	6.30
TOTAL REVENUES FROM INSURANCE BUSINESS		20,508.35	17,786.38
II. EXPENSES FROM INSURANCE BUSINESS			
1. Claims, net			
a) Claims paid and variation in provision for claims, net			
Direct insurance	5.15	(11,449.24)	(11,024.97)
Accepted reinsurance	5.15	(1,890.33)	(1,595.06)
Ceded reinsurance	6.20	1,414.53	2,017.33
b) Claims related expenses	5.15	(676.98)	(597.77)
2. Variation in other technical provisions, net	5.15	(476.67)	(313.69)
3. Profit sharing and returned premiums		(68.82)	(51.25)
4. Net operating expenses	6.19		
a) Acquisition expenses		(3,609.13)	(2,953.49)
b) Administration expenses		(761.29)	(603.62)
c) Commissions and participation in reinsurance	6.20	295.17	238.44
5. Sharing in losses from companies recorded by the equity method		(8.16)	(15.89)
6. Expenses from investments			
a) From operations	6.18	(616.10)	(470.59)
b) From equity and financial accounts	6.18	(90.47)	(89.14)
7. Unrealised losses in investments on account of life policyholders bearing the investment risk	6.5	(113.53)	(95.27)
8. Other technical expenses		(117.50)	(86.88)
9. Other non technical expenses		(80.44)	(95.13)
10. Negative translation differences	6.23	(302.92)	(422.27)
11. Allowance to the asset impairment provision	6.8	(232.77)	(21.31)
TOTAL EXPENSES FROM INSURANCE BUSINESS		(18,784.65)	(16,180.56)
RESULT OF THE INSURANCE BUSINESS		1,723.70	1,605.82
III. OTHER ACTIVITIES			
1. Operating revenues		412.23	438.18

CONCEPT	NOTES	2011	2010
2. Operating expenses	6.19	(383.51)	(418.10)
3. Net financial revenues			
a) Financial revenues	6.18	96.67	39.89
b) Financial expenses	6.18	(119.72)	(119.79)
4. Results from minority interests			
a) Profits from companies recorded by the equity method		0.03	0.35
b) Losses from companies recorded by the equity method		(1.07)	(57.31)
5. Reversal of asset impairment provision	6.8	5.89	55.87
6. Allowance to the asset impairment provision	6.8	(78.43)	(98.80)
7. Result from the disposal of non current assets classified as held for sale, not included in discontinued operations		--	--
RESULT FROM OTHER ACTIVITIES		(67.91)	(159.71)
IV. RESULT ON RESTATEMENT OF FINANCIAL ACCOUNTS	3.2	(18.85)	(15.07)
IV. RESULT BEFORE TAX FROM ONGOING OPERATIONS		1,636.94	1,431.04
V. TAX ON PROFIT FROM ONGOING OPERATIONS	6.21	(414.83)	(367.44)
VI. RESULT AFTER TAX FROM ONGOING OPERATIONS		1,222.11	1,063.60
VII. RESULT AFTER TAX FROM DISCONTINUED OPERATIONS	6.10	(2.35)	0.06
VIII.RESULT FOR THE YEAR		1,219.76	1,063.66
1. Attributable to minority shareholders		(256.80)	(130.12)
2. Attributable to the controlling Company	4.1	962.96	933.54

FIGURES IN MILLION EUROS

Basic and diluted gains per share (euros)	4.1	0.32	0.31
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B.2 Consolidated statement of recognised income and expense

CONCEPT	GROSS AMOUNT		TAX ON PROFITS		ATTRIBUTABLE TO MINORITY INTERESTS		ATTRIBUTABLE TO THE CONTROLLING COMPANY	
	2011	2010	2011	2010	2011	2010	2011	2010
A) CONSOLIDATED RESULT IN THE YEAR	1,634.59	1,431.10	(414.83)	(367.44)	(256.80)	(130.12)	962.96	933.54
B) OTHER RECOGNISED INCOME (EXPENSE)	(299.44)	(385.99)	81.73	154.13	22.52	7.47	(195.19)	(224.39)
1. Financial assets available for sale	(462.66)	(1,497.91)	147.82	424.63	(4.16)	206.52	(319.00)	(866.76)
a) Valuation gains (losses).	(574.63)	(1,468.15)	172.67	444.99				
b) Amounts transferred to the income statement.	102.21	38.16	(32.21)	(20.36)				
c) Other reclassifications	9.76	(67.92)	7.36	--				
2. Translation differences	(79.08)	232.47	0.01	(0.87)	23.11	(35.57)	(55.96)	196.03
a) Valuation gains (losses)	(80.08)	233.25	0.02	(0.87)				
b) Amounts transferred to the income statement	0.01	--	--	--				
c) Other reclassifications	0.99	(0.78)	(0.01)	--				
3. Shadow accounting	247.16	834.12	(78.68)	(250.16)	1.30	(157.97)	169.78	425.99
a) Valuation gains (losses)	276.56	828.45	(82.97)	(248.46)				
b) Amounts transferred to the income statement	(27.07)	5.67	8.12	(1.70)				
c) Other reclassifications	(2.33)	--	(3.83)	--				
4. Entities measured by the equity method	(5.49)	21.19	12.62	(12.22)	2.73	(2.82)	9.86	6.15
a) Valuation gains (losses)	(35.94)	21.20	12.62	(12.22)				
b) Amounts transferred to the income statement.	24.33	--	--	--				
c) Other reclassifications	6.12	(0.01)	--	--				
5. Other recognised income and expense	0.63	24.14	(0.04)	(7.25)	(0.46)	(2.69)	0.13	14.20
TOTALS	1,335.15	1,045.11	(333.10)	(213.31)	(234.28)	(122.65)	767.77	709.15

FIGURES IN MILLION EUROS

C) Consolidated statement of changes in equity as at 31 December 2011 and 2010

CONCEPT	EQUITY ATTRIBUTABLE TO THE CONTROLLING SHAREHOLDER			VALUATION AND CURRENCY TRANSLATION ADJUSTMENTS	MINORITY INTERESTS	TOTAL NET EQUITY
	SHARE CAPITAL	OWN FUNDS SHARE PREMIUM, RESERVES AND INTERIM DIVIDEND	RESULT ATTRIBUTED TO THE CONTROLLING COMPANY			
OPENING BALANCE AS AT 1 JANUARY 2010						
I. Changes in accounting policies	--	--	--	--	--	--
II. Correction of errors	--	--	--	--	--	--
RESTATED OPENING BALANCE	292.26	4,916.18	926.85	30.40	928.06	7,093.75
I. TOTAL RECOGNISED REVENUES (EXPENSES)	--	--	933.54	(224.39)	122.65	831.80
II. TRANSACTIONS WITH CONTROLLING COMPANY'S AND MINORITY SHAREHOLDERS	8.95	(279.20)	--	--	199.29	(70.96)
1. Capital increases (decreases) (Note 6.11)	8.95	169.24	--	--	--	178.19
2. Dividend pay-out (Note 4.2)	--	(444.67)	--	--	(40.63)	(485.30)
3. Increases (decreases) from business combinations	--	--	--	--	260.58	260.58
4. Other transactions with controlling Company's and minority shareholders (Note 6.11)	--	(3.77)	--	--	(20.66)	(24.43)
III. OTHER VARIATIONS IN EQUITY	--	864.14	(926.85)	--	3.93	(58.78)
1. Transfers among equity items	--	926.85	(926.85)	--	--	--
2. Other variations (Note 3.2 and 6.13)	--	(62.71)	--	--	3.93	(58.78)
CLOSING BALANCE AS AT 31 DECEMBER 2010	301.21	5,501.12	933.54	(193.99)	1,253.93	7,795.81
OPENING BALANCE AS AT 1 JANUARY 2011	301.21	5,501.12	933.54	(193.99)	1,253.93	7,795.81
1. Changes in accounting policies	--	--	--	--	--	--
2. Correction of errors	--	--	--	--	--	--
RESTATED OPENING BALANCE	301.21	5,501.12	933.54	(193.99)	1,253.93	7,795.81
I. TOTAL RECOGNISED REVENUES (EXPENSES)	--	--	962.96	(195.19)	234.28	1,002.05
II. TRANSACTIONS WITH CONTROLLING COMPANY'S AND MINORITY SHAREHOLDERS	6.74	(273.49)	--	--	1,208.62	941.87
1. Capital increases (decreases) (Note 6.11)	6.74	159.38	--	--	--	166.12
2. Dividend pay-out (Note 4.2)	--	(456.54)	--	--	(54.12)	(510.66)
3. Increases (Decreases) from business combinations	--	30.35	--	--	1,746.57	1,776.92
4. Other transactions with controlling Company's and minority shareholders	--	(6.68)	--	--	(483.83)	(490.51)
III. OTHER VARIATIONS IN EQUITY	--	933.54	(933.54)	--	(13.11)	(13.11)
1. Transfers among equity items	--	933.54	(933.54)	--	--	--
2. Other variations (Note 3.2)	--	--	--	--	(13.11)	(13.11)
CLOSING BALANCE AS AT 31 DECEMBER 2011	307.95	6,161.17	962.96	(389.18)	2,683.72	9,726.62

FIGURES IN MILLION EUROS

D) Consolidated cash flow statement for years ended 31 December 2011 and 2010

CONCEPT	2011	2010
1. Insurance activities:	1,128.87	1,038.46
Cash received from insurance activities	21,194.75	17,035.86
Cash payments from insurance activities	(20,065.88)	(15,997.40)
2. Other operating activities	218.77	15.72
Cash received from other operating activities	735.34	400.36
Cash payments from other operating activities	(516.57)	(384.64)
3. Payment/receipt of corporation tax	(684.32)	(348.30)
NET CASH FLOWS FROM OPERATING ACTIVITIES	663.32	705.88
1. Proceeds from investment activities:	13,929.62	10,126.59
Plant and equipment	85.99	17.67
Investments in property	148.04	174.10
Intangible fixed assets	0.32	4.03
Financial instruments	12,158.94	7,306.57
Shareholdings	84.20	67.42
Dependent companies and other business units	117.61	401.87
Interest collected	1,086.91	994.50
Dividends collected	150.96	134.38
Other receipts related to investment activities	96.65	1,026.05
2. Payments from investment activities:	(14,326.76)	(9,807.05)
Plant and equipment	(128.11)	(137.88)
Investments in property	(14.42)	(52.01)
Intangible fixed assets	(101.92)	(100.28)
Financial instruments	(13,413.81)	(7,561.14)
Shareholdings	(317.06)	(195.10)
Dependent companies and other business units	(267.81)	(631.87)
Other payments related to investment activities	(83.63)	(1,128.77)
NET CASH FLOWS FROM INVESTMENT ACTIVITIES	(397.14)	319.54
1. Proceeds from financing activities:	1,538.43	897.15
Debenture bonds	--	--
Proceeds from issuance of equity instruments and capital increases	172.03	211.13
Proceeds from sale of treasury stock	--	1.60
Other proceeds related to financing activities	1,366.40	684.42
2. Payments from financing activities:	(2,009.47)	(1,315.19)
Dividends paid to shareholders	(528.91)	(510.46)
Interests paid	(80.81)	(95.34)
Debenture bonds	(5.82)	--
Payments on return of shareholders' contributions	--	--
Purchase of treasury stock	--	(1.98)
Other proceeds related to financing activities	(1,393.93)	(707.41)
NET CASH FLOW EFFECT OF FINANCING ACTIVITIES	(471.04)	(418.04)
NET INCREASE/(DECREASE) IN CASH FLOW	(38.20)	28.96
Translation differences in cash flow and cash balances	(243.06)	636.34
OPENING CASH BALANCE	1,497.41	861.07
CLOSING CASH BALANCE	1,254.35	1,497.41

FIGURES IN MILLION EUROS

E) Financial information by segments - Consolidated balance sheet as at 31 December 2011 and 2010

ASSETS	DIRECT INSURANCE					
	LIFE		MOTOR		OTHERS NON LIFE	
	2011	2010	2011	2010	2011	2010
A) INTANGIBLE ASSETS	2,691.30	1,530.32	1,086.82	894.46	713.11	335.34
I. Goodwill	928.63	877.52	843.70	737.04	313.93	269.95
II. Other intangible assets	1,762.67	652.80	243.12	157.42	399.18	65.39
B) PROPERTY, PLANT AND EQUIPMENT	118.91	97.45	589.54	582.09	382.56	357.16
I. Property for own use	92.19	72.78	467.30	449.66	291.78	264.51
II. Other property, plant and equipment	26.72	24.67	122.24	132.43	90.78	92.65
C) INVESTMENTS	23,018.51	19,823.84	6,418.11	6,070.34	11,637.64	7,245.49
I. Investment property	264.47	202.82	226.52	219.48	134.52	128.50
II. Financial investments						
1. Portfolio held to maturity	775.43	585.25	418.85	211.04	582.96	318.13
2. Portfolio available for sale	17,068.61	17,226.72	4,055.04	3,878.61	3,177.16	2,966.39
3. Trading portfolio	1,635.45	494.41	415.13	213.88	913.56	417.70
III. Investments recorded applying the equity method	1.44	5.39	--	7.42	32.54	24.52
IV. Deposits established for accepted reinsurance	--	--	0.07	0.08	15.40	12.99
V. Other investments	3,273.11	1,309.25	1,302.50	1,539.83	6,781.50	3,377.26
D) INVESTMENTS ON ACCOUNT OF LIFE POLICYHOLDERS BEARING THE INVESTMENT RISK	1,878.65	1,716.73	--	--	--	--
E) INVENTORIES	--	--	--	--	--	--
F) PARTICIPATION OF REINSURANCE IN TECHNICAL PROVISIONS	201.47	132.15	342.02	332.76	3,104.81	3,116.36
G) DEFERRED TAX ASSETS	672.81	534.41	242.87	215.24	276.33	181.88
H) CREDITS AND RECEIVABLES	808.14	505.02	1,962.79	1,286.49	2,352.67	2,113.15
I. Receivables on direct insurance and coinsurance operations	426.21	356.34	1,373.63	1,118.20	1,466.86	1,258.26
II. Receivables on reinsurance operations	56.88	33.08	70.66	52.86	408.87	460.74
III. Tax credits	19.60	75.94	48.29	9.01	48.95	44.28
IV. Corporate and other credits	305.45	39.66	470.21	106.42	427.99	349.87
V. Shareholders, called capital	--	--	--	--	--	--
I) CASH AND BANKS	512.26	631.35	269.31	363.43	444.91	448.20
J) ACCRUAL ADJUSTMENTS	207.81	179.38	556.34	463.57	647.42	529.71
K) OTHER ASSETS	84.41	15.09	6.63	40.97	134.65	43.87
L) NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	--	--	0.07	24.75	0.02	--
TOTAL ASSETS BY SEGMENTS	30,194.27	25,165.74	11,474.50	10,274.10	19,694.12	14,371.16

FIGURES IN MILLION EUROS

REINSURANCE		OTHER ACTIVITIES		CONSOLIDATION ADJUSTMENTS		TOTAL	
2011	2010	2011	2010	2011	2010	2011	2010
7.37	6.06	358.76	398.90	(140.84)	(9.05)	4,716.52	3,156.03
--	--	338.50	382.67	(158.35)	(8.79)	2,266.41	2,258.39
7.37	6.06	20.26	16.23	17.51	(0.26)	2,450.11	897.64
24.89	53.61	247.03	242.46	79.05	68.16	1,441.98	1,400.93
14.98	43.86	114.72	102.69	79.05	68.16	1,060.02	1,001.66
9.91	9.75	132.31	139.77	--	--	381.96	399.27
2,848.17	2,633.52	12,366.32	12,474.94	(22,530.37)	(17,259.36)	33,758.38	30,988.77
6.45	34.89	915.59	986.68	(104.42)	(105.23)	1,443.13	1,467.14
1.13	1.28	18.90	23.73	(30.30)	(30.73)	1,766.97	1,108.70
2,234.92	2,062.32	382.70	324.56	(29.98)	(66.47)	26,888.45	26,392.10
31.90	43.27	2.86	8.76	(0.26)	(0.12)	2,998.64	1,177.90
9.06	13.71	--	(20.56)	87.40	369.78	130.44	400.26
345.63	334.75	--	--	(104.14)	(113.82)	256.96	234.00
219.08	143.30	11,046.27	11,151.80	(22,348.67)	(17,312.77)	273.79	208.67
--	--	--	--	--	--	1,878.65	1,716.73
--	--	123.75	129.77	(0.13)	--	123.62	129.77
989.04	966.48	--	--	(1,332.00)	(1,455.15)	3,305.34	3,092.60
46.87	34.10	70.45	56.16	(45.08)	(51.89)	1,264.25	969.90
376.34	337.94	436.64	282.35	(559.70)	(391.84)	5,376.88	4,133.11
--	--	--	--	--	--	3,266.70	2,732.80
330.23	299.71	--	--	(155.64)	(127.73)	711.00	718.66
17.75	18.48	60.68	68.34	0.83	--	196.10	216.05
28.36	19.75	375.96	214.01	(404.89)	(264.11)	1,203.08	465.60
--	--	--	--	--	--	--	--
174.40	161.71	167.59	212.34	(314.12)	(319.62)	1,254.35	1,497.41
161.24	169.77	15.42	10.03	(14.06)	(5.03)	1,574.17	1,347.43
15.04	2.32	105.22	241.54	(195.72)	(196.97)	150.23	146.82
--	--	11.19	82.56	--	(14.50)	11.28	92.81
4,643.36	4,365.51	13,902.37	14,131.05	(25,052.97)	(19,635.25)	54,855.65	48,672.31

E) Financial information by segments - Consolidated balance sheet as at 31 December 2011 and 2010

LIABILITIES AND EQUITY	DIRECT INSURANCE					
	LIFE		MOTOR		OTHERS NON LIFE	
	2011	2010	2011	2010	2011	2010
A) EQUITY	6,230.72	3,030.57	4,956.36	4,613.68	8,691.32	4,431.06
I. Share capital	1,775.92	581.85	1,179.60	814.31	4,658.81	1,987.93
II. Reserves	3,099.88	1,973.68	3,241.49	3,093.54	3,390.77	2,132.67
III. Treasury stock	(0.41)	--	(0.63)	--	(3.10)	--
IV. Valuation adjustment reserves	302.56	210.10	301.30	398.55	454.49	427.45
V. Translation differences	--	--	--	--	--	--
VI. Retained earnings	(155.53)	(53.84)	209.22	260.26	(153.86)	(138.85)
Equity attributable to the controlling Company's shareholders	5,022.42	2,711.79	4,930.98	4,566.66	8,347.11	4,409.20
Minority interests	1,208.30	318.78	25.38	47.02	344.21	21.86
B) SUBORDINATED LIABILITIES	6.03	--	1.62	--	0.86	--
C) TECHNICAL PROVISIONS	19,376.63	18,269.44	5,099.26	4,602.87	8,164.56	7,350.20
I. Provisions for unearned premiums and for risks in progress	98.93	23.33	2,915.64	2,449.80	3,285.58	2,618.51
II. Provisions for life assurance	18,404.34	17,583.95	1.08	63.81	29.80	122.35
III. Provisions for outstanding claims	810.02	614.88	2,181.02	2,087.82	4,325.57	4,115.03
IV. Other technical provisions	63.34	47.28	1.52	1.44	523.61	494.31
D) TECHNICAL PROVISIONS FOR LIFE ASSURANCE POLICIES WHERE THE INVESTMENT RISK IS BORNE BY THE POLICYHOLDERS	1,878.61	1,716.73	--	--	--	--
E) PROVISIONS FOR RISKS AND EXPENSES	493.33	363.96	326.71	171.27	307.51	160.61
F) DEPOSITS RECEIVED ON CEDED AND RETROCEDED REINSURANCE	39.47	30.81	6.19	10.73	101.55	100.94
G) DEFERRED TAX LIABILITIES	1,124.74	688.84	217.89	133.28	326.74	226.84
H) DEBT	1,035.15	1,057.79	820.67	707.69	1,955.09	1,951.55
I. Issuance of debenture bonds and other negotiable securities	--	--	--	--	153.71	149.83
II. Due to credit institutions	7.32	4.48	45.40	31.54	49.80	32.86
III. Other financial liabilities	152.22	245.13	0.70	0.74	18.67	4.14
IV. Due on direct insurance and coinsurance operations	153.37	117.97	338.91	277.81	338.77	299.97
V. Due on reinsurance operations	64.76	32.16	93.11	76.18	522.89	566.20
VI. Tax payable	91.89	68.10	53.30	26.06	377.87	227.24
VII. Other debts	565.59	589.95	289.25	295.36	493.38	671.31
I) ACCRUAL ADJUSTMENTS	9.59	7.60	45.80	34.58	146.49	149.96
J) LIABILITIES LINKED TO NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	--	--	--	--	--	--
TOTAL LIABILITIES AND EQUITY BY SEGMENTS	30,194.27	25,165.74	11,474.50	10,274.10	19,694.12	14,371.16

FIGURES IN MILLION EUROS

REINSURANCE		OTHER ACTIVITIES		CONSOLIDATION ADJUSTMENTS		TOTAL	
2011	2010	2011	2010	2011	2010	2011	2010
993.64	977.02	10,913.86	11,004.25	(22,059.28)	(16,260.77)	9,726.62	7,795.81
318.54	314.77	3,470.09	3,486.52	(11,095.01)	(6,884.17)	307.95	301.21
680.03	591.23	7,111.51	7,073.09	(11,362.51)	(9,363.09)	6,161.17	5,501.12
--	--	(0.09)	--	4.23	--	--	--
90.69	132.52	330.06	446.03	(516.14)	(681.11)	962.96	933.54
--	--	0.26	--	(0.26)	--	--	--
(100.67)	(71.58)	10.51	6.09	(198.85)	(196.07)	(389.18)	(193.99)
988.59	966.94	10,922.34	11,011.73	(23,168.54)	(17,124.44)	7,042.90	6,541.88
5.05	10.08	(8.48)	(7.48)	1,109.26	863.67	2,683.72	1,253.93
--	--	599.39	610.07	--	--	607.90	610.07
3,261.73	2,975.35	--	--	(1,329.51)	(1,452.70)	34,572.67	31,745.16
1,229.33	1,229.58	--	--	(454.82)	(425.44)	7,074.66	5,895.78
200.90	175.68	--	--	(12.81)	(12.76)	18,623.31	17,933.03
1,830.75	1,544.04	--	--	(861.00)	(1,014.13)	8,286.36	7,347.64
0.75	26.05	--	--	(0.88)	(0.37)	588.34	568.71
--	--	--	--	0.04	--	1,878.65	1,716.73
2.71	2.21	36.74	86.16	(13.69)	(70.99)	1,153.31	713.22
79.50	78.82	7.22	--	(104.14)	(113.82)	129.79	107.48
4.14	3.37	50.48	42.26	6.84	1.72	1,730.83	1,096.31
218.54	234.62	2,287.16	2,355.48	(1,542.21)	(1,731.84)	4,774.40	4,575.29
--	--	--	283.67	--	--	153.71	433.50
1.18	--	1,049.67	1,009.68	--	--	1,153.37	1,078.56
0.01	0.04	400.57	335.75	(179.35)	(333.66)	392.82	252.14
--	--	--	--	(0.03)	--	831.02	695.74
162.86	148.95	--	--	(155.73)	(127.68)	687.89	695.81
20.04	20.46	40.83	132.60	(13.51)	(11.78)	570.42	462.68
34.45	65.17	796.09	593.78	(1,193.59)	(1,258.71)	985.17	956.86
83.10	94.12	7.43	1.95	(11.02)	(6.85)	281.39	281.36
--	--	0.09	30.88	--	--	0.09	30.88
4,643.36	4,365.51	13,902.37	14,131.05	(25,052.97)	(19,635.25)	54,855.65	48,672.31

E) Financial information by segments - Consolidated income statement for years

CONCEPT	DIRECT INSURANCE					
	LIFE		MOTOR		OTHER NON-LIFE	
	2011	2010	2011	2010	2011	2010
I. REVENUES FROM INSURANCE BUSINESS						
1. Insurance premiums, net						
a) Written premiums, direct insurance	4,758.31	3,920.41	5,576.27	5,111.67	6,949.27	5,942.23
b) Premiums from accepted reinsurance	--	--	13.96	11.76	588.23	504.51
c) Premiums from ceded reinsurance	(264.95)	(191.24)	(212.75)	(160.58)	(2,060.09)	(1,840.54)
d) Variation in provisions for premiums and risks in progress, net						
Direct insurance	(65.44)	30.60	(64.94)	(115.82)	(235.60)	(143.73)
Accepted reinsurance	--	(0.53)	0.58	1.82	(57.64)	(41.76)
Ceded reinsurance	10.89	(0.42)	23.23	13.50	70.63	33.39
2. Profits from companies recorded by the equity method	--	2.99	--	7.52	--	2.18
3. Income from investments						
a) From operations	1,416.91	1,194.29	348.53	358.49	421.05	370.35
b) From equity	111.06	79.93	112.57	101.55	153.88	153.96
4. Unrealised gains in investments on account of life policyholders bearing the investment risk	143.62	106.78	--	--	--	--
5. Other technical revenues	245.44	12.42	17.60	16.42	53.78	45.16
6. Other non technical revenues	38.57	32.42	67.92	2.97	76.34	124.67
7. Positive translation differences	3.63	25.84	4.78	3.48	42.40	112.44
8. Reversal of the asset impairment provision	0.90	0.76	1.42	2.87	39.82	26.06
TOTAL REVENUES FROM INSURANCE BUSINESS	6,398.94	5,214.25	5,889.17	5,355.65	6,042.07	5,288.92
II. EXPENSES FROM INSURANCE BUSINESS						
1. Claims, net						
a) Claims paid and variation in provision for claims, net						
Direct insurance	(3,979.23)	(3,524.94)	(3,771.93)	(3,360.46)	(3,698.45)	(4,141.29)
Accepted reinsurance	--	--	(9.41)	(6.38)	(434.82)	(614.44)
Ceded reinsurance	148.41	108.01	131.81	72.34	1,137.33	1,996.44
b) Claims related expenses	(20.65)	(15.78)	(339.76)	(314.90)	(264.43)	(222.06)
2. Variation in other technical provisions, net	(460.08)	(276.98)	(0.53)	4.72	(41.45)	(39.87)
3. Profit sharing and returned premiums	(63.38)	(47.98)	(0.09)	(0.01)	(4.09)	(2.28)
4. Net operating expenses						
a) Acquisition expenses	(583.87)	(505.28)	(1,072.60)	(884.52)	(1,495.96)	(1,218.09)
b) Administration expenses	(127.64)	(113.80)	(307.90)	(228.52)	(304.79)	(248.23)
c) Commissions and participation in reinsurance	70.02	50.34	25.16	18.33	266.44	254.03
5. Losses from companies recorded by the equity method	--	(0.46)	--	--	--	(9.14)
6. Expenses from investments						
a) From operations	(491.08)	(318.50)	(80.51)	(61.18)	(92.22)	(66.86)
b) From equity and financial accounts	(37.97)	(32.29)	(17.28)	(21.68)	(42.46)	(48.74)
7. Unrealised losses in investments on account of life policyholders bearing the investment risk	(113.53)	(95.27)	--	--	--	--
8. Other technical expenses	(13.80)	(12.84)	(4.30)	2.11	(117.82)	(98.03)
9. Other non technical expenses	(18.90)	(25.83)	(88.75)	(5.34)	(66.63)	(164.12)
10. Negative translation differences	(1.69)	(30.14)	(2.85)	(11.25)	(36.83)	(63.78)
11. Allowance to the asset impairment provision	(124.12)	(0.28)	(16.54)	(6.95)	(22.09)	(15.74)
TOTAL EXPENSES FROM INSURANCE BUSINESS	(5,817.51)	(4,842.02)	(5,555.48)	(4,803.69)	(5,218.27)	(4,702.20)
RESULT OF THE INSURANCE BUSINESS	581.43	372.23	333.69	551.96	823.80	586.72

FIGURES IN MILLION EUROS

CONTINUES ON THE NEXT PAGE

ended 31 December 2011 and 2010

REINSURANCE		OTHER ACTIVITIES		CONSOLIDATION ADJUSTMENTS		TOTAL	
2011	2010	2011	2010	2011	2010	2011	2010
--	0.01	--	--	--	--	17,283.85	14,974.32
2,978.35	2,666.27	--	--	(1,264.15)	(1,183.73)	2,316.39	1,998.81
(867.26)	(787.23)	--	--	1,264.15	1,184.49	(2,140.90)	(1,795.10)
0.01	--	--	--	--	--	(365.97)	(228.95)
(28.39)	(127.35)	--	--	13.48	5.77	(71.97)	(162.05)
(19.60)	(4.78)	--	--	(13.48)	(5.75)	71.67	35.94
2.28	0.26	--	--	1.84	(2.43)	4.12	10.52
127.32	120.95	--	--	(10.49)	(27.67)	2,303.32	2,016.41
29.94	10.48	--	--	(106.05)	(78.65)	301.40	267.27
--	--	--	--	(13.90)	(13.23)	129.72	93.55
0.01	--	--	--	(27.19)	(24.26)	289.64	49.74
4.91	6.20	--	--	(111.23)	(108.60)	76.51	57.66
256.87	320.20	--	--	--	--	307.68	461.96
--	0.65	--	--	(39.25)	(24.04)	2.89	6.30
2,484.44	2,205.66	--	--	(306.27)	(278.10)	20,508.35	17,786.38
0.37	1.72	--	--	--	--	(11,449.24)	(11,024.97)
(2,000.22)	(2,015.38)	--	--	554.12	1,041.14	(1,890.33)	1,595.06
551.10	881.67	--	--	(554.12)	(1,041.13)	1,414.53	2,017.33
(55.67)	(52.03)	--	--	3.53	7.00	(676.98)	(597.77)
25.39	(1.56)	--	--	--	--	(476.67)	(313.69)
(1.26)	(0.64)	--	--	--	(0.34)	(68.82)	(51.25)
(701.01)	(586.06)	--	--	244.31	240.46	(3,609.13)	(2,953.49)
(25.41)	(23.27)	--	--	4.45	10.20	(761.29)	(603.62)
168.75	145.15	--	--	(235.20)	(229.41)	295.17	238.44
--	(0.13)	--	--	(8.16)	(6.16)	(8.16)	(15.89)
(20.99)	(28.13)	--	--	68.70	4.08	(616.10)	(470.59)
(10.18)	(3.57)	--	--	17.42	17.14	(90.47)	(89.14)
--	--	--	--	--	--	(113.53)	(95.27)
(1.63)	(2.41)	--	--	20.05	24.29	(117.50)	(86.88)
(5.74)	(3.89)	--	--	99.58	104.05	(80.44)	(95.13)
(261.55)	(317.05)	--	--	--	(0.05)	(302.92)	(422.27)
(12.08)	--	--	--	(57.94)	1.66	(232.77)	(21.31)
(2,350.13)	(2,005.58)	--	--	156.74	172.93	(18,784.65)	(16,180.56)
134.31	200.08	--	--	(149.53)	(105.17)	1,723.70	1,605.82

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CONCEPT	DIRECT INSURANCE					
	LIFE		MOTOR		OTHER NON-LIFE	
	2011	2010	2011	2010	2011	2010
II. OTHER ACTIVITIES						
1. Operating revenues	--	--	--	--	--	--
2. Operating expenses	--	--	--	--	--	--
3. Net financial revenues						
a) Financial revenue	--	--	--	--	--	--
b) Financial expenses	--	--	--	--	--	--
4. Results from minority interests						
a) Profits from companies recorded by the equity method	--	--	--	--	--	--
b) Losses from companies recorded by the equity method	--	--	--	--	--	--
5. Reversal of asset impairment provision	--	--	--	--	--	--
6. Allowance to the asset impairment provision	--	--	--	--	--	--
7. Result from the disposal of non current assets classified as held for sale, not included in discontinued operations	--	--	--	--	--	--
RESULT FROM OTHER ACTIVITIES	--	--	--	--	--	--
IV. RESULT ON RESTATEMENT OF FINANCIAL ACCOUNTS	(0.25)	--	(9.59)	--	(8.98)	--
V. RESULT BEFORE TAX FROM ONGOING OPERATIONS	581.18	372.23	324.10	551.96	814.82	586.72
VI. TAX ON PROFIT FROM ONGOING OPERATIONS	(114.78)	(74.95)	(18.93)	(133.89)	(241.78)	(138.23)
VII. RESULT AFTER TAX FROM ONGOING OPERATIONS	466.40	297.28	305.17	418.07	573.04	448.49
VIII.RESULT AFTER TAX FROM DISCONTINUED OPERATIONS	--	--	--	--	--	--
IX.RESULT FOR THE YEAR	466.40	297.28	305.17	418.07	573.04	448.49
1. Attributable to minority shareholders	(163.84)	(87.18)	(3.87)	(19.52)	(118.55)	(21.04)
2. Attributable to the controlling company	302.56	210.10	301.30	398.55	454.49	427.45

FIGURES IN MILLION EUROS

REINSURANCE		OTHER ACITVITIES		CONSOLIDATION ADJUSTMENTS		TOTAL	
2011	2010	2011	2010	2011	2010	2011	2010
--	--	915.63	961.19	(503.40)	(523.01)	412.23	438.18
--	--	(825.14)	(852.42)	441.63	434.32	(383.51)	(418.10)
--	--	482.94	484.03	(386.27)	(444.14)	96.67	39.89
--	--	(141.61)	(126.98)	21.89	7.19	(119.72)	(119.79)
--	--	--	--	0.03	0.35	0.03	0.35
--	--	--	--	(1.07)	(57.31)	(1.07)	(57.31)
--	--	38.69	57.88	(32.80)	(2.01)	5.89	55.87
--	--	(176.42)	(127.63)	97.99	28.83	(78.43)	(98.80)
--	--	--	--	--	--	--	--
--	--	294.09	396.07	(362.00)	(555.78)	(67.91)	(159.71)
--	--	(0.03)	--	--	(15.07)	(18.85)	(15.07)
134.31	200.08	294.06	396.07	(511.53)	(676.02)	1,636.94	1,431.04
(36.88)	(56.49)	29.98	41.57	(32.44)	(5.45)	(414.83)	(367.44)
97.43	143.59	324.04	437.64	(543.97)	(681.47)	1,222.11	1,063.60
(0.07)	(0.10)	(2.28)	0.14	--	0.02	(2.35)	0.06
97.36	143.49	321.76	437.78	(543.97)	(681.45)	1,219.76	1,063.66
(6.67)	(10.97)	8.30	8.25	27.83	0.34	(256.80)	(130.12)
90.69	132.52	330.06	446.03	(516.14)	(681.11)	962.96	933.54

Financial information by geographical areas

1. Consolidated ordinary revenues from external clients in financial years ended 31st december 2011 and 2010

GEOGRAPHICAL AREA	2011	2010
I. Spain	8,708.85	8,662.57
II. United States of America	1,887.28	1,894.31
III. Brazil	3,725.99	2,151.97
IV. Mexico	738.50	524.96
V. Venezuela	718.44	406.06
VI. Colombia	578.91	438.74
VII. Argentina	547.40	506.17
VIII. Turkey	394.75	358.07
IX. Chile	362.01	248.34
X. Other countries	2,350.34	2,220.12
TOTAL	20,012.47	17,411.31

FIGURES IN MILLION EUROS

Ordinary revenues means direct insurance and accepted reinsurance premiums, as well as operating revenues from non insurance activities.

2. Non current assets as at 31st december 2011 and 2010

GEOGRAPHICAL AREA	2011	2010
I. Spain	2,869.38	3,134.33
II. United States of America	235.85	212.36
III. Brazil	997.95	226.06
IV. Mexico	70.84	86.61
V. Venezuela	179.56	72.37
VI. Colombia	28.07	23.76
VII. Argentina	61.81	41.57
VIII. Turkey	38.26	44.13
IX. Chile	61.05	63.60
X. Other countries	333.46	218.93
TOTAL	4,876.23	4,123.72

FIGURES IN MILLION EUROS

There is no client contributing, on an individual basis, more than 10% of the Group's ordinary revenues.

G) Consolidated annual report

1. General overview on the company and its activity

MAPFRE, S.A. (hereinafter the "controlling Company" or "MAPFRE") is a listed public limited company, parent of a number of controlled companies engaged in insurance in its various branches, both Life and Non Life, finance, securities and real estate investment, and services.

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

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

The controlling Company was incorporated in Spain and has its registered office at n° 25, Paseo de Recoletos, Madrid.

The MAPFRE GROUP's business activities are carried out through three main Operating Divisions: Direct Insurance Spain, Direct Insurance International and Global Businesses, which represent each of the different business sectors and are formed by the Group's Units and Companies.

The Divisions have operating structures, and their activities supplement those of the Group's Corporate Areas (General Secretariat, Internal Audit, Resources and Systems and Operations, Financial Area, Investments, and Technologies and Procedures) which, within their respective sphere of powers, provide support and coordination in any aspects in which a common policy or shared service management is considered necessary.

The MAPFRE GROUP has its own distribution networks with offices in the countries in which it operates, combined with the use of other distribution channels. Further support comes from its Brokers, Delegates and Agents, all insurance distribution professionals who play a significant role in marketing and selling policies and attending to policyholders.

The Group boosts its distribution capacity by signing distribution agreements with different companies, especially bank insurance entities.

The controlled companies have adapted their internal structure and distribution systems to the peculiarities of the markets where they are active.

The Board of Directors has issued the consolidated annual accounts on 8 February 2012. They are expected to be approved by the Annual General Meeting. Under Spanish regulations, the consolidated annual financial statements can be modified if they are not approved at the AGM.

2. Basis of presentation of the annual consolidated financial statements

2.1. Basis of presentation

The Group's consolidated annual financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, with all companies having carried out the required standardisation adjustments.

The annual consolidated financial statements have been prepared on the cost-model basis, except for available-for-sale financial assets, financial assets for trading and derivative financial instruments, which have been recorded at fair value.

There has been no early application of rules and interpretations that, having been approved by the European Commission, were not enforced on the closing date of the 2011 financial year; this notwithstanding, their early adoption would have had no effect on the Group's financial situation and results.

2.2. Financial information by segments

Section E) of the annual consolidated financial statements includes financial information by segments.

The controlling Company has identified the following operating segments:

- Life Direct insurance
- Motor direct insurance
- Other Non Life direct insurance
- Life and Non Life accepted reinsurance
- Other activities

Revenues and expenses of the first four segments are those corresponding to the Life, Non Life and reinsurance activity, and those included under "Other activities" are those corresponding to property services, securities and real estate asset management, services of attention to the elderly, assistance, etc.

In order to identify the operating segments, attention has been paid to the main activities and insurance lines under the Group's management, taking also into account the quantitative thresholds laid down in the regulations.

The Consolidated Management Report provides additional information on the evolution and characteristics of the business.

2.3. Financial information by geographical areas

Section F) of the consolidated annual statements includes financial information by geographical areas.

The established geographical areas are: Spain, United States of America, Brazil, Mexico, Venezuela, Colombia, Argentina, Turkey, Chile and Other Countries.

2.4. Changes in accounting policies, changes in estimates and errors

The application of the new Rules and interpretations applicable from 1st January 2011 has had no effect on the Group's accounting policies, financial position or results.

2.5. Comparison of information

There are no reasons preventing the comparison of the consolidated annual statements of the current financial year with those of the preceding one.

The amendments to IAS 24, from the Related Party disclosures, and to IAS 32 concerning the classification of rights issues, to apply from 1st January 2011, and the rest of interpretations and improvements to the rules made in this financial year, have had no effect on the Group's financial position or results.

2.6. Changes in the scope of consolidation

Appendix 1 identifies the companies that were incorporated into the consolidation scope in 2011 and 2010, together with details on their equity and results. In addition, Appendix 1 provides a detail of other changes occurred in the consolidation scope.

The overall effect of these changes on the consolidable group's equity, financial situation and results in 2011 and 2010 with respect to the preceding year is described in the relevant notes of the consolidated annual report.

2.7. Accounting judgements and estimates

In the preparation of the consolidated financial statements under IFRS, the controlling Company's Board of Directors has made judgements and estimates based on assumptions on the future and on uncertainties that basically refer to:

- Losses from impairment of certain assets.
- The calculation of provisions for liabilities and charges.
- The actuarial calculation of liabilities and post-employment remuneration related commitments.
- The useful life of intangible assets and of tangible fixed asset items.
- The fair value of certain non-listed assets.

Estimates and assumptions used are regularly reviewed and are based on the historical experience and other factors that may have been considered as more reasonable from time to time. If a change in the estimates took place in a given period as a consequence of these reviews, its effect would apply to that period and, if applicable, to subsequent periods.

3. Consolidation

3.1. Subsidiaries, associated undertakings and joint ventures

Subsidiaries, associated undertakings and joint ventures included in the consolidation are identified and their details given in the table of shareholdings forming an integral part of the consolidated report as Appendix 1. The said appendix provides a breakdown of the joint ventures included by the proportionate consolidation method.

The configuration of companies as **controlled companies** is determined by the controlling Company holding a majority of the voting rights, directly or through subsidiaries, or, even if not holding half of the said rights, if the controlling Company is able to manage the said companies' financial and operating policies in order to obtain profits from their activities. Controlled companies are consolidated from the date when the Group acquires control, and are excluded from the consolidation on the date when it ceases in such control; therefore, the results relating to the part of the financial year while the said entities belong to the Group are included in the financial statements.

Associated undertakings are those where the controlling Company exercises a significant influence, albeit they are neither controlled companies nor joint ventures.

Significant influence means the power of intervening in the investee company's decisions on financial and operating policies, however without achieving control or joint control over the said policies. A significant influence is assumed to be exercised when the Company holds, either directly or indirectly through its controlled companies, at least 20% in the investee company's voting rights.

Shareholdings in associated undertakings are consolidated by the equity method, including within the value of the shareholding the net goodwill identified on the acquisition date.

When the Group's participation in the losses of an associated undertaking is equal to or higher than the book value of its stake, including any unsecured receivable, the Group does not register additional losses, unless obligations have been incurred or payments have been made on behalf of the associated undertaking.

In order to determine if an investee is a controlled or associated undertaking, account has been taken of both the potential voting rights held and liable of exercise, and the call options on shares, debt instruments convertible into shares or other instruments entailing the possibility of increasing or reducing voting rights.

A **joint venture** is considered to exist when two or more entities undertake an economic activity subject to shared control and regulated by means of a contractual agreement.

Excluded from being considered as controlled companies, associated undertakings and joint ventures are the investments made in trust funds and similar undertakings.

The financial statements of controlled companies, associated undertakings and joint ventures used for the consolidation are those relating to the financial year closed as at 31st December 2011 and 2010.

3.2. Translation of financial statements of foreign companies included in the consolidation

The functional and presentation currency of the MAPFRE GROUP is the Euro, therefore the balances and transactions of Group companies whose functional currency is not the Euro are translated into Euros at the closing exchange rate.

The exchange differences resulting from applying the above procedure, as well as those arising from translation of loans and other foreign currency instruments covering investments in foreign operations, have been recorded as a separate component in the "Statement of Recognised Income and Expense" and are shown under equity in the account "Valuation adjustment reserves", deducting the part of the said difference corresponding to Minority Shareholders.

Goodwill and fair value adjustments of assets and liabilities arising from the acquisition of Group companies whose presentation currency is not the Euro are dealt with as assets and liabilities of foreign operations, stating them in the functional currency of the foreign undertaking and translating them at the closing exchange rate.

The financial statements of companies domiciled in countries with high inflation rates or hyperinflationary economies are adjusted or restated to the effects of changes in prices before their translation into Euros. Inflation adjustments are made as provided for in IAS 29 "Financial reporting in hyperinflationary economies". For the financial years 2011 and 2010 only Venezuela has been considered as a country with a hyperinflationary economy.

In the consolidated income statement, the loss arising from the net monetary position is shown under a separate heading, which in 2011 and 2010 amounts to €18.85 and €15.07 million, respectively. This restatement has entailed an increase of €37.26 and €24.86 million in the Group's equity as at 31st December 2011 and 2010, respectively.

ADJUSTMENTS TO THE OPENING BALANCE

The columns of adjustments to the opening balance appearing in the various tables of the consolidated report include the changes occurred as a result of the application of a different exchange rate for the translation of figures corresponding to overseas subsidiaries.

Variations in the technical reserves recorded on the consolidated income statement differ from those obtained by difference in the balance sheet balances of the present and previous financial year, as a result of the application of a different exchange rate for the translation of figures in the case of overseas subsidiaries.

4. Earnings per share and dividends

4.1. Earnings per share

The calculation of the basic earnings per share, which coincides with the diluted earnings per share, there being no dilutive potential ordinary shares, is shown below:

ITEM	2011	2010
Net profit attributable to the controlling Company's shareholders (€ million)	962.96	933.54
Weighted average number of ordinary shares in issue (million)	3,048.46	2,976.84
BASIC EARNINGS PER SHARE (EUROS)	0.32	0.31

The weighted average number of ordinary shares in issue in financial years 2011 and 2010 is affected by the capital increases in the said years as described in Note 6.11.

4.2. Dividends

The breakdown of the controlling Company's dividends in the last two financial years is as follows:

ITEM	TOTAL DIVIDEND (IN MILLION EUROS)		DIVIDEND PER SHARE (IN EUROS)	
	2011	2010	2011	2010
Interim dividend	215.57	210.85	0.07	0.07
Final dividend	246.36	240.97	0.08	0.08
TOTAL	461.93	451.82	0.15	0.15

The total dividend for financial year 2011 has been proposed by the Board of Directors and is pending approval by the Ordinary Annual General Meeting.

The planned dividend pay-out complies with the requirements and limitations that are laid down in the legal regulations and the Company's bylaws.

During 2011, the controlling Company has distributed an interim dividend for a total amount of €215,568,729.11, which is recorded in equity under the heading "Share premium, reserves and interim dividend". The cash statement prepared by the Board of Directors for the distribution is shown below:

ITEM	Date of Resolution 26-10-2011
Cash available on the date of the resolution	5.53
Increases in cash forecast within one year	750.42
(+) From expected current collection transactions	436.12
(+) From financial transactions	314.30
Decreases in cash forecast within one year	(305.43)
(-) From expected current payment transactions	(16.00)
(-) From expected financial transactions	(289.43)
CASH AVAILABLE WITHIN ONE YEAR	450.52

FIGURES IN MILLION EUROS

5. Accounting policies

The accounting policies applied in relation to the following items are as stated below.

5.1. Intangible assets

GOODWILL

Goodwill on merger

Goodwill on merger represents the excess of the cost paid in a business combination over the fair value of the assets and liabilities identifiable on the date of the merger.

Consolidation differences

GOODWILL ON CONSOLIDATION

Goodwill on consolidation represents the excess of the cost of acquisition over the fair value of the stake in the controlled company's equity on the acquisition date, except for acquisitions made prior to 1st January 2004, where it corresponds to the goodwill, net of depreciation, recorded pursuant to the Spanish regulations applying on the said date. In the case of acquisition of stakes in the controlled company from minority shareholders subsequently to the initial one, the controlling Company has decided to recognise the said excess as a lower amount of reserves.

CONSOLIDATION LOSS

If the value of the identifiable assets acquired minus that of the liabilities assumed exceeds the purchase cost, the difference is recorded as income in the consolidated income statement.

Impairment of goodwill

After its initial recognition and allocation to a cash generating unit, its possible loss in value is assessed at least once a year. When the recoverable value of the said cash generating unit is lower than its net book value, the corresponding loss in value is immediately recognised in the consolidated income statement, and generally no loss is recognised for individual assets not having experienced any impairment.

OTHER INTANGIBLE ASSETS

Intangible assets arising from an independent acquisition

Intangible assets acquired from third parties in a market transaction are valued at cost. If their useful life is finite they are amortised according to it and, if they have an indefinite useful life, they are tested for impairment at least on an annual basis.

Intangible assets internally generated

Research expenses are recognised directly in the income statement in the year when they are incurred. Development expenses are recorded as an asset when their probability, feasibility and future recoverability may be reasonably ensured, and are carried at cost.

Capitalised development expenses are amortised over the period in which revenues or yields are expected to be obtained, without prejudice to the valuation that would be made if impairment occurred.

Intangible assets acquired by exchange of assets

Intangible assets acquired are generally recognised at the fair value of the asset given in exchange.

5.2. Business combinations

The controlling company identifies a business combination when the assets acquired and the liabilities assumed in a transaction constitute a business. Business combinations are accounted for by applying the purchase method.

On the acquisition date, which is the time that control of the acquired business or entity is obtained, the acquirer separately recognises the goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree.

Goodwill represents the excess of the transferred consideration the net amount on the date of acquisition of the identifiable assets acquired and the liabilities assumed. According to the provisions of IFRS 3, the Group has chosen not to increase the minority interests balance in the corresponding part of the goodwill.

Initially, the identifiable assets acquired and the liabilities assumed are recognised at their fair values at the acquisition date. Any acquisition-related costs incurred by the acquirer are recognised as expense for the financial year in which they are incurred, except, where necessary, any costs incurred in issuing equity interests.

Subsequently, the acquirer measures the assets acquired, liabilities assumed and equity instruments issued in the business combination according to the valuation rules applicable to those items, according to their nature.

In business combinations achieved in stages, on the date on which control of the holding is obtained, the controlling company again measures its previously held interests in the acquiree's equity at their acquisition-date fair value and recognises any resulting gain or loss in its income and expense. Moreover, any valuation change adjustments to be charged to profit or loss for the financial year are transferred to the consolidated income statement.

When the business combinations have been accounted for, any modifications to contingent payments are recognised, for combinations undertaken from 1st January 2010, in the consolidated income statement and, for combinations undertaken earlier, as a change in goodwill.

5.3. Property, plant and equipment and investment property

Property, plant and equipment, and investment property are carried at cost less accumulated amortisation and, if applicable, accumulated impairment losses.

Costs incurred after the purchase are recognised as an asset only when future economic profits related to them are likely to revert to the Group and the cost of the item may be accurately determined. Other repair and maintenance expenses are debited to the consolidated income statement during the financial year when they are incurred.

Property, plant and equipment, and investment property are amortised on a straight-line basis on the cost of acquisition of the asset less its residual value and less the value of land, based on the following periods of useful life of the different types of assets:

ITEM GROUP	YEARS	ANNUAL RATIO
Buildings and other structures	50-25	2%-4%
Vehicles	6.25	16%
Furniture	10	10%
Facilities	16.6-10	6%-10%
Data processing equipment	4	25%

The residual value and the useful life of the assets are reviewed and adjusted, if required, on the closing date of each financial year.

The items of property, plant and equipment, and investment property are written off when they are sold or when they are no longer likely to generate future economic profits arising from their continued use. Gains or losses arising from the write-off are accounted for in the consolidated income statement.

5.4. Leases

FINANCIAL LEASE

Leases transferring to the lessee all the risks and benefits inherent in the ownership of the leased asset are classified as finance leases. The lessee books the leased asset in its assets at fair value or at the present value of minimum payments under the lease if this figure is lower.

Each lease payment is distributed between the liabilities and financial charges in order to arrive to a constant interest rate on the outstanding balance.

Financial costs are debited to the consolidated income statement.

Assets under financial lease are amortised over the useful life of the leased asset.

OPERATING LEASE

Leases in which the lessor substantially retains the risks and rewards of ownership are classified as operating leases. Payments in the concept of operating leases (net of any incentive received from the lessor) are debited to the consolidated income statement on a straight-line basis during the period of the lease.

5.5. Financial investments

RECOGNITION

Financial assets traded on secondary securities markets are generally recognised on the settlement date.

CLASSIFICATION

Financial investments are classified into the following portfolios:

Portfolio held to maturity

This category includes the securities with respect to which there is the intention and proven financial capacity to hold them until their maturity.

Portfolio available for sale

This portfolio includes securities representing debt not falling under "Portfolio held to maturity" or "Trading portfolio" and the equity instruments of entities not being controlled, associated or jointly held businesses and which have not been included in the "Trading portfolio".

Trading portfolio

This portfolio includes the financial assets that are originated or acquired with a view to their short-term realisation, which form part of a financial instruments portfolio being jointly identified and managed and which, according to recent experience, may give rise to short term gains.

This portfolio also includes derivative instruments not allocated for hedging purposes and hybrid financial assets stated at fair value.

In the case of hybrid financial assets, which simultaneously include a main contract and a financial derivative, both items are segregated and dealt with independently to the effects of their classification and valuation. Exceptionally, when the said segregation is not feasible, hybrid financial assets are accounted for at fair value.

MEASUREMENT

On their initial recognition in the balance sheet, all financial investments forming part of the above mentioned portfolios are recognised at the fair value of the consideration delivered, plus, in the case of financial investments not being classified in the "Trading Portfolio", any dealing costs being directly attributable to their purchase.

After the initial recognition, financial investments are stated at fair value, without deducting any dealing cost that might be incurred on their sale or any other type of disposal, with the following exceptions:

- a) Financial investments included in the "Portfolio held to maturity", which are valued at their amortised cost using the effective interest rate method.

The effective interest rate is the restatement rate equalling exactly the initial value of a financial instrument to all its estimated cash flows for all concepts throughout its residual life.

- b) Financial assets that are equity instruments and whose fair value may not be accurately estimated, as well as derivatives having the said instruments as underlying asset and that are settled by delivering them, which are valued at cost.

The fair value of financial investments is the price that would be paid for them in an organised and transparent market ("Trading price" or "Market value"). When the said market value is not available, the fair value is determined, if there are observable market data, by restating the future financial flows, including the redemption value, at rates equivalent to the interest rates of swaps in Euros, increased or decreased by the differential arising from the issuer's credit quality and standardised according to the issuer's quality and the maturity period. If no observable market data are available, other measurement techniques are used in which some of the significant variables are not based on market data.

The fair value of the financial derivatives included in the "Trading portfolio" is taken to be their daily price on the list or the present value of future cash flows if the former is not available.

The book value of financial investments is adjusted by debiting the consolidated income statement when there is objective evidence of an event having occurred that has a negative impact on its future cash flows or on any other circumstance evidencing that the investment cost of an equity instrument is not recoverable. The objective evidence of the impairment is determined on an individual basis for all types of financial instruments.

The amount of impairment losses is equal to the difference between their book value and the present value of their estimated future cash flows. In the case of equity instruments, an individual analysis of investments is carried out in order to determine if they are impaired. In addition, a sign of impairment is deemed to exist when the market value shows an extended decline (18 months) or a significant decline (40%) with respect to its cost. The amount of estimated impairment losses is recognised in the consolidated income statement, including, in addition, any reduction in the fair value of investments previously recognised under "Valuation adjustment reserves".

In the case of financial swaps of exchange of flows, the amounts accrued by the main transactions are recognised, with the amount resulting from flows being accounted for under "Other financial liabilities" or "Corporate and other credits", as the case may be.

5.6. Hedging transactions

Hedging derivatives are recorded, as they case may be pursuant to their valuation, under the headings of "Other investments" or "Other financial liabilities".

Hedging derivatives are considered those that efficiently eliminate the risks of variations in fair value, alterations in cash flows or variations in the value of the net investment in businesses abroad.

Derivatives for hedging purposes are carried at fair value.

FAIR VALUE HEDGE

The profit or loss arising from the valuation of the hedging instrument and the covered item is recognised in the consolidated income statement, in all cases.

5.7. Investments on account of life assurance policyholders bearing the investment risk

Investments on account of life policyholders bearing the investment risk are made in fixed income securities and trust funds and are valued at cost or at subscription or purchase price. The said acquisition cost is adjusted as greater or lower value of the investment, as applicable, according to the net asset value at the closing of the financial year. Revaluations and depreciations of these assets are accounted for as a credit or debit to the consolidated income statement of the Life direct insurance business segment.

5.8. Asset impairment

At the closing of each financial year, the Group assesses if there are signs that the asset item may have suffered a loss in value. If there is any such indication, their recoverable value is estimated.

For assets that are not in conditions of use and for intangible assets with an indefinite useful life, the recoverable value is estimated independently of the existence or otherwise of signs of impairment.

If the book value exceeds the recoverable value, a loss for such excess is recognised, reducing the book value of the asset until it coincides with the recoverable value.

If there is an increase in the recoverable value of an asset other than the goodwill, the previously recognised loss due to impairment is reversed, increasing the book value of the asset up to its recoverable value. This increase never exceeds the book value net of amortisation that would be accounted for had no impairment loss been recognised in previous years. The reversal is recognised in the consolidated income statement, unless the asset has been already subject to revaluation against "Valuation adjustment reserves", in which case the reversal is treated as a revaluation increase. After this reversal, the amortisation expense is adjusted in the following periods.

5.9. Stocks

Inventories are valued at the lower of their acquisition or production cost and their net realisable value.

The acquisition cost includes the expenses directly attributable to the purchase, as well as an allowance for the overheads incurred for the transformation of inventories and any financial expenses incurred in their acquisition.

The net realisable value is the estimated sale price in the normal course of business, less any variable costs required for their sale.

5.10. Loans

These assets are generally valued at amortised cost, calculated pursuant to the effective interest rate method and deducting, if applicable, provisions for losses due to any perceived asset impairment.

In the case of loans maturing in more than one year without the parties having expressly agreed the applicable interest rate, loan are discounted taking as implicit financial interest that in force in the Government Debt securities market with equal or similar term to the maturity of the credits, without prejudice to taking into account the related risk premium.

When there is objective evidence that an impairment loss has been incurred, the relevant provision has been made for the amount deemed not recoverable. The said amount is equal to the difference between the book value of the asset and the present value of future cash flows, discounted at the original effective interest rate of the financial asset. The amount of the loss is recognised in the consolidated income statement of the year.

The impairment loss corresponding to premiums pending collection is calculated separately for each line or risk, is presented in the consolidated income statement as a lower amount of written premiums, and consists of the part of the tariff premium accrued in the year that, according to past experience, is not likely to be collected, taking into account the impact of reinsurance.

Impairment is recognised in the consolidated income statement as an overall amount according to the age of receipts pending collection, or on an individual basis when the circumstances and status of receipts thus require.

Credits on recollection of claims are capitalised only when their realisation is considered as certain.

5.11. Cash and banks

Cash and Banks consist of cash and cash equivalents.

Cash is formed by cash and sight deposits with banks.

Cash equivalents correspond to highly liquid short term investments that can be easily converted into fixed amounts of cash and are subject to insignificant change in value risks.

5.12. Accruals and prepayments

The heading "Accrual adjustments" of the assets side basically includes fees and other acquisition expenses corresponding to accrued premiums subject to allocation to the period between the closing date and the expiry of the term of the contracts, with such expenses being those actually borne in the period, with the limit established in the technical bases.

Similarly, the heading "Accrual adjustments" of the liabilities side includes the amounts of fees and other acquisition expenses of ceded reinsurance that are to be allocated in the following year(s) pursuant to the coverage period of ceded policies.

5.13. Non-current assets held for sale and related liabilities

Assets held for sale, if applicable, are generally stated at the lower of their book value and their fair value deducting sale costs, these understood as any marginal costs directly attributable to the disposal, excluding, if applicable, financial costs and the income tax related expense.

Non-current assets classified as held for sale are not subject to amortisation.

Losses for impairment of their book value are recognised in the consolidated income statement. Similarly, when a recovery in value takes place, this is recognised in the consolidated income statement up to an amount equal to the impairment loss previously recognised.

5.14. Financial and subordinated liabilities

In their initial recognition in the balance sheet, financial and subordinated liabilities are accounted for at their fair value. After this initial recognition, all the

said liabilities are valued at their amortised cost, except for those classified as hedged items or as accounting hedging instruments, which follow the criteria and rules that are established in Note 5.6 of hedging transactions.

When financial and subordinated liabilities are written off in the balance sheet, the difference between their book value and the consideration delivered is recognised in the consolidated income statement.

The options on the stake held by minority shareholders in subsidiaries, when the acquirer does not have access to economic benefits associated with the shares subject to the option are recorded both at baseline and subsequently, at fair value, after accounting for differences in valuations in the consolidated income statement.

5.15. Insurance operations

A) PREMIUMS

Direct insurance

Premiums from the Non Life business and Life annual renewable contracts are recognised as revenues throughout the validity of the contracts, pursuant to the period of time elapsed. The accrual of premiums is made by allocating the provision for unearned premiums.

Premiums from the long term Life business, whether single premiums or regular premiums, are recognised when the right to collection arises on the part of the contract issuer.

Ceded reinsurance

Premiums corresponding to ceded reinsurance are accounted for pursuant to the written reinsurance contracts and under the same criteria as used for direct insurance.

Accepted and retroceded reinsurance

Premiums corresponding to accepted reinsurance are accounted for on the basis of the accounts received from ceding companies.

Retroceded reinsurance transactions are accounted for under the same criteria as accepted reinsurance, and pursuant to the retrocession contracts entered into.

Coinsurance

Coinsurance transactions are accounted for pursuant to the accounts received from the opening company and the participation in contracts entered into.

B) TECHNICAL PROVISIONS

Below are the major hypotheses and methods used to establish the provisions.

a) Direct insurance of companies belonging to the European Economic Area

PROVISION FOR UNEARNED PREMIUMS

The provision for unearned premiums is calculated on a policy by policy basis, and it shows the fee premium accrued during the year which is imputable to future financial years, after deducting the security surcharge.

PROVISION FOR CURRENT RISKS

The provision for current risks is calculated on an individual business line basis and supplements the provision for unearned premiums for the amount not showing the valuation of risks and expenses to be covered, corresponding to the coverage period not elapsed at the closing date.

For the motor business, the calculation of this provision has been made considering all the guarantees covered with the products marketed by the different companies.

PROVISION FOR LIFE ASSURANCE

- In Life assurance policies with a coverage period equal to or shorter than one year, the provision for unearned premiums is calculated on a policy by policy basis and reflects the tariff premium accrued in the year subject to allocation to future financial years.

When this provision is not sufficient, the provision for risks in progress is calculated also in order to cover the valuation of risks and expenses to be covered, corresponding to the coverage period not elapsed at the year's closing date.

- In life assurance policies with a coverage period exceeding one year, the mathematical reserve has been calculated on a policy by policy basis as the difference between the current actuarial value of the future obligations of the controlled companies operating in this line, and those of the policyholder or insured person. The calculation basis is the inventory premium accrued in the year, represented by the pure premium plus the surcharge for administration expenses, both determined using the best estimates for mortality, illness, investment yields and administration expenses upon issuance of the contracts, as detailed in the technical bases of the relevant products and types, and remaining unchanged throughout the life of the contract unless their inadequacy becomes evident, in which case the calculation of the mathematical reserve would be changed.

Written policies having a profit sharing clause in force at the closing of each year share, pro rata to their mathematical reserves and as specifically laid down in each contract, in the net yields obtained by the investments allocated to covering the said provisions. The amount of this profit sharing is recorded as a greater amount of mathematical reserves.

- This balance sheet heading also includes the provision for profit sharing and for premium returns. This provision includes the amount of profits accrued in favour of policyholders, insured persons or beneficiaries and the premiums that must be reimbursed to policyholders.

PROVISION FOR CLAIMS

This represents the estimated appraisals of the pending liabilities arising from the claims occurring prior to the closing date of the year, after deducting any payments on account. It includes the appraisals of the claims yet to be settled or paid and yet to be declared, as well as the internal and external expenses involved in the settlement of claims; in the Life Assurance business, it includes maturities and redemptions pending payment. In the Spanish companies, its calculation is made including, if applicable, additional provisions for the deviation in the valuation of claims subject to long handling periods.

OTHER TECHNICAL PROVISIONS

The most significant provision included under this heading is the Death Insurance provision, which is calculated on a policy by policy basis, as the difference between the current actuarial value of future obligations of the controlled companies operating in this line and those of the policyholder or insured person.

For certain portfolios, the Death Insurance provision is calculated by means of methods based on group capitalisation, with a financial-actuarial restatement being made of projected flows of premiums and expected claims up to the expiry of the collective insurance.

TECHNICAL PROVISIONS RELATING TO LIFE INSURANCE WHEN THE INVESTMENT RISK IS BORNE BY THE POLICYHOLDERS

The provisions for Life assurance where it has been contractually agreed that the investment risk will be fully borne by policyholders, have been calculated on a policy by policy basis, and they are valued according to the assets specifically allocated to determine the value of the rights.

b) Direct insurance of entities not belonging to the European Economic Area

Technical provisions are calculated pursuant to the local criteria in force in each country, except in the cases when their application could distort the true and fair image that must be given by the financial statements, in which case the controlling Company's criteria have been adopted.

Life assurance provisions have been calculated using the operational assumptions, mortality tables and technical interest rate usual in the sector in the respective countries.

c) Ceded reinsurance

Technical provisions for cessions to reinsurers are shown in the balance sheet assets and are calculated according to the reinsurance agreements entered into and under the same criteria as used for direct insurance.

d) Accepted reinsurance

PROVISION FOR UNEARNED PREMIUMS

Accepted reinsurance transactions are accounted for on the basis of the accounts received from ceding companies. If the ceding company's latest accounts are not available at the balance sheet closing, the balance of other received accounts is considered as provisions for unearned premiums of non closed accounts, in order not to recognise results in the recording of such accounts. Exceptionally, if these provisions of non closed accounts were negatively affected by the recording of major claim payments, because of their being an actual loss not subject to being offset by movements of non closed accounts, the provision is adjusted for the relevant amount.

When the latest account and report on outstanding claims are available, the cancellation is made of provisions of non closed accounts, allocating the corresponding provisions for unearned premiums according to the information provided by the ceding company, and accruing them on a policy by policy basis. Failing this, the amount recorded for unearned premiums is the amount of the deposit of premiums withheld on this concept and, lastly, an overall method for the accrual of premiums may be used.

Acquisition expenses, as notified by ceding companies, are accrued under the heading of "Accrual adjustments" in the balance sheet assets, with these expenses corresponding to those actually borne in the period. When ceding companies do not notify the amounts, acquisition expenses are accrued on a risk by risk basis for facultative proportional reinsurance and overall for the rest of the proportional business.

PROVISION FOR CURRENT RISKS

This is calculated on an individual business line basis and supplements the provision for unearned premiums for the amount not showing the valuation of risks and expenses to be covered, corresponding to the coverage period not elapsed at the closing date.

PROVISION FOR CLAIMS

Provisions for claims are allocated for the amounts notified by the ceding company or, failing this, for withheld deposits, and include complementary provisions for claims existing and not reported, as well as for deviations in existing ones, in accordance with the company's own experience.

e) Retroceded reinsurance

Retroceded reinsurance transactions and their corresponding technical provisions are recorded following the same criteria as for accepted reinsurance and according to the retrocession agreements entered into.

f) Liabilities adequacy test

Technical provisions existing in the books are periodically submitted to a reasonability test in order to determine their adequacy on the basis of the projections of all future cash flows of existing contracts. Recorded provisions are adjusted against the results of the financial year if it becomes evident that they are inadequate, as a consequence of the test.

g) Shadow accounting

In order to mitigate the accounting asymmetries arising from applying different valuation methods for assets and liabilities, IFRS allow the so-called "shadow accounting", in such a way that unrealised losses or gains in the relevant assets are recognised in the valuation of technical reserves, up to the limit of the amounts assumed by the policyholder.

C) OTHER ASSETS AND LIABILITIES ARISING FROM INSURANCE AND REINSURANCE CONTRACTS

a) Deposit components in insurance contracts

Some Life assurance contracts contain both an insurance component and a deposit component. These two components are not valued separately, since all the rights and obligations arising from the deposit component are recognised.

b) Embedded derivatives in insurance contracts

Some Life assurance contracts contain embedded derivatives, essentially consisting of guaranteed redemption values and maturity values. The embedded derivative is not valued separately from the main insurance contract because it meets the conditions to be classified as an insurance contract, with their embedded value being valued jointly with the main contract pursuant to IFRS 4.

c) Insurance contracts acquired in business combinations or portfolio transfers

Insurance contracts acquired in a business combination or portfolio transfer are stated at fair value and recognised in the balance sheet as follows:

- a) the liabilities arising from the insurance contracts are accounted for pursuant to IFRS 4;
- b) an intangible asset is accounted for, representing the difference between:
 - the fair value of the rights acquired and the rest of assumed contractual obligations, and
 - the amount described in section a) above.

This intangible asset is amortised by the straight line method according to the estimated life of the contracts.

d) Capitalisation of acquisition fees and expenses

Acquisition fees and expenses directly related to new production sales are not capitalised in any case, being taken to the consolidated income statement in the financial year when they are incurred.

D) CLAIMS

The estimated cost of claims, both of the Life and the Non Life business, is recognised on the date of occurrence of events, accounting for all necessary expenses to be incurred up to the settlement of the claim.

For claim events occurred prior to the end of each financial year but not reported, the best estimate of their cost is recognised based on historical experience, through the provision for claims pending declaration.

Payments of claims are made against the previously recognised provision.

Claims corresponding to accepted reinsurance are accounted for on the basis of the accounts received from ceding companies.

Claims corresponding to ceded and retroceded reinsurance are accounted for according to the reinsurance contracts entered into, and under the same criteria as those used for direct insurance and accepted reinsurance, respectively.

E) SIGNIFICANT ASSUMPTIONS AND OTHER SOURCES OF ESTIMATION OF UNCERTAINTIES

With respect to assets, liabilities, revenues and expenses arising from insurance contracts, as a general rule, the assumptions that were used as basis for the issuance of the said contracts are as specified in the technical bases.

As a general rule, the estimates and hypotheses that are used are reviewed from time to time and they are based on historical experience and on other factors that may have been considered more reasonable at a given time. If there is a change of estimate in a given period as a result of these reviews, its effect would apply to that period and, if applicable, to successive periods.

The main hypothesis is based on the performance and development of claims, using the frequency and cost of same over the last few years. Also, in the estimates hypotheses on interest rates and foreign exchange rates are considered, together with delays in the payment of claims and any other external factors that might have a bearing on the estimates.

With regard to liabilities, the hypotheses are based on the best possible estimate at the time of issuance of the contracts. However, if a proven insufficiency becomes apparent, the provisions needed to cover this insufficiency are established.

The calculation of technical provisions does not use discount techniques for the valuation of future flows, except for the mathematical reserves in the Life business and provisions for death in Direct Insurance.

During the year there have not been any significant amendments in the hypotheses used in the appraisal of the liabilities arising from the insurance contracts.

F) IMPAIRMENT

When there is objective evidence that an impairment loss of the assets derived from insurance and reinsurance policies has been incurred, the general valuation criterion mentioned in Note 5.10. Loans is applied.

5.16. Provisions for liabilities and charges

Provisions are recognised when the present obligation (either actual or construed) exists as a result of a past event and a reliable estimate of the amount of the obligation may be made.

When a provision is expected to be recovered, partly or fully, the reimbursement is recognised as a separate asset.

5.17. Debts

The valuation of the items included under the heading "Debt" is generally made at amortised cost, using the effective interest rate method.

In the case of debt with maturity beyond one year, if the parties have not expressly agreed the applicable interest rate, debts are discounted taking as implicit financial interest that in force in the public debt market for securities with the same or similar term to the maturity of the debts, without prejudice to taking into account the relevant risk premium.

5.18. General criterion on revenues and expenses

The general principle applicable to the recognition of revenues and expenses is the accrual criterion, pursuant to which the allocation of revenues and expenses is made according to the actual flow of goods and services represented by them, irrespectively of the date of the monetary or financial flow arising from them.

5.19. Remuneration to staff

Remuneration to staff may be short term, post-employment benefits, termination payments, share-based payments and other long term types.

A) SHORT TERM REMUNERATION

This is recorded according to the services provided by employees, on an accrual basis.

B) POST-EMPLOYMENT BENEFITS

It essentially consists of defined contribution plans and defined benefit plans.

Defined contribution plans

These are post-employment benefit plans in which the entity involved makes pre-determined contributions to a separate entity (whether related or alien to the Group) and has no legal or implicit obligation of making additional contributions, should there be an insufficiency of assets to honour the payment of benefits. Therefore, the obligation solely consists of making the contribution that is agreed to a fund, and the amount of benefits to be received by employees is determined by the contributions made plus the return obtained on the investments where the fund is materialised.

Defined benefit plans

These are post-employment benefit plans differing from those with defined contribution.

The liability recognised in the balance sheet in relation to defined benefit pension plans, recorded under the mathematical reserves heading, is equal to the present value of the defined benefit obligation on the balance sheet date, deducting, if applicable, the fair value of the assets allocated to the plan.

The obligation on the defined benefit is determined separately for each plan, using the actuarial valuation method of projected credit unit.

Actuarial losses and gains arising are debited or credited to the consolidated income statement in the financial year when they take place.

The defined benefit plan obligations left on the balance sheet only correspond to retired members of staff.

C) TERMINATION PAYMENTS

Termination payments are recognised as a liability and as an expense when there is a demonstrable intention of termination of the labour relationship before the normal retirement date of employees, or when there is an offer to encourage the voluntary termination of labour contracts.

D) SHARE-BASED PAYMENTS

Cash-settled share-based payments are measured when the transaction originates, following an option-appraisal method. The measured cost is charged

to the income statement as a personnel expense over the employee's vesting period, while a liability in favour of the employee is recognized as the counter-entry.

Every year, a re-estimate will be made of the initial valuation, recognising in the year's results the portion corresponding to the said year and the portion arising from the said re-estimate corresponding to previous years.

This is a revocable plan, being linked to the officer's remaining in employment with the Group.

E) OTHER LONG TERM REMUNERATION

The accounting record of other long term remuneration items except for those described in the preceding paragraphs follows the above mentioned principles, except for the cost of past service, which is recognised immediately.

5.20. Revenues and expenses from investments

Revenues and expenses from investments are classified between operations and equity according to their origin, if they are allocated to covering technical reserves or they materialise shareholders' equity, respectively.

Revenues and expenses from financial investments are accounted for according to the portfolio in which they are classified, pursuant to the following criteria:

A) TRADING PORTFOLIO

Changes in fair value are directly accounted for in the income statement, differentiating the portion attributable to yields, which is recorded as interest or, if applicable, as dividends, and the portion that is recorded as realised and unrealised results.

B) PORTFOLIO HELD TO MATURITY

Changes in fair value are recognised when the financial instrument is disposed of and in case of impairment.

C) PORTFOLIO AVAILABLE FOR SALE

Changes in fair value are recognised directly in the company's equity until the financial asset is written off or impairment is perceived, at which time they are recorded in the income statement.

In all cases, the interest from financial instruments is recorded in the consolidated income statement using the effective interest rate method.

5.21. Reclassification of expenses by final nature and allocation to activity segments

The criteria followed for the reclassification of expenses according to their final nature are mainly based on the function fulfilled by each employee, with their direct and indirect cost being distributed pursuant to the said function.

As regards expenses not directly or indirectly related to staff, individual studies are carried out, and they are allocated according to the function fulfilled by the said expenses.

The established destinations are as follows:

- Expenses to be allocated to benefits
- Expenses to be allocated to investments
- Other technical expenses
- Other non technical expenses
- Acquisition expenses
- Administration expenses
- Operating expenses from other activities

Expenses have been allocated to the following segments, according to the business line having originated them:

- Life Direct insurance
- Motor direct insurance
- Other Non Life direct insurance
- Life and Non Life accepted reinsurance
- Other activities

5.22. Transactions and balances in foreign currencies

Transactions in foreign currencies, other than in reinsurance, are translated into each Group company's functional currency at the exchange rate prevailing on the transaction date.

Reinsurance transactions in foreign currencies are recorded at the exchange rate established at the beginning of each quarter in the year. Later on, upon the closing of each quarter, they are all dealt with as a single transaction, translating the amount at the exchange rate prevailing on that date and recording the corresponding difference in the consolidated income statement.

At year end, existing balances denominated in foreign currencies are translated at the exchange rate of the functional currency prevailing on that date, with all exchange differences being taken to the consolidated income statement, except those directly allocated to "Valuation adjustment reserves", which are those arising from the monetary items that form part of the net investment in a foreign operation and from the non monetary ones stated at fair value, where changes in valuation are directly recognised in equity.

5.23. Corporate income tax

Income tax that is considered as an expense in the year is recorded as such in the consolidated income statement, and includes both the tax charge for the current tax and the effect corresponding to the movement in deferred tax.

For its determination, the liability method based on the balance sheet is used, according to which the relevant deferred tax assets and liabilities are recorded as may be necessary to correct the effect of temporary differences, which are the differences existing between the book value of an asset or a liability and that representing its tax valuation.

Likewise, long term deferred assets and liabilities are valued according to the rates that shall apply in the financial years when assets and liabilities are expected to be realised or paid, respectively.

Temporary differences may be "Taxable temporary differences", which give rise to a higher amount of taxes payable in the future and which generally entail the recognition of a deferred tax liability, or "Deductible temporary differences", which give rise to a lower amount of taxes payable in the future and, to the extent they may be recoverable, to recording a deferred tax asset.

On the other hand, income tax related to items where modifications in valuation are directly recognised in equity are not allocated to the consolidated income statement but to equity, with the valuation changes being recorded in the said assets, net of the tax effect.

6. Breakdown of financial statements

6.1. INTANGIBLE ASSETS

The following tables detail the movement of this heading during the last two financial years:

Financial year 2011

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions or appropriations	Disposals, cancellations or reductions	Closing balance
COST						
GOODWILL	2,306.59	(3.53)	133.95	0.40	(94.10)	2,343.31
OTHER INTANGIBLE ASSETS						
Portfolio acquisition expenses	761.23	(2.01)	1,574.83	--	(0.16)	2,333.89
Software	328.92	(1.43)	8.81	87.54	(9.46)	414.38
Others	84.93	1.20	45.99	32.18	(21.68)	142.62
TOTAL COST	3,481.67	(5.77)	1,763.58	120.12	(125.40)	5,234.20
CUMULATIVE DEPRECIATION						
OTHER INTANGIBLE ASSETS						
Portfolio acquisition expenses	(70.02)	14.47	--	(135.06)	0.05	(190.56)
Software	(183.29)	1.17	(7.88)	(42.47)	7.47	(225.00)
Others	(22.23)	0.43	0.17	(2.06)	0.20	(23.49)
TOTAL CUMULATIVE DEPRECIATION	(275.54)	16.07	(7.71)	(179.59)	7.72	(439.05)
IMPAIRMENT						
GOODWILL	(48.20)	1.52	67.72	(97.94)	--	(76.90)
OTHER INTANGIBLE ASSETS						
Portfolio acquisition expenses	--	--	--	--	--	--
Software	(0.03)	--	--	--	0.03	--
Others	(1.87)	0.14	--	--	--	(1.73)
TOTAL IMPAIRMENT	(50.10)	1.66	67.72	(97.94)	0.03	(78.63)
TOTAL GOODWILL	2,258.39	(2.01)	201.67	(97.54)	(94.10)	2,266.41
TOTAL OTHER INTANGIBLE ASSETS	897.64	13.97	1,621.92	(59.87)	(23.55)	2,450.11
TOTAL INTANGIBLE ASSETS	3,156.03	11.96	1,823.59	(157.41)	(117.65)	4,716.52

FIGURES IN MILLION EUROS

The amounts shown as changes in the scope of financial year 2011 mainly arise from MAPFRE NOSSA CAIXA having been excluded from the scope and from the acquisition of interests in the entities BB ALIANÇA PARTICIPAÇÕES, S.A. and BB ALIANÇA REV. PARTICIPAÇÕES, S.A., as part of the agreement with BANCO DO BRASIL, whose goodwill amount to €109.50 and €124.66 million, respectively; and whose portfolio acquisition expenses amount to €1,471.54 and €103.29 million, respectively.

The goodwill cancellations arise from the final allocation of purchase price of the interests in CATALUNYACAIXA VIDA, S.A. D'ASSEGURANCES I REASSEGURANCES (hereinafter, CATALUNYACAIXA VIDA), CAIXA TARRAGONA VIDA, S.A. D'ASSEGURANCES I REASSEGURANCES (hereinafter, CAIXA TARRAGONA VIDA) and CAIXA MANRESA VIDA COMPANYIA D'ASSEGURANCES (hereinafter, CAIXA MANRESA VIDA).

Financial year 2010

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions or appropriations	Disposals, cancellations or reductions	Closing balance
COST						
GOODWILL	1,682.60	67.52	572.03	--	(15.56)	2,306.59
OTHER INTANGIBLE ASSETS						
Portfolio acquisition expenses	364.13	40.02	357.08	--	--	761.23
Software	262.03	25.04	8.06	36.76	(2.97)	328.92
Others	47.99	4.29	3.85	49.42	(20.62)	84.93
TOTAL COST	2,356.75	136.87	941.02	86.18	(39.15)	3,481.67
CUMULATIVE DEPRECIATION						
OTHER INTANGIBLE ASSETS						
Portfolio acquisition expenses	(42.75)	(2.72)	(0.81)	(23.74)	--	(70.02)
Software	(136.28)	(16.41)	(4.72)	(29.87)	3.99	(183.29)
Others	(17.89)	(3.64)	(1.38)	(1.97)	2.65	(22.23)
TOTAL CUMULATIVE DEPRECIATION	(196.92)	(22.77)	(6.91)	(55.58)	6.64	(275.54)
IMPAIRMENT						
GOODWILL	(38.75)	0.58	--	(10.03)	--	(48.20)
OTHER INTANGIBLE ASSETS						
Portfolio acquisition expenses	--	--	--	--	--	--
Software	--	--	--	(0.03)	--	(0.03)
Others	(0.04)	--	--	(1.83)	--	(1.87)
TOTAL IMPAIRMENT	(38.79)	0.58	--	(11.89)	--	(50.10)
TOTAL GOODWILL	1,643.85	68.10	572.03	(10.03)	(15.56)	2,258.39
TOTAL OTHER INTANGIBLE ASSETS	477.19	46.58	362.08	28.74	(16.95)	897.64
TOTAL INTANGIBLE ASSETS	2,121.04	114.68	934.11	18.71	(32.51)	3,156.03

FIGURES IN MILLION EUROS

The amounts shown as changes in the scope of financial year 2010 mainly arise from the acquisition of interests in the entities CATALUNYACAIXA VIDA, CATALUNYACAIXA ASSEGURANCES GENERALS S.A. D'ASSEGURANCES I REASSEGURANCES (hereinafter, CATALUNYACAIXA ASSEGURANCES GENERALS), CAIXA TARRAGONA VIDA, CAIXA MANRESA VIDA and INSURE AND GO, whose goodwill amounts to €337.94; €97.62; €54.57; €40.12 and €31.30 million, respectively; and the portfolio acquisition expenses of ASCAT VIDA and CAIXA MANRESA VIDA amount to €328.36 and €23.49 million, respectively.

The goodwill cancellations arise from the final allocation of purchase price of the interest in ASEGURADORA MUNDIAL.

The adjustments to the opening balance of goodwill mainly stem from exchange differences in goodwill in foreign currencies (COMMERCE, GENEL SIGORTA, MAPFRE NOSSA CAIXA VIDA E PREVIDENCIA, S.A.) and others of smaller amounts.

Portfolio acquisition expenses are amortised over the life of the portfolios, over a maximum of 30 years, and depending upon their being maintained.

A breakdown is shown below of the useful life and amortisation rates used for the following intangible assets, having adopted in all cases the straight-line method of amortisation.

ITEM GROUP	Useful life (years)	Depreciation rate (annual)
Software	4	25%
Rights of usage of concessions Administrative Situations	57	1.75%

The amortisation of intangible assets with finite useful life has been recorded in the expenses account "Amortisation allowances".

The useful life of the following intangible assets is considered indefinite, as the said assets are expected to contribute to obtaining future revenues for the Group, indefinitely:

ITEM	BOOK VALUE	
	31/12/2011	31/12/2010
Goodwill in consolidation	2,149.54	2,142.11
Goodwill on merger	116.87	116.28

FIGURES IN MILLION EUROS

The following table provides detailed information on the cash generating units to which the different goodwill items are allocated, as well as their book value and, if applicable, the impairment amount over the last two years.

ITEM	Cash generating unit	Balance 31.12.2009	FINANCIAL YEAR 2010		Balance 31.12.2010	FINANCIAL YEAR 2011		Balance 31.12.2011
			Entries/ (cancellations)	Net impairment in the period		Entries/ (cancellations)	Net impairment in the period	
Goodwill in consolidation								
MAPFRE VIDA	Life Assurance (Spain)	212.57	--	--	212.57	--		212.57
MAPFRE GLOBAL RISKS	Business insurance	40.17	--	--	40.17	--		40.17
GRUPO CORPORATIVO LML	Non-Life Insurance (Mexico)	22.26	3.20	--	25.46	(2.86)		22.60
BRICKELL FINANCIAL SERVICES	Travel Assistance (U.S.A.)	17.65	1.38	--	19.03	(4.69)		14.34
MAPFRE WARRANTY	Coverage Extension	11.08	--	--	11.08	--		11.08
MAPFRE NOSSA CAIXA	Life Assurance (Brazil)	88.50	11.72	--	100.22	(100.22)		--
BB ALIANÇA PARTICIPAÇÕES, S.A.	Life Assurance (Brazil)	--	--	--	--	109.50	--	109.50
BB ALIANÇA REV. PARTICIPAÇÕES, S.A.	Non-Life Assurance (Brazil)	--	--	--	--	124.66	--	124.66
ABRAXAS	Travel Assistance (UK)	16.62	0.53	(0.66)	16.49	(3.01)	--	13.48
GENEL SIGORTA	Insurance (Turkey)	72.79	3.00	--	75.79	(11.60)	--	64.19
BANKINTER VIDA	Life Assurance (Spain)	160.45	--	--	160.45	--	--	160.45
CCM VIDA Y PENSIONES	Life Assurance and Pensions (Spain)	90.51	--	--	90.51	--	--	90.51
COMMERCE	Non-Life Insurance (U.S.A.)	612.53	47.86	--	660.39	21.58	--	681.97
DUERO VIDA	Life Assurance (Spain)	70.12	--	--	70.12	--	--	70.12
DUERO PENSIONES	Pension fund manager (Spain)	13.38	--	--	13.38	--	--	13.38
ASEGURADORA MUNDIAL	Insurance (Central America)	21.46	(14.74)	--	6.72	0.23	--	6.95
CATALUNYACAIXA VIDA	Life Assurance (Spain)	--	337.94	--	337.94	(77.83)	--	260.11
CATALUNYACAIXA ASSEGURANCES GENERALS	General Insurance (Spain)	--	97.62	--	97.62	--	--	97.62
CAIXA TARRAGONA VIDA	Life Assurance (Spain)	--	54.57	--	54.57	(7.78)	--	46.79
CAIXA MANRESA VIDA	Life Assurance (Spain)	--	40.12	--	40.12	(7.58)	--	32.54
INSURE AND GO	Insurance (UK)	--	31.30	--	31.30	5.50	--	36.80
Others	--	75.68	10.31	(7.81)	78.18	(9.77)	(28.70)	39.71
TOTAL GOODWILL ON CONSOLIDATION		1,525.77	624.81	(8.47)	2,142.11	36.13	(28.70)	2,149.54
Goodwill on merger								
MAPFRE FINISTERRE	Death insurance (Spain)	87.93	--	--	87.93	--	--	87.93
ASEICA	Medical assistance (Canary Islands)	12.73	--	--	12.73	--	--	12.73
Others	--	17.42	(0.82)	(0.98)	15.62	0.59	--	16.21
TOTAL MERGER GOODWILL		118.08	(0.82)	(0.98)	116.28	0.59	--	116.87
TOTAL GOODWILL		1,643.85	623.99	(9.45)	2,258.39	36.72	(28.70)	2,266.41
Goodwill in associated undertakings								
IBERICAR	Services (Spain)	10.29	--	--	10.29	1.26	--	11.55
FUNESPAÑA	Undertaker services (Spain)	2.06	3.47	--	5.53	2.74	--	8.27
Others	--	5.33	--	(1.40)	3.93	2.99	--	6.92
TOTAL GOODWILL IN ASSOCIATED UNDERTAKINGS (EQUITY METHOD) (*)		17.68	3.47	(1.40)	19.75	6.99	--	26.74

FIGURES IN MILLION EUROS

(*) Goodwill related to acquisitions of associated undertakings is stated as a greater value of investments booked by the equity method.

The book value, net of any impairment, of each of the above described goodwill items is, in all cases, equal to or lower than the amount recoverable from the cash generating unit to which they are allocated, which has been determined according to its use value, calculated on the basis of cash flow projections.

The discount rate applied to the said projections is based on the interest rates of the geographical market where each cash-generating unit operates, which ranges, after tax, between 3.69% and 7.64% in 2011 and between 3.82% and 11.75% in 2010, and to which a risk premium has been added according to the unit's type of activity.

The resulting discount rate applied in the most significant cases has been as follows:

GOODWILL	DISCOUNT RATE AFTER TAX	
	2011	2010
COMMERCE	6.13%	6.97%
MAPFRE VIDA, BANKINTER VIDA, CCM VIDA Y PENSIONES, DUERO VIDA Y DUERO PENSIONES, CATALUNYACAIXA VIDA, CATALUNYACAIXA ASSEGURANCES GENERALS, CAIXA TARRAGONA VIDA and CAIXA MANRESA VIDA	8.12%	7.32%
MAPFRE GLOBAL RISKS	7.19%	8.32%
MAPFRE NOSSA CAIXA	12.80%	16.75%
MAPFRE FINISTERRE	9.00%	9.00%
GENEL SIGORTA	12.64%	11.69%

Projections corresponding to the first five years take into account growth rates of the flows based on historical experience, while for the following years constant flows are considered.

Any reasonably possible change in a key assumptions considered would not result in any goodwill impairments of a significant amount.

6.2. Property, plant and equipment and investment property

PROPERTY, PLANT AND EQUIPMENT

The following tables detail the movement of this heading during the last two financial years:

Financial year 2011

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions or appropriations	Disposals, cancellations or reductions	Closing balance	Market capitalisation
COST							
PROPERTY FOR OWN USE							
Land and natural resources	109.09	18.57	3.74	27.78	(33.50)	125.68	187.85
Buildings and other structures	1,048.02	28.29	(7.10)	111.78	(61.83)	1,119.16	1,466.83
OTHER TANGIBLE FIXED ASSETS							
Vehicles	214.09	4.29	(2.44)	55.79	(80.86)	190.87	110.67
Furniture and fittings	417.81	5.34	(1.21)	28.25	(20.70)	429.49	187.47
Other tangible fixed assets	194.45	9.08	12.66	34.73	(27.49)	223.43	76.25
Advances and fixed assets in progress	2.23	0.09	(0.74)	7.15	(0.37)	8.36	8.36
TOTAL COST	1,985.69	65.66	4.91	265.48	(224.75)	2,096.99	2,037.43
CUMULATIVE DEPRECIATION							
PROPERTY FOR OWN USE	(152.85)	(16.63)	(0.15)	(15.23)	4.64	(180.22)	--
OTHER TANGIBLE FIXED ASSETS	(426.04)	(14.31)	(2.00)	(126.14)	101.41	(467.08)	--
TOTAL CUMULATIVE DEPRECIATION	(578.89)	(30.94)	(2.15)	(141.37)	106.05	(647.30)	--
IMPAIRMENT							
PROPERTY FOR OWN USE							
Land and natural resources	--	--	--	--	--	--	--
Buildings and other structures	(2.60)	0.26	--	(2.26)	--	(4.60)	--
OTHER TANGIBLE FIXED ASSETS							
Vehicles	--	--	--	(0.63)	--	(0.63)	--
Furniture and fittings	(0.07)	--	--	--	--	(0.07)	--
Other tangible fixed assets	(3.20)	(0.22)	--	--	1.01	(2.41)	--
TOTAL IMPAIRMENT	(5.87)	0.04	--	(2.89)	1.01	(7.71)	--
TOTAL PROPERTY FOR OWN USE	1,001.66	30.49	(3.51)	122.07	(90.69)	1,060.02	1,654.68
TOTAL OTHER PROPERTY, PLANT & EQUIPMENT	399.27	4.27	6.27	(0.85)	(27.00)	381.96	382.75
TOTAL PROPERTY, PLANT & EQUIPMENT	1,400.93	34.76	2.76	121.22	(117.69)	1,441.98	2,037.43

FIGURES IN MILLION EUROS

Financial year 2010

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions or appropriations	Disposals, cancellations or reductions	Closing balance	Market capitalisation
COST							
PROPERTY FOR OWN USE							
Land and natural resources	133.23	15.75	0.68	0.89	(41.46)	109.09	148.25
Buildings and other structures	1,048.69	61.20	5.18	61.57	(128.62)	1,048.02	1,548.05
OTHER TANGIBLE FIXED ASSETS							
Vehicles	251.15	2.82	0.47	48.87	(89.22)	214.09	130.73
Furniture and fittings	426.45	6.31	1.93	16.57	(33.45)	417.81	213.91
Other tangible fixed assets	203.16	--	5.93	25.71	(40.35)	194.45	76.01
Advances and fixed assets in progress	1.39	(0.03)	--	2.18	(1.31)	2.23	2.14
TOTAL COST	2,064,.07	86.05	14.19	155.79	(334.41)	1,985.69	2,119.09
CUMULATIVE DEPRECIATION							
PROPERTY FOR OWN USE	(124.15)	(11.39)	(1.49)	(26.01)	10.19	(152.85)	--
OTHER TANGIBLE FIXED ASSETS	(394.42)	(3.62)	(7.30)	(75.49)	54.79	(426.04)	--
TOTAL CUMULATIVE DEPRECIATION	(518.57)	(15.01)	(8.79)	(101.50)	64.98	(578.89)	--
IMPAIRMENT							
PROPERTY FOR OWN USE							
Land and natural resources	--	--	--	--	--	--	--
Buildings and other structures	(2.22)	0.18	--	(0.56)	--	(2.60)	--
OTHER TANGIBLE FIXED ASSETS							
Vehicles	(1.92)	--	--	(0.80)	2.72	--	--
Furniture and fittings	(1.76)	1.69	--	--	--	(0.07)	--
Other tangible fixed assets	(3.41)	0.21	--	--	--	(3.20)	--
TOTAL IMPAIRMENT	(9.31)	2.08	--	(1.36)	2.72	(5.87)	--
TOTAL PROPERTY FOR OWN USE	1,055.55	65.74	4.37	35.89	(159.89)	1,001.66	1,696.30
TOTAL OTHER PROPERTY, PLANT & EQUIPMENT	480.64	7.38	1.03	17.04	(106.82)	399.27	422.79
TOTAL PROPERTY, PLANT & EQUIPMENT	1,536.19	73.12	5.40	52.93	(266.71)	1,400.93	2,119.09

FIGURES IN MILLION EUROS

The fully depreciated cost of tangible fixed assets as at 31st December 2011 and 2010 amounts to €110.45 million and €107.73 million, respectively.

Impairment losses amount to €2.89 million and €1.36 million for financial years 2011 and 2010, respectively, and reversals amount to €1.01 million and €2.72 million. These amounts are included in the headings "Allocation to the asset impairment provision" and "Reversal of the asset impairment provision" in the consolidated income statement.

INVESTMENT PROPERTY

The following tables detail the movement of this heading during the last two financial years:

Financial year 2011

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions or appropriations	Disposals, cancellations or reductions	Closing balance	Market capitalisation
COST							
INVESTMENT PROPERTY							
Land and natural resources	672.79	2.15	--	2.35	(22.00)	655.29	698.59
Buildings and other structures	1,092.83	15.81	16.28	21.85	(79.50)	1,067.27	1,336.95
OTHER INVESTMENT PROPERTY	--	--	64.06	1.41	(2.01)	63.46	62.68
TOTAL COST	1,765.62	17.96	80.34	25.61	(103.51)	1,786.02	2,098.22
CUMULATIVE DEPRECIATION							
INVESTMENT PROPERTY	(223.76)	(3.49)	2.11	(20.12)	9.27	(235.99)	--
OTHER INVESTMENT PROPERTY	--	--	(0.59)	(0.64)	0.45	(0.78)	--
TOTAL CUMULATIVE DEPRECIATION	(223.76)	(3.49)	1.52	(20.76)	9.72	(236.77)	--
IMPAIRMENT							
INVESTMENT PROPERTY							
Land and natural resources	(59.92)	--	--	(17.20)	--	(77.12)	--
Buildings and other structures	(14.80)	(0.39)	--	(14.02)	0.21	(29.00)	--
TOTAL IMPAIRMENT	(74.72)	(0.39)	--	(31.22)	0.21	(106.12)	--
TOTAL INVESTMENT PROPERTY	1,467.14	14.08	81.86	(26.37)	(93.58)	1,443.13	2,098.22

FIGURES IN MILLION EUROS

Financial year 2010

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions or appropriations	Disposals, cancellations or reductions	Closing balance	Market capitalisation
COST							
INVESTMENT PROPERTY							
Land and natural resources	118.14	(1.74)	9.12	548.45	(1.18)	672.79	850.67
Buildings and other structures	957.29	15.86	17.90	144.94	(43.16)	1,092.83	1,340.26
TOTAL COST	1,075.43	14.12	27.02	693.39	(44.34)	1,765.62	2,190.93
CUMULATIVE DEPRECIATION							
INVESTMENT PROPERTY	(206.73)	(5.13)	(0.30)	(19.37)	7.77	(223.76)	--
TOTAL CUMULATIVE DEPRECIATION	(206.73)	(5.13)	(0.30)	(19.37)	7.77	(223.76)	--
IMPAIRMENT							
INVESTMENT PROPERTY							
Land and natural resources	--	--	--	(60.23)	0.31	(59.92)	--
Buildings and other structures	(10.27)	(1.10)	--	(3.43)	--	(14.80)	--
TOTAL IMPAIRMENT	(10.27)	(1.10)	--	(63.66)	0.31	(74.72)	--
TOTAL INVESTMENT PROPERTY	858.43	7.89	26.72	610.36	(36.26)	1,467.14	2,190.93

FIGURES IN MILLION EUROS

The main receipts in financial year 2010 relate to transfers from the inventory account, amounting to €574.87 million, after MAPFRE INMUEBLES was converted into an Asset Management Company.

The main cancellation in the financial year 2010, amounting to €25.60 million, related to the sale to third parties of the building located at Avenida de General Perón, 38 in Madrid, which generated a realisation gain of €87.90 million.

The market value of investment property corresponds to the appraised value determined by an authorized independent appraisal entity.

The impairment loss occurred in the year is registered in the account "Allowance to the asset impairment provision" and the reversal under "Reversal of the asset impairment provision" of the consolidated income statement.

Revenues and expenses arising from investment property in financial years 2011 and 2010 are shown in the following table.

ITEM	OPERATING INVESTMENTS		EQUITY INVESTMENTS		INVESTMENTS IN OTHER ACTIVITIES		TOTAL	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenues from investment property								
From rentals	42.75	61.18	1.53	3.80	14.97	1.71	59.25	66.69
Others	0.11	--	--	--	1.61	--	1.72	--
Gains on disposals	32.81	84.81	1.05	7.15	32.77	--	66.63	91.96
TOTAL REVENUES FROM INVESTMENT PROPERTY	75.67	145.99	2.58	10.95	49.35	1.71	127.60	158.65
Expenses from investment property								
Direct operating expenses	25.90	40.67	0.68	1.47	--	--	26.58	42.14
Other expenses	11.97	11.44	5.12	3.34	9.88	3.57	26.97	18.35
Losses on disposals	3.23	3.30	1.22	0.91	4.04	--	8.49	4.21
TOTAL EXPENSES FROM INVESTMENT PROPERTY	41.10	55.41	7.02	5.72	13.92	3.57	62.04	64.70

FIGURES IN MILLION EUROS

6.3. Leases

The Group has the following items subject to operating lease agreements:

TYPE OF ASSET	Net book value		Maximum duration of leases (years)		Maximum years elapsed	
	2011	2010	2011	2010	2011	2010
Investment property	802.28	854.27	25	25	16	15

FIGURES IN MILLION EUROS

As at 31st December, minimum future collections from the last two years, to be received from non-cancellable operating leases are as follows:

ITEM	2011	2010
Less than one year	56.53	58.17
More than one year but less than five	173.42	175.40
More than five years	182.16	116.02
TOTAL	412.11	349.59

FIGURES IN MILLION EUROS

The Group is the lessee, under operating leases, of buildings and other property, plant and equipment.

These leases have a maximum duration of 5 years, without renewal clauses provided for in the agreements. The lessee is not subject to any restriction with respect to the contracting of these leases.

The future minimum payments payable on non-cancellable operating leases as at 31st December were as follows:

ITEM	2011	2010
Less than one year	29.51	24.74
More than one year but less than five	105.91	98.43
More than five years	105.76	--
TOTAL	241.18	123.17

FIGURES IN MILLION EUROS

There are no contingent payments registered as expense in financial years 2011 and 2010.

6.4. Financial investments

As at 31st December 2011 and 2010, financial investments break down as follows:

ITEM	BOOK VALUE	
	2011	2010
PORTFOLIO HELD TO MATURITY		
Fixed-income securities	1,763.25	1,070.92
Other investments	3.72	37.78
TOTAL PORTFOLIO HELD TO MATURITY	1,766.97	1,108.70
PORTFOLIO AVAILABLE FOR SALE		
Shares	1,021.53	730.56
Fixed-income securities	25,170.40	24,732.74
Mutual funds	479.96	544.88
Others	216.56	383.92
TOTAL PORTFOLIO AVAILABLE FOR SALE	26,888.45	26,392.10
TRADING PORTFOLIO		
Derivatives (non hedging):		
Financial swaps	73.41	0.53
Options	11.13	12.66
Other investments:		
Shares	112.87	211.63
Fixed-income securities	2,330.66	891.87
Mutual funds	470.57	41.04
Others	--	20.17
TOTAL TRADING PORTFOLIO	2,998.64	1,177.90

FIGURES IN MILLION EUROS

PORTFOLIO HELD TO MATURITY

The portfolio held to maturity, as at 31st December 2011 and 2010, breaks down as follows:

ITEM	BOOK VALUE (DEPRECIATED COST)		FAIR VALUE		INTEREST INCOME		Impairment			
	2011	2010	2011	2010	2011	2010	RECORDED LOSS		REVERSAL GAINS	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Fixed-income securities	1,763.25	1,070.92	1,763.50	1,067.93	201.40	159.58	--	--	--	--
Other investments	3.72	37.78	3.32	35.34	9.95	77.29	--	--	--	--
TOTAL	1,766.97	1,108.70	1,766.82	1,103.27	211.35	236.87	--	--	--	--

FIGURES IN MILLION EUROS

PORTFOLIO AVAILABLE FOR SALE

A breakdown is given below of investments allocated to the portfolio available for sale, as at 31st December 2011 and 2010:

ITEM	Market capitalisation (book value)						Total book value (fair value)		Impairment			
	LIST PRICE		OBSERVABLE DATA		OTHER MEASUREMENTS				RECORDED LOSS		REVERSAL GAINS	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Shares	903.48	614.34	--	--	118.05	116.22	1,021.53	730.56	(0.67)	(32.51)	1.92	0.97
Fixed-income securities	23,167.42	23,104.78	1,720.37	1,592.44	282.61	35.52	25,170.40	24,732.74	(119.37)	(3.21)	0.93	4.33
Mutual Funds	479.96	544.88	--	--	--	--	479.96	544.88	--	--	--	--
Others	117.58	263.64	97.43	119.08	1.55	1.20	216.56	383.92	--	(0.63)	--	--
TOTAL	24,668.44	24,527.64	1,817.80	1,711.52	402.21	152.94	26,888.45	26,392.10	(120.04)	(36.35)	2.85	5.30

FIGURES IN MILLION EUROS

The "Other measurements" column for the financial year 2011 includes €251.60 million invested in bonds issued by the Greek Republic, which in the previous financial year were valued at their share price. This carrying amount represents around 50% of its face value.

The Fixed-income securities item includes securities issued by governments, which are listed below:

FIXED-INCOME SECURITIES ISSUED BY GOVERNMENTS	Amount
Spain	8,430.30
Brazil	2,458.60
United States	727.40
Italy	719.30
Ireland	413.10
Portugal	369.50
Greece	251.60
Other countries	2,395.10
TOTAL	15,764.90

FIGURES IN MILLION EUROS

Valuation adjustments in the portfolio investments amount to (€1,402.50) and (€939.84) million as at 31st December 2011 and 2010 respectively, and they have been recorded in equity net of the tax effect.

Transfers to the consolidated income statement of valuation adjustments of portfolio investments in previous financial years, carried out during years 2011 and 2010, amount to (€102.21) and (€38.16) million, respectively.

TRADING PORTFOLIO

The following table details the investments allocated to the trading portfolio as at 31st December 2011 and 2010:

ITEM	Market capitalisation (book value)						Total book value (fair value)		Capital gains (losses) allocated to results			
	LIST PRICE		OBSERVABLE DATA		OTHER MEASUREMENTS				UNREALISED		REALISED	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Derivatives (non hedging)												
Financial swaps	73.41	0.53	--	--	--	--	73.41	0.53	79.97	30.42	(0.78)	--
Options	11.13	12.66	--	--	--	--	11.13	12.66	--	0.02	0.04	0.01
TOTAL DERIVATIVES (NOT FOR HEDGING)	84.54	13.19	--	--	--	--	84.54	13.19	79.97	30.44	(0.74)	0.01
Other investments												
Shares	112.87	211.63	--	--	--	--	112.87	211.63	--	(2.00)	(2.46)	--
Fixed-income securities	2,330.66	891.87	--	--	--	--	2,330.66	891.87	0.31	(18.93)	30.07	(0.22)
Mutual funds	470.57	41.04	--	--	--	--	470.57	41.04	--	--	1.22	0.06
Others	--	20.17	--	--	--	--	--	20.17	--	--	1.88	--
TOTAL OTHER INVESTMENTS	2,914.10	1,164.71	--	--	--	--	2,914.10	1,164.71	0.31	(20.93)	30.71	(0.16)
TOTAL TRADING PORTFOLIO	2,998.64	1,177.90	--	--	--	--	2,998.64	1,177.90	80.28	9.51	29.97	(0.15)

FIGURES IN MILLION EUROS

6.5. Investments on account of life policy holders bearing the investment risk

The following table shows the composition of the heading of investments on account of life policyholders bearing the investment risk as at 31st December 2011 and 2010:

ITEM	BOOK VALUE (FAIR VALUE)		Results			
			UNREALISED		REALISED	
	2011	2010	2011	2010	2011	2010
Shares	17.79	--	(3.21)	--	--	--
Fixed-income securities	616.63	672.44	--	(7.83)	3.93	--
Mutual fund holdings	1,244.23	1,044.29	(41.10)	6.62	56.57	(0.51)
TOTAL	1,878.65	1,716.73	(44.31)	(1.21)	60.50	(0.51)

FIGURES IN MILLION EUROS

6.6. Inventories

The following tables show the changes in the inventories item in the last two financial years:

Financial year 2011

CONCEPTS	Opening balance	Adjustments to the opening balance	Changes to the scope	Receipts	Payments	Impairment (Allocation)/ Reversal	Closing balance
Land	108.53	(2.19)	--	--	---	(7.71)	98.63
Developments and works in progress	15.72	--	5.26	1.07	--	--	22.05
Finished products	0.52	2.78	(0.53)	22.62	(21.45)	(1.36)	2.58
Raw materials	5.00	0.48	(5.12)	0.37	(0.37)	--	0.36
TOTAL	129.77	1.07	(0.39)	24.06	(21.82)	(9.07)	123.62

FIGURES IN MILLION EUROS

Financial year 2010

CONCEPTS	Opening balance	Adjustments to the opening balance	Changes to the scope	Receipts	Payments	Impairment (Allocation)/ Reversal	Closing balance
Land	536.60	--	--	1.46	(464.60)	35.07	108.53
Finished buildings	31.81	--	--	2.83	(37.62)	2.98	--
Finished products	0.52	--	--	--	--	--	0.52
Developments and works in progress	80.74	--	--	3.15	(75.10)	6.93	15.72
Raw materials	5.25	--	--	0.27	(0.52)	--	5.00
TOTAL	654.92	--	--	7.71	(577.84)	44.98	129.77

FIGURES IN MILLION EUROS

The payments in financial year 2010 include €574.87 million of transfers to property investments after MAPFRE INMUEBLES became an Asset Management Company.

Receipts for 2010 correspond to purchases of land and property developments in which MAPFRE INMUEBLES engaged until it was converted.

Capitalised interest costs in financial years 2011 and 2010 amounted to €0.89 million and €2.81 million, respectively. The capitalisation rate used in years 2011 and 2010 to determine the interest costs eligible for capitalisation was 2.00% and 2.83%, respectively.

6.7. Credits

The following table lists the loans as at 31st December 2011 and 2010; it also shows the impairment losses and gains on reversal of impairment recorded in the last two financial years:

ITEM	GROSS AMOUNT		IMPAIRMENT		NET BALANCE ON BALANCE SHEET		Impairment			
							RECORDED LOSSES		REVERSAL GAINS	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Receivables on direct insurance and co-insurance transactions	3,320.81	2,793.61	(54.11)	(60.81)	3,266.70	2,732.80	(5.56)	(2.14)	2.61	4.99
Credits on reinsurance operations	714.73	720.42	(3.73)	(1.76)	711.00	718.66	(1.62)	--	--	0.12
Tax Credits	196.10	216.05	--	--	196.10	216.05	--	--	--	--
Corporate and other credits	1,221.70	470.42	(18.62)	(4.82)	1,203.08	465.60	(2.97)	(4.71)	2.08	3.75
TOTAL	5,453.34	4,200.50	(76.46)	(67.39)	5,376.88	4,133.11	(10.15)	(6.85)	4.69	8.86

FIGURES IN MILLION EUROS

The balances included under credits do not accrue interest and they are generally settled in the following year.

6.8. Asset impairment

The following tables detail the asset impairment over the last two years.

Financial year 2011

IMPAIRMENT IN:	Opening balance	Adjustments to the opening balance	Changes to the scope	RECORDED IN RESULTS		Write-off of asset	Closing balance
				Increase	Decrease		
Intangible assets	50.10	(1.66)	(67.72)	97.94	(0.02)	(0.01)	78.63
I. Goodwill	48.20	(1.52)	(67.72)	97.94	--	--	76.90
II. Other intangible assets	1.90	(0.14)	--	--	(0.02)	(0.01)	1.73
Property, plant and equipment	5.87	(0.04)	--	2.89	(1.01)	--	7.71
I. Property for own use	2.60	(0.26)	--	2.23	--	--	4.57
II. Other property, plant and equipment	3.27	0.22	--	0.66	(1.01)	--	3.14
Investments	175.59	(15.67)	(47.17)	191.15	(3.06)	(10.79)	290.05
I. Investment property	74.72	0.75	--	31.22	(0.21)	(0.36)	106.12
II. Financial investments							
Portfolio held to maturity	--	--	(5.45)	--	--	--	(5.45)
Portfolio available for sale	84.20	(16.42)	0.03	120.04	(2.85)	(10.43)	174.57
Trading portfolio	2.29	--	--	--	--	--	2.29
III. Investments recorded by the equity method	--	--	(39.89)	39.89	--	--	--
IV. Deposits established for accepted reinsurance	--	--	--	--	--	--	--
V. Other investments	14.38	--	(1.86)	--	--	--	12.52
Stocks	14.27	(12.77)	--	9.07	--	(0.11)	10.46
Loans	67.39	8.97	7.23	10.15	(4.69)	(12.58)	76.47
I. Receivables on direct insurance and co-insurance transactions	60.81	0.09	2.84	5.56	(2.61)	(12.58)	54.11
II. Credits on reinsurance operations	1.76	0.27	0.09	1.62	--	--	3.74
III. Tax Credits	--	--	--	--	--	--	--
IV. Corporate and other credits	4.82	8.61	4.30	2.97	(2.08)	--	18.62
Other assets	0.01	--	8.66	--	--	--	8.67
TOTAL IMPAIRMENT	313.23	(21.17)	(99.00)	311.20	(8.78)	(23.49)	471.99

FIGURES IN MILLION EUROS

Financial year 2010

IMPAIRMENT IN:	Opening balance	Adjustments to the opening balance	Changes to the scope	RECORDED IN RESULTS		Write-off of asset	Closing balance
				Increase	Decrease		
Intangible assets	38.79	(0.58)	--	11.89	--	--	50.10
I. Goodwill	38.75	(0.58)	--	10.03	--	--	48.20
II. Other intangible assets	0.04	--	--	1.86	--	--	1.90
Property, plant and equipment	9.31	(2.08)	--	1.36	(2.72)	--	5.87
I. Property for own use	2.22	(0.18)	--	0.56	--	--	2.60
II. Other property, plant and equipment	7.09	(1.90)	--	0.80	(2.72)	--	3.27
Investments	90.84	4.98	14.65	100.01	(5.61)	(29.28)	175.59
I. Investment property	10.27	1.10	--	63.66	(0.31)	--	74.72
II. Financial investments							
Portfolio held to maturity	3.40	--	--	--	--	(3.40)	--
Portfolio available for sale	72.57	3.88	0.27	36.35	(5.30)	(23.57)	84.20
Trading portfolio	2.29	--	--	--	--	--	2.29
III. Investments recorded by the equity method	2.31	--	--	--	--	(2.31)	--
IV. Deposits established for accepted reinsurance	--	--	--	--	--	--	--
V. Other investments	--	--	14.38	--	--	--	14.38
Stocks	59.44	(0.19)	--	--	(44.98)	--	14.27
Loans	54.46	15.40	--	6.85	(8.86)	(0.46)	67.39
I. Receivables on direct insurance and co-insurance transactions	49.79	14.33	--	2.14	(4.99)	(0.46)	60.81
II. Credits on reinsurance operations	1.44	0.44	--	--	(0.12)	--	1.76
III. Tax Credits	--	--	--	--	--	--	--
IV. Corporate and other credits	3.23	0.63	--	4.71	(3.75)	--	4.82
Other assets	0.01	--	--	--	--	--	0.01
TOTAL IMPAIRMENT	252.85	17.53	14.65	120.11	(62.17)	(29.74)	313.23

FIGURES IN MILLION EUROS

6.9. Cash and banks

During financial years 2011 and 2010, expenditure was made in investments in Group companies, the most significant acquisitions being as follows:

BUYING COMPANY	DETAILS OF THE ACQUISITION			
	Company	Percentage	Line of Business	Amount disbursed
FINANCIAL YEAR 2011				
MAPFRE, S.A.	MAPFRE INTERNACIONAL	12.50%	Insurance companies holding	188.60
Financial year 2010				
MAPFRE VIDA	CATALUNYACAIXA VIDA	50.00%	Life Assurance - Spain	210.00
MAPFRE FAMILIAR	CATALUNYACAIXA ASSEGUANCES GENERALS	50.01%	General Insurance - Spain	35.97
MAPFRE VIDA	CAIXA TARRAGONA VIDA	50.00%	Life Assurance - Spain	20.00
MAPFRE VIDA	CAIXA MANRESA VIDA	50.00%	Life Assurance - Spain	21.00
MAPFRE ASISTENCIA	INSURE AND GO	100.00%	Insurance - UK	31.30
MAPFRE INTERNACIONAL	GENEL SIGORTA	9.75%	Insurance - Turkey	35.21

FIGURES IN MILLION EUROS

Investments in financial year 2011 were financed with own funds. Investments in financial year 2010 were financed with the available cash surplus, by drawing down on credit facilities and, in the case of life and general insurance operations in Spain, by financing granted by the selling financial institutions.

There are no significant monetary transactions related to investment and funding activities excluded from the cash flow statements.

6.10. Non current assets classified as held for sale, related liabilities and discontinued operations

The main types of non-current assets classified as held for sale and of discontinued activities, as well as their related liabilities as at 31st December 2011 and 2010, are as follows:

ITEM	NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE		DISCONTINUED OPERATIONS		TOTAL	
	2011	2010	2011	2010	2011	2010
Assets						
Intangible assets	--	--	--	5.84	--	5.84
Property, plant and equipment	1.45	31.01	8.85	25.58	10.30	56.59
Other assets	0.98	--	--	30.38	0.98	30.38
TOTAL ASSETS	2.43	31.01	8.85	61.80	11.28	92.81
Related liabilities	0.09	0.96	--	29.92	0.09	30.88

FIGURES IN MILLION EUROS

The described assets and liabilities mainly correspond to the "Other activities" segment, and in financial year 2010 stemmed mainly from the serviced provided to the elderly by MAPFRE QUAVITAE, sold to third parties in July 2011.

The sale of non-current assets held for sale is envisaged within 12 months, no significant realisation losses being expected.

During financial years 2011 and 2010, these assets have generated total revenues of €0.06 million and €148.41 million, respectively, and net results of (€2.35) million and €0.06 million, respectively. Net cash flows generated by these assets in the same periods amounted to (€0.25) million and (€2.54) million, respectively.

6.11. Equity

SHARE CAPITAL

Share capital is recorded as the face value of shares fully paid-up or the payment of which has been called.

The controlling Company's share capital as at 31st December 2011 is represented by 3,079,553,273 shares (3,012,154,351 shares as at 31st December 2010) with a nominal value of €0.10 each, fully subscribed and paid-up. All the shares confer the same voting and dividend rights.

CARTERA MAPFRE holds 64.61% and 64.40% in the share capital as at 31st December 2010 and 2009, respectively; BANCO FINANCIERO Y DE AHORROS, S.A. holds 14.99% as at 31st December 2011 and CAJA MADRID CIBELES, S.A., 14.96% as at 31st December 2010.

All the shares representing the controlling Company's capital are listed on the Madrid and Barcelona stock exchanges.

As at 31st December 2011 and 2010, there is no Group company holding shares in the controlling Company.

CAPITAL INCREASES CARRIED OUT DURING FINANCIAL YEARS 2010 AND 2011

The capital increase expenses, amounting, net of the tax effect, to €0.08 million and €1.42 million in 2011 and 2010, respectively, are deducted from the heading "Share premium, reserves and interim dividend".

As part of the possibility given to the controlling Company's shareholders of reinvesting the dividend collected in MAPFRE shares, the following capital increases have been carried out:

a) 23rd June 2010

Issuance of 89,444,572 ordinary new shares, each with a face value of €0.10 which were fully subscribed and paid up. These shares were issued at a rate of 2,008%, namely, at €2.008 each, of which €0.10 represents their nominal value and the remaining €1.908 were allocated to the legal reserve until reaching 20% of the share capital, and the residual amount to voluntary reserves.

b) 28th June 2011

Issuance of 67,398,922 ordinary new shares, each with a face value of €0.10, which were fully subscribed and paid up. These shares were issued at a rate of 2,466%, namely, at €2.466 each, of which €0.10 represents their nominal value and the remaining €2.366 were allocated to the legal reserve until reaching 20% of the share capital, and the residual amount to voluntary reserves.

VALUATION ADJUSTMENT RESERVES

It includes the equity reserves arising as a consequence of revenues and expenses recognised in each year, which, pursuant to IFRS, must be directly recorded in the Group's equity accounts.

RESTRICTIONS ON THE AVAILABILITY OF RESERVES

– The "Share premium and reserves" item includes the legal reserve, amounting to €61.59 million and €60.24 million as at 31st December 2011 and 2010, respectively, which may not be distributed among shareholders, except in the event of winding-up of the controlling Company, and may be used only to offset potential losses.

The same restriction applies to the legal reserves established by the subsidiaries in their balance sheets.

- This item also includes the reserve on redenomination of the share capital to Euros amounting to €0.15 million, of a non-distributable nature, pursuant to the provisions of section 28 of Act 46/1998.
- There is no other restriction on the availability of reserves for any significant amount.

CAPITAL MANAGEMENT

MAPFRE has an internal capitalisation and dividend policy that is designed to provide the Units with the capital necessary to cover the risks that have been assumed, all in a rational and objective way. Both the estimation of risks and the allocation of capital to each unit are detailed in Note 7 of the “RISK MANAGEMENT” report.

The items forming part of the Group’s uncommitted equity conform to the requirements of current regulations.

The Group’s solvency margin in financial years 2011 and 2010 amounts to €9,936.81 million and €8,281.30 million, respectively. These figures exceed the required minimum (which amounts to €3,460.25 million and €2,898.77 million, respectively) by 2.87 times in 2011 and by 2.86 times in 2010.

6.12. Subordinated liabilities

As at 31st December 2011 and 2010, the balance of this account mainly includes the amortised cost of the subordinated debentures issued by the controlling Company, net of that corresponding to the securities bought in the market; Their most significant terms and conditions are as follows:

- Nature of the issue: subordinated debentures represented by book entries.
- Total amount: €700 million
- Number of securities: 14,000
- Nominal per security: € 50,000
- Issuance date: 24th July 2007
- Maturity: 24th July 2037.
- First repayment option: 24th July 2017.
- Repayment in special cases: due to reform or modification of tax regulations, failure to qualify as the issuer’s shareholders funds, and change in the treatment afforded by Credit Rating Agencies.
- Interest from issuance until the exercise date of the first repayment option: 5.921% per annum, payable on 24th July of each year.
- Interest from the date of exercise of the first repayment option: variable rate equal to 3-month Euribor plus 2.05%, payable quarterly.
- Deferral of interest: the issuer will have discretion to defer the payment of interest if this exceeds the profit available for distribution and if the issuer has not made any payment or repaid/repurchased any shares or securities issued pari passu with or ranking below the debentures.
- Settlement of deferred interest: the issuer will be bound to pay deferred interest when it resumes regular payment of interest of debentures, makes an early repayment of the debentures or makes payments or repurchases of any shares or securities ranking below the debentures.

- Priority order: they are subordinated to all ordinary creditors, these understood as all those that in the rank of priority stand before subordinated creditors in the event of the issuer’s winding up.
- Listing: AIAF
- Law: Spanish law.
- Rating of issue: A- (Standard & Poor’s).

During the financial year 2011, 194 securities were purchased on the market, for a nominal amount of €9.70 million, which generated a pre-tax profit of €3.85 million. As at 31st December 2011 and 2010, the total number of securities purchased on the market amounted to 2,400 and 2,206, respectively.

Interest accrued pending payment as at 31st December 2011 and 2010 amounts to €15.05 million and € 15.31 million, respectively. The fair value of the subordinated liabilities does not significantly deviate from its book value as at 31st December 2011.

6.13. Financial liabilities

The following table shows the fair value of financial liabilities:

ITEM	BOOK VALUE		FAIR VALUE	
	2011	2010	2011	2010
Issuance of debentures and other negotiable securities	153.71	433.50	157.42	444.98
Due to credit institutions	1,153.37	1,078.56	1,155.18	1,078.56
Other financial liabilities	392.82	252.14	378.78	252.14
TOTAL	1,699.90	1,764.20	1,691.38	1,775.68

FIGURES IN MILLION EUROS

ISSUANCE OF DEBENTURES AND OTHER NEGOTIABLE SECURITIES

As at 31st December 2011 and 2010, the balance of this account includes the fair value of the debentures issued by COMMERCE, net of the fair value of the securities purchased on the market. As at 31st December 2010 it also showed the depreciated cost of the simple debentures issued by MAPFRE, S.A. The most significant terms and conditions of both issues are shown below:

a) Commerce

- Nature of the issue: simple debentures.
- Total amount: USD 300 million.
- Number of securities: 300,000.
- Nominal per security: USD 1,000.
- Issuance date: 9th December 2003
- Term: 10 years.
- Maturity: 9th December 2013.
- Repayment: In a lump sum at maturity, at par, free of expenses for holders.
- Listing: TRACE (Trade Reporting and Compliance EngineTM)
- Coupon: 5.95% fixed payable in half-yearly periods on days 9th June and 9th December.
- Rating of issue: Moody’s Baa2; S & P BBB; Fitch A-.

b) MAPFRE, S.A.

- Nature of the issue: simple debentures represented by book entries.
- Total amount: €275 million
- Number of securities: 2,750
- Nominal per security: € 100,000
- Issuance date: 12th July 2001
- Term: 10 years.
- Maturity: 12th July 2011.
- Repayment: In a lump sum at maturity, at par, free of expenses for holders.
- Listing: AIAF Fixed Security Market
- Coupon: 6.02% per annum, payable on the anniversaries of the issuance date until the final maturity date inclusive.
- Rating of issue: AA-(Standard & Poor's).

The debentures were repaid in full upon maturity on 12th July 2011.

The accrued interest outstanding as at 31st December 2010 totalled €7.80 million.

On 28th February 2002, an interest rate swap was agreed on the total amount of the issue, restructured on 23rd June 2003, whereby the controlling Company receives on an annual basis an amount equivalent to 6.02% up to the final maturity of the issue, and undertakes to pay the 6 month Euribor plus 1.62%, with the maximum limit of 6.02% per annum. This swap, the cover of which is not efficient, is recorded under "Other Investments" at fair value for an amount of €8.73 million as at 31st December 2010.

DUE TO CREDIT INSTITUTIONS

The amounts owed to credit institutions as at 31st December 2011 and 2010 break down as follows:

CLASS OF DEBT	BOOK VALUE		AVERAGE INTEREST RATE		SECURITY GIVEN	
	2011	2010	2011	2010	2011	2010
Finance leases	4.60	2.16	6.72%	13.54%	--	--
Credit facilities	1,015.04	811.79	2.30%	1.24%	--	--
Loans	24.85	236.78	8.02%	4.56%	--	--
Others	108.88	27.83	3.00%	7.00%	--	--
TOTAL	1,153.37	1,078.56	--	--	--	--

FIGURES IN MILLION EUROS

As at 31st December 2011 and 2010, this borrowing heading includes the amount drawn down under several credit facilities, the main ones being as follows:

BANK	MATURITY	LIMIT		DRAWN DOWN	
		2011	2010	2011	2010
Société Générale	18.06.2014	500.00	500.00	500.00	500.00
Bankia	21.05.2013	500.00	500.00	485.00	201.00
Bankia	03.04.2012	64.00	64.00	--	--
TOTAL		1,064.00	1,064.00	985.00	701.00

FIGURES IN MILLION EUROS

Société Générale and Bankia are the agent banks of the mentioned credit facilities, which are syndicated with other entities. All the loans accrue a floating interest rate linked to the Euribor.

OTHER FINANCIAL LIABILITIES

"Other financial liabilities" includes the amount of other payment obligations of a financial nature, not included in other items, in particular the following:

- Interest rate swaps linked to Life assurance transactions, for the amount of €102.77 million as at 31st December 2010. In the financial year 2011 there have been booked in the trading portfolio of the assets, on account of their debit balance.
- Obligations relating to several sale options on interests held by minorities in dependent companies, for the amount of €305.31 million and €82.13 million as at 31st December 2011 and 2010, respectively.

6.14. Technical provisions

1. DETAIL OF THE TECHNICAL RESERVES BALANCE

The following table breaks down the balance of each one of the technical reserves recorded on the balance sheet in the last two financial years.

ITEM	DIRECT INSURANCE		ACCEPTED REINSURANCE		CEDED AND RETROCEDED REINSURANCE	
	2011	2010	2011	2010	2011	2010
Provisions for unearned premiums and for risks in progress Non-Life						
1.1. Provision for unearned premiums	6,049.86	4,897.69	1,015.28	988.25	1,064.71	974.67
1.2. Reserve for risks in progress	8.63	8.92	0.89	0.92	--	--
Life Assurance Provisions						
2.1. Provisions for unearned premiums and for risks in progress						
2.1.1. Provision for unearned premiums	352.97	375.90	121.41	95.08	23.96	33.01
2.1.2. Provision for risks in progress	0.54	0.23	--	--	--	--
2.2. Mathematical reserves	18,084.58	17,359.41	63.81	65.42	50.99	13.60
2.3. Provisions for profit sharing	--	36.99	--	--	0.25	--
Provisions for claims						
3.1. Pending settlement or payment	5,387.38	5,017.73	1,635.11	1,158.40	1,962.12	1,894.98
3.2. Claims incurred but unreported (IBNR)	1,076.49	1,002.28	58.64	55.43	163.63	149.06
3.3. For claim settlement internal expenses	125.28	112.26	3.46	1.54	15.98	13.21
Other technical provisions						
4.1. Deaths	471.01	444.46	--	--	--	--
4.2. Rest	116.59	98.20	0.74	26.05	23.70	14.07
TOTAL	31,673.33	29,354.07	2,899.34	2,391.09	3,305.34	3,092.60

FIGURES IN MILLION EUROS

2. CHANGES IN EACH TECHNICAL RESERVE

2.1. Provisions for unearned premiums, for risks in progress, for claims, for profit sharing, and other technical reserves

A) DIRECT INSURANCE AND ACCEPTED REINSURANCE

Financial year 2011

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	Provisions	Applications	Closing balance
Provisions for unearned premiums and for risks in progress Non-Life						
1.1. Provision for unearned premiums	5,885.94	84.10	471.92	6,925.43	(6,302.25)	7,065.14
1.2. Reserve for risks in progress	9.84	(0.02)	(0.65)	8.87	(9.82)	9.52
Life Assurance Provisions						
2.1. Provisions for unearned premiums and for risks in progress						
2.1.1. Provision for unearned premiums	470.98	34.12	153.88	322.67	(507.27)	474.38
2.1.2. Provision for risks in progress	0.23	--	--	0.54	(0.23)	0.54
2.2. Mathematical reserves	17,424.83	118.67	1,341.40	3,326.46	(4,062.97)	18,148.39
2.3. Provision for profit sharing	36.99	0.03	--	--	(37.02)	--
Provisions for claims						
3.1. Direct insurance Life	614.88	5.79	95.30	715.75	(621.48)	810.24
3.2. Direct insurance Non Life	5,517.39	32.26	158.16	6,221.94	(6,150.84)	5,778.91
3.3. Accepted reinsurance	1,215.37	(0.17)	2.45	2,740.32	(2,260.76)	1,697.21
Other technical provisions	568.71	16.24	(2.42)	587.93	(582.12)	588.34
TOTAL	31,745.16	291.03	2,221.33	20,849.91	(20,534.76)	34,572.67

FIGURES IN MILLION EUROS

Financial year 2010

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	Provisions	Applications	Closing balance
Provisions for unearned premiums and for risks in progress Non-Life						
1.1. Provision for unearned premiums	5,615.81	76.40	9.25	5,932.30	(5,747.82)	5,885.94
1.2. Reserve for risks in progress	9.96	0.13	6.58	6.33	(13.16)	9.84
Life Assurance Provisions						
2.1. Provisions for unearned premiums and for risks in progress						
2.1.1. Provision for unearned premiums	227.39	24.97	4.97	551.07	(337.42)	470.98
2.1.2. Provision for risks in progress	0.53	--	--	0.23	(0.53)	0.23
2.2. Mathematical reserves	16,193.42	108.83	2,778.16	2,408.60	(4,064.18)	17,424.83
2.3. Provision for profit sharing	33.45	(0.81)	0.34	35.09	(31.08)	36.99
Provisions for claims						
3.1. Direct insurance Life	414.15	1.28	61.97	608.56	(471.08)	614.88
3.2. Direct insurance Non Life	5,026.39	186.13	38.13	5,434.77	(5,168.03)	5,517.39
3.3. Accepted reinsurance	942.18	12.57	0.32	1,215.35	(955.05)	1,215.37
Other technical provisions	505.18	31.50	0.19	523.84	(492.00)	568.71
TOTAL	28,968.46	441.00	2,899.91	16,716.14	(17,280.35)	31,745.16

FIGURES IN MILLION EUROS

B) CEDED AND RETROCEDED REINSURANCE

Financial year 2011

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	Provisions	Applications	Closing balance
Provision for unearned premiums	974.67	(0.65)	19.02	1,328.35	(1,256.68)	1,064.71
Provision for Life assurance	46.61	10.13	5.87	89.28	(76.69)	75.20
Provision for claims	2,057.25	(9.23)	27.93	2,280.49	(2,214.71)	2,141.73
Other technical provisions	14.07	15.45	--	19.23	(25.05)	23.70
TOTAL	3,092.60	15.70	52.82	3,717.35	(3,573.13)	3,305.34

FIGURES IN MILLION EUROS

Financial year 2010

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	Provisions	Applications	Closing balance
Provision for unearned premiums	830.30	101.01	7.42	970.50	(934.56)	974.67
Provision for Life assurance	154.46	14.87	3.53	47.02	(173.27)	46.61
Provision for claims	1,497.84	113.37	11.81	2,115.30	(1,681.07)	2,057.25
Other technical provisions	1.52	--	0.47	14.07	(1.99)	14.07
TOTAL	2,484.12	229.25	23.23	3,146.89	(2,790.89)	3,092.60

FIGURES IN MILLION EUROS

2.2. Mathematical reserves

ITEM	DIRECT INSURANCE AND ACCEPTED REINSURANCE		CEDED AND RETROCEDED REINSURANCE	
	2011	2010	2011	2010
Mathematical reserve at beginning of year	17,424.83	16,193.42	13.60	47.29
Adjustments to the opening balance	118.67	108.83	0.80	1.93
Consolidation (balance of reserve on consolidation date)	1,520.98	2,778.16	3.34	--
Premiums	2,837.86	2,059.81	25.32	14.36
Technical interest	445.33	331.39	--	--
Allocated to profit sharing	19.06	14.80	--	--
Claim payments/collections	(3,786.41)	(3,138.44)	(4.14)	(1.57)
Reserve adequacy test	2.37	2.60	--	--
Shadow accounting adjustments	(276.56)	(828.45)	--	(15.99)
Others	21.84	(97.29)	12.06	(32.42)
Deconsolidation (balance of reserve on deconsolidation date)	(179.58)	--	--	--
MATHEMATICAL RESERVE AT END OF YEAR	18,148.39	17,424.83	50.99	13.60

FIGURES IN MILLION EUROS

2.3. Burial insurance provision

ITEM	DIRECT INSURANCE AND ACCEPTED REINSURANCE	
	2011	2010
Reserve at beginning of year	444.46	405.16
Adjustments to the opening balance	--	--
Consolidation (balance of reserve on consolidation date)	--	--
Premiums	122.54	118.44
Technical interest	20.15	18.74
Claim payments	(85.20)	(81.57)
Reserve adequacy test	--	--
Others	(30.94)	(16.31)
Deconsolidation (balance of reserve on deconsolidation date)	--	--
RESERVE AT END OF YEAR	471.01	444.46

FIGURES IN MILLION EUROS

3. OTHER INFORMATION

3.1. Technical provisions relating to Life assurance when policyholders bear the investment risk

ITEM	DIRECT INSURANCE AND ACCEPTED REINSURANCE	
	2011	2010
Reserve at beginning of year	1,716.73	798.68
Adjustments to the opening balance	(3.37)	77.07
Consolidation (balance of reserve on consolidation date)	66.03	4.25
Premiums	451.40	1,052.75
Payment of claims	(371.76)	(253.70)
Asset valuation changes	22.63	32.48
Others	(3.01)	5.20
Deconsolidation (balance of reserve on deconsolidation date)	--	--
RESERVE AT END OF YEAR	1,878.65	1,716.73

FIGURES IN MILLION EUROS

3.2. Reserve for risks in progress

The reserve for risks in progress has been allocated by the Group’s insurance companies according to the principles stated in Note 5.15.

3.3. Information on Life Assurance

No additional reserve for life insurance, due to inadequate returns, had to be allocated.

The following table shows the characteristics of the main types of Life Assurance policies marketed by Group companies in 2011 and 2010. Some of the types shown below include the GKM80 tables, which are used in all cases only for products with a risk item.

TECHNICAL CONDITIONS AT MAPFRE VIDA

METHODS	COVERAGE	TABLES	TECHNICAL INTEREST	PROFIT SHARING	
				Amount	Method of distribution
Individual contracts, with regular premium, with profit sharing:					
- Combined insurance with regular premium	(1)	GK-95	5.32%	1.13	(5)
- Life with counterinsurance, regular premium	(2)	GK-95	4.48%	1.64	(5)
Individual contracts, single premium, without profit sharing:					
- Survival with or without premium counterinsurance	(3)	GR-95/GK-95 (6)	4.19 (4)	--	--
- Life with single premium	(7)	GK-95	3.81 (4)	--	--
- Life with counterinsurance, single premium	(8)	GK-95	4.08 (4)	--	--
Collective contracts, renewable risk:					
- Death	(9)	GK-95	2.59 (4)	24.81	(10)
Collective annuity contracts, single premium:					
- Survival with profit sharing and with and without counterinsurance	(3)	PERM/F-2000 P/C	5.17% (4)	--	(11)
- Survival without profit sharing and with and without counterinsurance	(3)	PERM/F-2000 P/C	4.54 (4)	--	--

FIGURES IN MILLION EUROS

(1) In case of life, an amount of capital at maturity is guaranteed, as well as appreciation of capital allocated by profit sharing. In case of death, a capital is guaranteed consisting of the sum of the net premiums paid until the insured person’s death, capitalised at the technical interest (according to products) per full elapsed years, plus the net premiums forecast from the date of death until maturity of the contract. In addition, the mathematical reserve of the “bonuses” assigned in profit sharing is guaranteed.

(2) In case of life, an amount of capital at maturity is guaranteed, as well as appreciation of capital allocated by profit sharing. In case of death, a capital is guaranteed consisting of the sum of the net premiums paid until the insured person’s death, capitalised at the technical interest (according to products) per full elapsed years. In addition, the mathematical reserve of the “bonuses” assigned in profit sharing is guaranteed.

(3) Temporary and for life annuities, in case of survival.

(4) Floating interest rates are applied according to the Technical Note, abiding by the provisions of Royal Decree 2486/1998, approving the Regulations on Organisation and Supervision of Private Insurance, and of Order EHA/3598/2008.

(5) The distribution of profit sharing is instrumented in deferred capital insurance policies with reimbursement of single premium reserves.

(6) Mortality table GK-95 is applied for annuities with a premium counterinsurance exceeding the single premium paid, while mortality table GR-95 is used for annuities without premium counterinsurance or with counterinsurance less than the single premium paid.

(7) If the insured person is still alive on the date established in the special terms, the capital assured for this guarantee is paid. In the event of the insured person’s death, the amount of the capital assured for this guarantee is paid to the beneficiaries designated in accordance with the provisions set forth in the policy.

(8) If the insured party survives upon maturity of the policy, the sum insured will be paid on maturity. If the insured party retires earlier or any of the following contingencies occur:

- Long-term unemployment.
- Serious illness.
- Total permanent disability or higher.
- Severe dependency and serious dependency.

The beneficiary will be paid 100% of the mathematical provisions relating to the sum insured, valued by the market value of the pertinent assets in the terms set out in the policy.

In case of death, a capital is guaranteed consisting of the sum of the net premiums paid until the insured person’s death, capitalised at the technical interest (according to products) per full elapsed years.

(9) Annual renewable temporary insurance, in the case of death the payment of a sum and/or annuity is guaranteed.

(10) Technical profit sharing (due to low claim experience), paid on issue of invoices.

(11) The distribution of profit sharing is instrumented in deferred annuity policies without reimbursement of reserves.

TECHNICAL CONDITIONS OF MAPFRE-CAJA MADRID VIDA

METHODS	COVERAGE	TABLES	TECHNICAL INTEREST	PROFIT SHARING		
				Amount	Method of distribution	
Individual contracts, single premium, without profit sharing:						
- Combined insurance	(1)	GRM/F-95	4.25%	--	--	
- Combined insurance	(2)	GRM/F-95	3.56%	--	--	
- Combined insurance	(3)	GKM/F-95	2.77%	--	--	
- Combined insurance	(4)	GKM/F-95	3.45%	--	--	
- Combined insurance	(5)	GKM/F-95	(14)	--	--	
Collective contracts, multi-year and complementary risks with technical profit sharing:						
- Risk insurance	(6)	GK-95 (12)	2.00%	29.99	(15)	
- Annuity insurance	(6)	GR-95 and PER-95	3.56%	--	--	
- Risk insurance	(7)	GKM/F-95 (13)	2.00%	0.20	(16)	
Collective contracts, single premium with profit sharing:						
- Annuity insurance	(8)	GR-95 and PERM 2000	2.46%	0.97	(17)	
Collective contracts, single premium without profit sharing:						
- Annuity insurance	(9)	GRM/F-95	2.10%	--	--	
- Annuity insurance	(10)	GRM/F-95	5.44%	--	--	
Individual contracts, multi-year and complementary risks with technical profit sharing:						
- Risk insurance with profit-sharing	(11)	GKM/F-95 (13)	2.00%	1.19	(16)	
- Risk insurance without profit-sharing	(11)	GKM/F-95 (13)	2.00%	--	--	

FIGURES IN MILLION EUROS

(1) The insurance policy guarantees payment of a constant annuity while the insured person lives and, should he/she die during the first year of validity of the insurance policy, the return of the premium paid. If death occurs after the first year, the return of the premium is guaranteed plus the lower of 2% of the premium and €1,202.02.

(2) The insurance policy guarantees payment of a constant annuity while the insured person lives and, should he/she die during the first year of validity of the insurance policy, the return of the premium paid. If death occurs after the first year, the return of the premium is guaranteed plus the lower of 3% of the premium and €6,010.12.

(3) The insurance policy guarantees payment of a constant annuity while the insured person lives and, should he/she die during the first year of validity of the insurance policy, the return of the premium paid. If death occurs after the first year, the guaranteed amount will depend on the choice made by the policyholder: the premium plus the lower of 3% of the premium and € 6,010. With the possibility of the technical interest rate being revised after 3.5 or 10 years.

(4) The insurance policy guarantees payment of a constant annuity while the insured person lives and, should he/she die during the first year of validity of the insurance policy, the return of the premium paid. If death occurs after the first year, the guaranteed amount will depend on the choice made by the policyholder: the premium plus the lower of 5% of the premium and €6,010, 85% of the premium or 75% of the premium.

(5) In this insurance policy, the policyholder assumes the investment risk, after deducting the management expenses and the costs of the insured amounts at risk, there funds contributed will be tied to aliquot parts (units of accounts) of a portfolio of financial assets owned by the insurer, perfectly identified and allocated to this type of insurance. Therefore the economic rights of the insurance will be determined at all times by the market value of the units of account of the portfolio of financial assets assigned to the policy.

(6) Collective multi-year insurance guaranteeing payment of annuities to the appointed beneficiaries in the event any of the following contingencies occur: death, absolute and permanent disability, total or major disability of the insured person.

(7) Collective multi-year insurance guaranteeing payment of capitals to the appointed beneficiaries in the event any of the following contingencies occur: death, absolute and permanent disability, total or major disability of the insured person.

(8) Group, pension scheme annuity life assurance in which, in return for a single premium from the policyholder, the insurer promises to pay an annuity of the kind selected by the policyholder: lifetime or limited annuity, defined, constant or variable, etc.

(9) Group insurance guaranteeing payment of temporary annuities until the insured person reaches the age of 64.

(10) Group insurance that instruments pension commitments and guarantees the payment of an annuity for the retirement , disablement, orphanhood and widowhood benefit.

(11) Individual multi-year insurance guaranteeing payment of capitals to the appointed beneficiaries in the event any of the following contingencies occur: death, absolute and permanent disability, total or major disability of the insured person.

(12) Tables: GK-95 for death cover, rates specified in the Ministerial Order of 1977 for cover of absolute permanent disability and total disability and own experience rates for major invalidity cover.

(13) Tables: GK-95 for death cover, rates specified in the Ministerial Order of 1977 for cover of absolute permanent disability and total disability.

(14) No interest rate applies to savings cover since it is a unit-linked product. In death cover, the technical interest rate used is 2%.

(15) Advance technical profit sharing. Calculated jointly for the group of policies that cover identical commitments, and distributed among those that have the

same sign as the result. At the end of the financial year, the difference between the advanced sum and the amount that finally results is restated.

(16) Technical profit sharing. Calculated jointly for the group of policies that cover identical commitments, and distributed among those that have the same sign as the result.

(17) Financial and technical profit sharing that is distributed among policyholders in proportion to the weighted average of their mathematical provisions during the financial year.

TECHNICAL CONDITIONS AT CATALUNYACAIXA VIDA

METHODS	COVERAGE	TABLES	TECHNICAL INTEREST (WEIGHTED AVERAGE)	PROFIT SHARING	
				Amount	Method of distribution
Individual contracts, with regular premium, with profit sharing:					
- Endowment insurance (Y044+Y047)	(1)	(2)	0.50%	0.20	(3)
Individual contracts, regular/single premium, without profit sharing:					
- Endowment insurance (Y058+Y059)	(4)	GK-95	1.75% - 3.50% (5)	--	--
Individual contracts, single premium, without profit sharing:					
- Survival with premium counterinsurance (Y069)	(6)	GR-95	1.45% - 5.00% (5)	--	--
- Endowment insurance (Y072+Y073)	(7)	GK-95	(8)	--	--

FIGURES IN MILLION EUROS

(1) The guaranteed saving plan and the future plan are saving/retirement products, with a sum insured upon termination of the contract if the insured person is still alive. If the insured person dies during the term of the contract, a benefit is paid. In addition to the revaluation at the technical rate, the mathematical provision will be increased with an additional interest rate that will be reported to the insured person at the start of each calendar half-year. In case of death of the insured person, the policy guarantees a capital in addition to the mathematical provision.

(2) Table GK-80 is applied until 31/12/2008 and GK95 from then on.

(3) Distribution of the profit sharing is instrumentalized by increasing the mathematical provision.

(4) The insured retirement plan is a long-term insurance product in which the main guarantee is retirement. Subject to the same tax treatment as pension schemes, implying the existence of transfer between the aforementioned instruments.

(5) The guaranteed rate of interest depends on the date that the premium enters into force.

(6) Lifetime survivor annuities, with an insured capital assured in the case of death for the variable kind.

(7) Availability savings and the yield savings are single-premium savings insurance of a given duration in which the policyholder assumes the investment risk. The premium paid is linked to units of account of the investment portfolio linked to each product. If the insured party dies during the life of the policy, an additional sum to the cumulative value of the fund is guaranteed.

(8) Unit-linked life assurance.

TECHNICAL CONDITIONS AT BANKINTER VIDA

METHODS	Coverage	Tables	Technical interest
Individual contracts, single premium, without profit sharing and with counterinsurance	(1)	GK-95	3.1 (2)
Individual contracts, single premium, without profit sharing, mixed insurance	(3)	GKM80 / GK 95	(5)
Individual contracts, single premium, without profit sharing, mixed insurance	(3)	GK-95	(5)
Individual contracts, single premium, without profit sharing, death insurance	(4)	GK-80 / GK-95	2.12%

(1) In annuity insurance with counter-insurance, upon the insured person's death, the capital to be received by the beneficiary will be the premium plus an additional percentage.

(2) For the entire life of the policy there are interest rate commitments for three, five or ten year periods. Upon expiry of the period, renewal is made with a minimum guaranteed interest rate.

(3) In case of death, payment is guaranteed of mathematical reserve plus additional capital.

(4) Risk life assurance, renewable annually or for a period, with fixed or variable capitals and capitals in the case of death and/or absolute permanent disability, accidental death and advance of capital in the case of serious illnesses.

(5) No interest rate applies since it is a unit-link product.

TECHNICAL CONDITIONS AT CCM VIDA Y PENSIONES

METHODS	COVERAGE	TABLES	TECHNICAL INTEREST	PROFIT SHARING	
				Amount	Method of distribution
Collective contracts treated individually, regular premium with profit sharing:					
- Combined insurance CE04	(1)	GRM/F-95	2.00%	0.81	(2)
- Combined insurance PPA	(3)	GKM/F-95	1.50%	0.93	(2)
- Combined insurance AC02	(4)	GKM/F-80	1.75%	0.72	(2)
Collective contracts treated individually, single premium without profit sharing:					
- Survival PVI1	(5)	GRM/F-95	3.91%	--	--
- Combined insurance UL02	(6)	GKM/F-95	(7)	--	--
- Combined insurance UL03	(6)	GKM/F-95	(7)	--	--
- Survival RFE1	(8)	GRM/F-95	4.54%	--	--

FIGURES IN MILLION EUROS

(1) Medium-long term life-savings assurance, intended to set up a fund by regular contributions from the client plus a guaranteed fixed return and an additional variable return that is determined on a half-yearly basis (profit sharing). Upon maturity, the fund may be redeemed as an annuity or in a lump sum. Annuities may be freely established as for life or temporary, but always taking into account the fact that they are “actuarial rents”, i.e. they are earned while the insured person is alive and are terminated upon the latter’s death. If the benefit upon expiry of the policy is by way of capital, the insured person receives 100% of the total cumulative balance. In addition, if the insured person dies before maturity, a minimum insurance amount exists of €600, with the possibility of taking a complementary death insurance that assures the capital guaranteed at maturity with the maximum limit of €60,000.

(2) The distribution of profit sharing is instrumented as an extraordinary contribution, which is imputed at the start of each financial year.

(3) Life-saving assurance whose benefits are received upon retirement, or when the other contingencies specified in applicable legislation occur, and with the same tax advantages as individual pension plans.

(4) Medium-long term life-savings assurance, intended to set up a fund by regular contributions from the client plus a guaranteed fixed return and an additional variable return that is determined on a half-yearly basis (profit sharing”). Upon maturity it is recovered as capital. It also includes insurance for the case of the insured person’s death, amounting to 10% of the mathematical provision with a limit of €6,000, so that the beneficiary receives the full accumulated balance plus the amount of the insurance on the date of death.

(5) Constant life annuity, payable by periods in arrears while the insured party lives, whose value may vary after each interest rate review, in accordance with the periodicity established by the customer. In case of the insured person’s death, the beneficiaries under the policy will receive a capital equivalent to 102% of premiums paid, the rate of interest that it is set in terms of the assets in question.

(6) Single premium saving-investment insurance in which the policyholder assumes the risk of the investment. If the insured person is alive on the maturity date, the beneficiaries of the policy will receive an amount that matches the result of multiplying the number of account units allocated to the policy times their net asset value on the maturity date of the insurance policy. If the insured person dies before the maturity date, the beneficiaries of the policy will receive a capital consisting of the sum of:

- An amount coinciding with the result of multiplying the number of account units allocated to the policy times their net asset value on the date when the loss is reported.
- An additional capital amounting to 1% of the single premium. In any case, this additional capital will not exceed the established ceiling of €10,000.

Additionally, if the insured person dies as a consequence of an accident before maturity, the beneficiaries under the policy will receive an insured capital for 49% of the single premium. In any case, it will not exceed the established ceiling of €50,000.

(7) Unit-linked life assurance.

(8) Temporary and for life annuities corresponding to the defined contributions of the pension plan of the employees of Caja de Ahorros de Castilla La Mancha.

TECHNICAL CONDITIONS AT DUERO VIDA

METHODS	COVERAGE	TABLES	TECHNICAL INTEREST	PROFIT SHARING	
				Amount	Method of distribution
Individual death insurance, regular premium, without profit sharing	(1),(2),(3),(4), (5),(6) and (7)	GKMF-95	2.00%	--	--
Individual insurance, combined, regular premium, without profit sharing	(8) and (9)	GKMF-80	4.50%	--	--
Individual insurance, combined, regular premium, without profit sharing	(8) and (9)	GKMF-95	2,70% - 2,75% (20)	--	--
Individual insurance, combined, regular premium, with profit sharing	(10), (11), (12) and (13)	GRM-95	2.00%	0.38	(22)
Individual survival insurance, single premium, without profit sharing	(14) and (15)	GRMF-95	2,10% - 4,40% (20)	--	--
Individual insurance, combined, regular premium, without profit sharing	(16) and (17)	GKMF-95	3.50% - 3.55% (20)	--	--
Individual insurance policy, single premium, in which the holder assumes the investment risk	(18) and (19)	GKMF-95	(21)	--	--

FIGURES IN MILLION EUROS

(1) Death due to any reason: Payment of the guaranteed capital is guaranteed upon the Insured person’s death, if it occurs within the period provided for in the policy.

(2) Total and permanent professional disability: Payment of the guaranteed capital is guaranteed for the event that the insured person becomes affected by total and permanent professional disability due to an event occurred during the validity of the policy and with the disability declared in the said period or within the year subsequent to the expiry of the policy.

(3) Total permanent disability: Payment of the guaranteed capital is guaranteed for the event that the insured person becomes affected by absolute and permanent disability due to an event occurred during the validity of the policy and with the disability declared in the said period or within the year subsequent to the expiry of the policy.

(4) Accidental death: Payment of the additional capital to that of the main insurance is guaranteed in the event the insured person dies as a consequence of an accident occurred during the validity of the policy and provided that death takes place in the said period or within the year subsequent to the expiry of the policy.

(5) Death from driving accident: Payment of the additional capital is guaranteed, equal to the complementary insurance of death from accident occurred during the validity of the policy and provided that death takes place in the said period or within the year subsequent to the expiry of the policy.

(6) Serious illnesses: The insured person will receive the capital established in the particular conditions of the policy when the said person or any of his/her children (natural or legally adopted) and with ages between 2 and 16 years is

diagnosed with any of the illnesses or has undergone any of the covered operations, provided that the said diagnosis or operation is made by a legally authorised physician.

(7) Domestic and international medical insurance: The provision of the covered medical services is guaranteed to users provided that the said services are requested during the validity of the contract.

(8) Survival: In the event of the insured person's survival upon maturity of the contract, the total cumulative balance as at the said date.

(9) Death: In case of the insured person's death during the validity of the insurance policy, the total cumulative balance as at the date of death plus an additional capital that will be defined in all cases in the particular conditions or the individual insurance certificate.

(10) Survival: The final guaranteed capital as determined in the particular conditions at the expiry of the insurance policy, when the insured person lives on the said date, plus any revaluation that might correspond according to the profit sharing clause.

(11) Insured party's death: Payment is guaranteed to the policyholder of a capital equivalent to the amount of the premiums paid by the policyholder, excluding those paid, if applicable, by the insurer according to section (13) until that time, provided that the said death occurs during the validity of the policy.

(12) Death of policyholder: If the policyholder dies before the expiry of the insurance policy, the insurer undertakes to maintain in place the values guaranteed by the contract as if the premium or premiums accrued from the date of death until expiry of the insurance policy had been paid.

(13) Policyholder's absolute and permanent disability: In the event of the policyholder's absolute and permanent disability prior to expiry of the insurance, the insurer undertakes to exempt the policyholder from payment of future insurance premiums, without prejudice to its maintaining in place the values guaranteed by the contract as if the premium or premiums had been paid.

(14) Survival: In case of the insured person's survival, the latter will earn an annuity for life on the dates, with the form of payment and for the amounts that are laid down in the particular conditions of the contract.

(15) Death: If the insured person dies during the validity of the insurance policy, the insurer will pay the stated beneficiary the capital determined for this concept in the particular conditions as at the insured person's death.

(16) Survival: When the Insured person reaches retirement, the Insurer undertakes to pay the beneficiary the total cumulative balance as at that date.

(17) Death: In case of the insured person's death during the validity of the insurance policy, the insurer will pay the beneficiary the total cumulative balance as of the date of death plus an additional capital. The additional capital will be 10% of the total cumulative balance at the end of the month prior to the date of death, with a minimum of €1,000 and a maximum of €10,000.

(18) Survival: If the insured person is alive on the maturity date, they will receive an amount coinciding with the result of multiplying the number of account units allocated to the policy times their net asset value on the maturity date of the insurance policy.

(19) Death: If the insured party dies before the policy maturity date, the policy's beneficiaries will receive a capital calculated as the sum of the result of multiplying the number of units of account allocated to the policy by their liquidation value on the claim reporting date, plus an additional capital amounting to 5% of the single premium, with a limit of €30,000.

(20) Floating interest rates are applied according to the Technical Note, abiding by the provisions of Royal Decree 2486/1998, approving the Regulations on Organisation and Supervision of Private Insurance, and of Order EHA/3598/2008.

(21) Unit-linked life assurance in which the policyholder assumes the risk of the investment

(22) Increase of the guaranteed benefit.

TECHNICAL CONDITIONS AT MAPFRE AMÉRICA

The MAPFRE AMÉRICA group companies operate in their respective markets with both individual and collective contracts, with regular and/or single premiums, and with or without profit sharing. Contractual covers vary according to the conditions of the markets where they operate, including life and death insurance, combined insurance, for life annuities, death and burial, etc.

In the Brazilian company VERA CRUZ VIDA E PREVIDENCIA, its technical interest rate reaches a maximum of 6%. For some so-called "planos de previdencia" contracts, there is a "financial surplus" clause, whereby the distribution is calculated of a part of the return obtained by the assets allocated to the contracts and a technical reserve is established with the said name.

The companies MAPFRE CHILE VIDA and MAPFRE PERÚ VIDA sell for life annuity insurance at a technical interest rate that varies according to market conditions, although calculated with financial flow matching techniques that ensure the long term profitability of the operation.

At the company MAPFRE COLOMBIA VIDA, the distribution of profit sharing of some death and combined insurance policies is instrumented in deferred capital insurance policies with reimbursement of single premium reserves.

3.4. Evolution of claims

The following table shows the evolution of claims for Non Life direct insurance from the year of occurrence until the closing of financial years 2011 and 2010; it also shows the detail per year of occurrence of the provision for claims under the said insurance at the closing of the mentioned financial years.

Financial year 2011

YEAR OF CLAIM EVENT	ITEM	EVOLUTION OF THE COST OF CLAIMS IN THE YEARS SUBSEQUENT TO YEAR OF OCCURRENCE										
		Year of occurrence	1 year later	2 years later	3 years later	4 years later	5 years later	6 years later	7 years later	8 years later	9 years later	More than 9 later
2001 AND PREVIOUS	Outstanding provision	2,409.03	1,250.11	798.25	552.82	426.11	341.48	300.16	248.43	187.50	152.22	135.29
	Cumulative payments	9,992.84	11,105.96	11,517.12	11,751.86	11,910.34	12,001.95	12,057.51	12,120.33	12,149.05	12,174.86	12,182.06
	TOTAL COST	12,401.87	12,356.07	12,315.37	12,304.68	12,336.45	12,343.43	12,357.67	12,368.76	12,336.55	12,327.08	12,317.35
2002	Outstanding provision	1,406.75	557.37	336.96	220.29	160.77	99.55	78.12	48.59	31.48	24.40	
	Cumulative payments	2,170.93	2,974.39	3,188.24	3,298.76	3,363.90	3,413.50	3,455.88	3,467.34	3,475.33	3,484.07	
	TOTAL COST	3,577.68	3,531.76	3,525.20	3,519.05	3,524.67	3,513.05	3,534.00	3,515.93	3,506.81	3,508.47	
2003	Outstanding provision	1,723.29	660.21	386.66	268.50	176.28	132.26	81.90	55.60	53.64		
	Cumulative payments	2,533.83	3,497.86	3,753.41	3,867.51	3,947.57	4,011.90	4,037.11	4,055.72	4,065.62		
	TOTAL COST	4,257.12	4,158.07	4,140.07	4,136.01	4,123.85	4,144.16	4,119.01	4,111.32	4,119.26		
2004	Outstanding provision	1,869.28	766.89	480.48	324.35	190.68	118.45	80.79	66.06			
	Cumulative payments	2,692.75	3,675.48	3,918.31	4,054.38	4,160.47	4,208.21	4,234.58	4,252.13			
	TOTAL COST	4,562.03	4,442.37	4,398.79	4,378.73	4,351.15	4,326.66	4,315.37	4,318.19			
2005	Outstanding provision	2,275.38	928.73	545.61	360.63	212.33	168.61	177.12				
	Cumulative payments	3,204.18	4,379.07	4,661.00	4,867.06	4,962.54	5,064.49	5,083.02				
	TOTAL COST	5,479.56	5,307.80	5,206.61	5,227.69	5,174.87	5,233.10	5,260.14				
2006	Outstanding provision	2,326.98	981.02	559.56	332.45	244.16	166.10					
	Cumulative payments	3,339.05	4,561.60	4,930.95	5,116.29	5,252.56	5,318.70					
	TOTAL COST	5,666.03	5,542.62	5,490.51	5,448.74	5,496.72	5,484.80					
2007	Outstanding provision	2,662.44	1,007.30	630.90	403.49	310.79						
	Cumulative payments	3,669.72	5,118.04	5,481.99	5,758.64	5,867.68						
	TOTAL COST	6,332.16	6,125.34	6,112.89	6,162.13	6,178.47						
2008	Outstanding provision	2,755.03	1,056.59	624.87	411.19							
	Cumulative payments	4,220.84	5,876.41	6,277.92	6,485.71							
	TOTAL COST	6,975.87	6,933.00	6,902.79	6,896.90							
2009	Outstanding provision	2,534.00	883.13	540.83								
	Cumulative payments	4,708.66	6,201.82	6,521.84								
	TOTAL COST	7,242.66	7,084.95	7,062.66								
2010	Outstanding provision	3,009.99	1,207.52									
	Cumulative payments	5,485.57	7,153.34									
	TOTAL COST	8,495.56	8,360.86									
2011	Outstanding provision	2,685.96										
	Cumulative payments	5,480.41										
	TOTAL COST	8,166.37										

FIGURES IN MILLION EUROS

31st December 2011

ITEM	YEAR OF OCCURRENCE											
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001 and previous	Total
Provision for claims Non Life direct insurance	2,685.96	1,207.52	540.83	411.19	310.79	166.10	177.12	66.06	53.64	24.40	135.29	5,778.91

FIGURES IN MILLION EUROS

Financial year 2010

YEAR OF CLAIM EVENT	ITEM	EVOLUTION OF THE COST OF CLAIMS IN THE YEARS SUBSEQUENT TO YEAR OF OCCURRENCE										
		Year of occurrence	1 year later	2 years later	3 years later	4 years later	5 years later	6 years later	7 years later	8 years later	9 years later	More than 9 later
2000 AND PREVIOUS	Outstanding provision	2,229.29	851.18	564.47	404.79	319.76	259.47	235.67	214.40	161.18	130.84	130.70
	Cumulative payments	8,377.41	8,626.32	8,916.11	9,065.91	9,192.95	9,256.08	9,278.13	9,323.73	9,354.86	9,426.13	9,448.27
	TOTAL COST	10,606.70	9,477.50	9,480.58	9,470.70	9,512.71	9,515.55	9,513.80	9,538.13	9,516.04	9,556.97	9,578.97
2001	Outstanding provision	1,183.98	505.29	303.02	197.34	145.51	107.97	85.00	67.20	51.02	49.82	
	Cumulative payments	1,938.98	2,609.45	2,796.42	2,898.86	2,952.00	2,987.90	3,015.46	3,041.10	3,047.94	3,050.62	
	TOTAL COST	3,122.96	3,114.74	3,099.44	3,096.20	3,097.51	3,095.87	3,100.46	3,108.30	3,098.96	3,100.44	
2002	Outstanding provision	1,399.79	551.90	334.39	219.51	160.63	99.78	78.70	49.17	31.97		
	Cumulative payments	2,211.46	3,016.38	3,226.30	3,337.18	3,401.33	3,450.66	3,486.49	3,495.35	3,501.95		
	TOTAL COST	3,611.25	3,568.28	3,560.69	3,556.69	3,561.96	3,550.44	3,565.19	3,544.52	3,533.92		
2003	Outstanding provision	1,703.93	655.25	385.38	266.54	176.08	132.74	83.69	57.22			
	Cumulative payments	2,569.09	3,529.75	3,783.63	3,895.76	3,974.95	4,032.83	4,057.20	4,069.35			
	TOTAL COST	4,273.02	4,185.00	4,169.01	4,162.30	4,151.03	4,165.57	4,140.89	4,126.57			
2004	Outstanding provision	1,853.10	761.40	473.86	321.74	188.84	121.93	82.55				
	Cumulative payments	2,720.69	3,699.24	3,940.99	4,074.99	4,178.00	4,258.38	4,247.67				
	TOTAL COST	4,573.79	4,460.64	4,414.85	4,396.73	4,366.84	4,380.31	4,330.22				
2005	Outstanding provision	2,173.12	894.51	526.13	344.79	196.34	146.51					
	Cumulative payments	3,104.95	4,224.70	4,489.12	4,693.80	4,880.51	4,884.82					
	TOTAL COST	5,278.07	5,119.21	5,015.25	5,038.59	5,076.85	5,031.33					
2006	Outstanding provision	2,222.76	943.69	608.14	319.64	235.50						
	Cumulative payments	3,236.37	4,354.17	4,636.44	4,980.09	5,007.48						
	TOTAL COST	5,459.13	5,297.86	5,244.58	5,299.73	5,242.98						
2007	Outstanding provision	2,529.08	970.02	608.84	389.11							
	Cumulative payments	3,613.84	4,953.31	5,396.85	5,537.31							
	TOTAL COST	6,142.92	5,923.33	6,005.69	5,926.42							
2008	Outstanding provision	2,614.05	1,015.19	609.46								
	Cumulative payments	4,174.99	5,708.90	5,999.59								
	TOTAL COST	6,789.04	6,724.09	6,609.05								
2009	Outstanding provision	2,390.02	861.37									
	Cumulative payments	4,671.16	5,835.36									
	TOTAL COST	7,061.18	6,696.73									
2010	Outstanding provision	2,923.18										
	Cumulative payments	5,120.73										
	TOTAL COST	8,043.91										

FIGURES IN MILLION EUROS

31st December 2010

ITEM	YEAR OF OCCURRENCE											
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000 and previous	Total
Provision for claims Non Life direct insurance	2,923.18	861.37	609.46	389.11	235.50	146.51	82.55	57.22	31.97	49.82	130.70	5,517.39

FIGURES IN MILLION EUROS

The percentage subject to be allocated to ceded reinsurance of the claims shown in the preceding tables amounts overall to 16.04% and 25.47% in financial years 2011 and 2010, respectively.

Details on the evolution of claims per year of event in accepted reinsurance are not provided because, generally, ceding companies follow accounting methods other than the year of occurrence. Pursuant to studies carried out for accepted reinsurance, the degree of sufficiency of the technical reserves is adequate.

6.15. Provisions for liabilities and charges

The following tables detail the changes in the provisions for liabilities and charges in the last two financial years.

Financial year 2011

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	RECEIPTS		PAYMENTS		Closing balance
				Allocated provisions	Increased value on discount	Applied provisions	Reversed provisions	
Provision for taxes	250.22	36.29	274.18	107.39	--	(1.82)	--	666.26
Reserve for payments of liquidation agreements	20.05	0.06	--	7.58	--	(14.06)	--	13.63
Provisions for restructuring	9.28	--	--	11.04	--	(9.62)	(0.01)	10.69
Other provisions on staff related commitments	70.13	19.38	(0.04)	22.66	0.12	(13.01)	(0.54)	98.70
Other provisions	363.54	14.16	--	79.71	1.62	(95.00)	--	364.03
TOTAL	713.22	69.89	274.14	228.38	1.74	(133.51)	(0.55)	1,153.31

FIGURES IN MILLION EUROS

Financial year 2010

ITEM	Opening balance	Adjustments to the opening balance	Transfers	Changes to the scope	RECEIPTS		PAYMENTS		Closing balance
					Allocated provisions	Increased value on discount	Applied provisions	Reversed provisions	
Provision for taxes	139.74	0.37	61.30	--	68.34	--	(19.53)	--	250.22
Reserve for payments of liquidation agreements	21.08	--	--	--	0.29	--	(1.32)	--	20.05
Provisions for restructuring	13.08	--	--	--	10.85	0.50	(15.15)	--	9.28
Other provisions on staff related commitments	69.39	3.21	--	--	3.74	--	(6.21)	--	70.13
Other provisions	161.66	0.74	(61.30)	235.33	29.23	8.68	(10.54)	(0.26)	363.54
TOTAL	404.95	4.32	--	235.33	112.45	9.18	(52.75)	(0.26)	713.22

FIGURES IN MILLION EUROS

The provisions for liabilities and charges include the estimated amounts of tax debts, settlement agreement payments, restructuring, staff incentives and others derived from the activities and inherent risks of the Group's companies, that will be paid in coming years. Other provisions show the following items:

- Contingent payments arising out of the business combinations carried out in 2011 and previous years, for the amount of €262.78 and €346.13 million as at 31st December 2011 and 2010, respectively.
- Provision allocated in financial year 2011 to cover possible loss ensuing from the current instability of the financial markets, for an amount, after-tax and minority interests, of €55.80 million.

The estimation of the allocated amount or of the timeframe when the provision will be liquidated is affected by uncertainties on the resolution of filed appeals and the evolution of other parameters. The preparation of assumptions on future events in order to determine the value of the provision has not been necessary.

6.16. Deposits received on ceded and retroceded reinsurance

Deposits on ceded and retroceded reinsurance represent guarantees given to reinsurers according to the reinsurance coverage contracts entered into pursuant to usual business practices. The said deposits accrue interest to be paid and the average rollover period is quarterly, in general. This interest is settled quarterly.

6.17. Debts

The balances included under the heading of debt on direct insurance transactions and coinsurance, on reinsurance transactions, tax debt and other debts do not accrue any interest to be paid and, generally, are settled in the following financial year.

6.18. Revenues and expenses from investments

The detail of revenues and expenses from investments for financial years 2011 and 2010 is shown below:

REVENUES FROM INVESTMENTS

ITEM	Revenues from investments:				FINANCIAL REVENUES FROM OTHER ACTIVITIES		TOTAL	
	OPERATIONS		ASSETS					
	2011	2010	2011	2010	2011	2010	2011	2010
REVENUES FROM INTEREST, DIVIDENDS AND SIMILAR								
Investment property								
Rentals	42.75	61.18	1.53	3.80	14.97	1.71	59.25	66.69
Others	0.11	--	--	--	1.61	--	1.72	--
Revenues from portfolio held to maturity								
Fixed-income securities	169.84	121.63	31.56	37.82	--	0.13	201.40	159.58
Other investments	7.81	45.05	2.11	31.99	0.03	0.25	9.95	77.29
Revenues from portfolio available for sale	1,272.49	1,105.49	152.25	89.08	11.16	8.14	1,435.90	1,202.71
Revenues from the trading portfolio	352.36	260.41	47.10	35.17	--	--	399.46	295.58
Other financial returns	72.78	77.42	19.09	21.32	18.29	22.45	110.16	121.19
TOTAL INCOME	1,918.14	1,671.18	253.64	219.18	46.06	32.68	2,217.84	1,923.04
REALISED AND UNREALISED GAINS								
Net realised gains:								
Investment property	32.81	84.81	1.05	7.15	32.77	--	66.63	91.96
Financial investments portfolio held to maturity	0.41	--	--	--	--	--	0.41	-
Financial investments portfolio available for sale	228.48	225.91	16.77	40.74	11.77	7.20	257.02	273.85
Financial investments trading portfolio	36.77	0.50	--	0.09	--	--	36.77	0.59
Others	6.00	0.55	29.64	0.04	5.84	0.01	41.48	0.60
Unrealised gains:								
Increase in fair value of the trading portfolio and gains in derivatives	79.99	32.01	0.30	--	--	--	80.29	32.01
Others	0.72	1.45	--	0.07	0.23	--	0.95	1.52
TOTAL GAINS	385.18	345.23	47.76	48.09	50.61	7.21	483.55	400.53
TOTAL REVENUES FROM INVESTMENTS	2,303.32	2,016.41	301.40	267.27	96.67	39.89	2,701.39	2,323.57

FIGURES IN MILLION EUROS

EXPENSES FROM INVESTMENTS

ITEM	Expenses from investments:				FINANCIAL EXPENSES FROM OTHER ACTIVITIES		TOTAL	
	OPERATIONS		ASSETS					
	2011	2010	2011	2010	2011	2010	2011	2010
FINANCIAL CHARGES								
Investment property								
Direct operating expenses	25.90	40.67	0.68	1.47	--	--	26.58	42.14
Other expenses	11.97	11.44	5.12	3.34	9.88	3.57	26.97	18.35
Expenses from portfolio held to maturity								
Fixed-income securities	37.18	3.54	7.03	0.74	--	0.06	44.21	4.34
Other investments	0.05	--	0.06	--	--	--	0.11	--
Expenses from portfolio available for sale	88.38	84.10	43.08	43.13	0.35	0.05	131.81	127.28
Expenses from the trading portfolio	151.07	129.37	3.24	0.23	--	--	154.31	129.60
Other financial charges	96.87	42.59	20.50	19.19	100.11	115.03	217.48	176.81
TOTAL EXPENSES	411.42	311.71	79.71	68.10	110.34	118.71	601.47	498.52
REALISED AND UNREALISED LOSSES								
Net realised losses								
Investment property	3.23	3.30	1.22	0.91	4.04	--	8.49	4.21
Financial investments portfolio held to maturity	0.03	--	--	--	--	--	0.03	-
Financial investments portfolio available for sale	157.18	131.44	8.25	19.26	5.14	1.08	170.57	151.78
Financial investments trading portfolio	3.62	0.63	0.10	0.26	0.01	--	3.73	0.89
Others	32.88	0.43	1.04	0.61	0.19	--	34.11	1.04
Unrealised losses								
Decrease in fair value of trading portfolio and losses in derivatives	0.01	23.08	--	--	--	--	0.01	23.08
Others	7.73	--	0.15	--	--	--	7.88	--
TOTAL LOSSES	204.68	158.88	10.76	21.04	9.38	1.08	224.82	181.00
TOTAL EXPENSES FROM INVESTMENTS	616.10	470.59	90.47	89.14	119.72	119.79	826.29	679.52

FIGURES IN MILLION EUROS

The expenses arising from the investment portfolio mainly originate from financial swaps related to insurance transactions.

6.19. Operating expenses

A detail of staff expenses and depreciation charge expenses for the last two financial years is shown below.

ITEM	AMOUNT	
	2011	2010
Personnel expenses	1,319.57	1,388.38
Depreciation charges	341.72	176.45
TOTAL	1,661.29	1,564.83

FIGURES IN MILLION EUROS

The following table breaks down the depreciation charges by operating segment:

ITEM	AMOUNT	
	2011	2010
Direct insurance		
a) Life	136.09	24.77
b) Motor	86.89	53.70
c) Others	63.35	41.74
Reinsurance		
a) Life	0.24	0.77
b) Non-Life	5.35	5.28
Other activities	49.80	50.19
TOTAL	341.72	176.45

FIGURES IN MILLION EUROS

6.20. Result of ceded and retroceded reinsurance

The result of ceded and retroceded reinsurance transactions in financial years 2011 and 2010 is shown below:

ITEM	NON-LIFE		LIFE		TOTAL	
	2011	2010	2011	2010	2011	2010
Premiums	(1,797.90)	(1,516.28)	(343.00)	(278.82)	(2,140.90)	(1,795.10)
Change in the reserve for unearned premiums and for risks in progress	47.54	32.45	24.13	3.49	71.67	35.94
Claims paid and change in the provision for claims	1,235.98	1,872.28	178.55	145.05	1,414.53	2,017.33
Change in mathematical reserve and other technical reserves	--	14.71	21.18	4.38	21.18	19.09
Participation of reinsurance in fees and expenses	195.55	158.29	99.62	80.15	295.17	238.44
Result of ceded and retroceded reinsurance	(318.83)	561.45	(19.52)	(45.75)	(338.35)	515.70

FIGURES IN MILLION EUROS

6.21. Tax position

TAX CONSOLIDATION REGIME

Corporate income tax

From the 1985 financial year, part of the consolidated companies with registered office in Spain are included under Fiscal Group 9/85 to the effects of the Corporation Tax, the said group being formed by the controlling Company and its subsidiaries meeting the requirements to be eligible for the said tax regime. The subsidiaries that form part of the said Fiscal Group in 2011 are detailed in Appendix 1 of this annual report.

Value added tax

Since financial year 2010, and for VAT purposes, part of the consolidated companies with registered address in Spain are included in the VAT Group 87/10, formed by MAPFRE SA as the parent company and those of its controlled companies that agreed to form part of the Group when it was formed. The subsidiaries that form part of the said Group in 2011 are detailed in Appendix 1 of this annual report.

COMPONENTS OF CORPORATION TAX EXPENSE AND RECONCILIATION OF THE BOOK RESULT WITH THE TAX COST OF CONTINUING OPERATIONS

Displayed below, for the financial years ended as at 31st December 2011 and 2010, are the main components of corporation tax expense of continuing operations and the reconciliation between the corporation tax expense and the product of multiplying the book result by the applicable tax rate. The Group has reconciled the amounts by aggregating reconciliations made separately using the national rates of each country.

ITEM	AMOUNT	
	Financial Year 2011	Financial year 2010
Tax expense		
Pre-tax profit of continuing operations	1,636.94	1,431.04
30% of the pre-tax profit of continuing operations	491.08	429.31
Tax effect of the permanent differences	15.02	(5.34)
Tax incentive for the financial year	(14.32)	(28.71)
Tax effect of tax rates other than 30%	(57.84)	(3.02)
Total expense from current tax originating in the financial year	433.94	392.24
Expense from current tax originating in previous years	(16.00)	0.56
Credits from negative tax bases not recognised from previous periods, deductions pending application or temporary differences	(3.11)	(25.36)
TOTAL TAX EXPENSE OF ONGOING OPERATIONS	414.83	367.44
Corporate income tax payable		
Taxes withheld and payments on account	(210.40)	(220.64)
Temporary differences	(74.19)	(46.07)
Tax credits and incentives applied, registered in previous years	(6.92)	--
Corporation tax on discontinued operations	(0.82)	(1.10)
NET CORPORATE INCOME TAX PAYABLE	122.50	99.63

FIGURES IN MILLION EUROS

Deductions from double taxation have not been taken into account in the table above, since they are mainly related to dividends collected from subsidiaries eliminated in the consolidation process.

DEFERRED TAX ASSETS

The following tables break down changes in financial years 2011 and 2010 in deferred tax assets, detailing their amount in relation to items directly debited or credited to equity accounts in each financial year.

Financial year 2011

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	FROM		Retirements	Closing balance
				Results	Assets		
Measurement difference in financial investments	503.83	25.41	0.87	(43.22)	272.98	(64.87)	695.00
Measurement difference of mathematical provisions:							
Adaptation to new tables	2.28	--	--	(0.68)	--	--	1.60
By shadow accounting	73.00	--	0.46	--	(39.53)	(12.90)	21.03
Measurement difference in the provision for burial insurance	5.21	--	--	(0.09)	--	--	5.12
Tax credits on negative tax bases	31.67		11.22	9.51	--	(19.61)	32.79
Credits on tax incentives	6.92	--	--	14.32	--	(18.36)	2.88
Pension complements and other staff related commitments	85.57	--	10.53	3.01	--	(4.17)	94.94
Reserves for uncollected premiums	15.49	--	(0.62)	7.40	--	(15.86)	6.41
Provisions for liabilities and others	58.72	1.97	--	23.46	--	(12.19)	71.96
Technical reserve for benefits	84.33	2.63	--	(1.60)	--	--	85.36
Other items	102.88	3.80	93.14	55.22	--	(7.88)	247.16
TOTAL	969.90	33.81	115.60	67.33	233.45	(155.84)	1,264.25

FIGURES IN MILLION EUROS

Financial year 2010

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	FROM		Retirements	Closing balance
				Results	Assets		
Measurement difference in financial investments	197.55	4.84	--	(12.09)	326.05	(12.52)	503.83
Measurement difference of mathematical provisions:							
Adaptation to new tables	2.79	--	--	(0.51)	--	--	2.28
By shadow accounting	188.26	--	--	(0.93)	(113.52)	(0.81)	73.00
Measurement difference in the provision for burial insurance	5.21	--	--	--	--	--	5.21
Tax credits on negative tax bases	21.54	0.62	3.50	25.36	--	(19.35)	31.67
Credits on tax incentives	--	--	--	28.71	--	(21.79)	6.92
Pension complements and other staff related commitments	84.37	--	--	3.79	--	(2.59)	85.57
Reserves for uncollected premiums	12.91	0.04	--	4.90	--	(2.36)	15.49
Sale of property developments pending delivery	0.02	--	--	7.44	--	(7.42)	0.04
Provisions for liabilities and others	49.85	0.07	--	18.31	--	(9.51)	58.72
Technical reserve for benefits	94.94	5.29	--	4.84	--	(20.74)	84.33
Other items	54.39	9.67	--	44.56	--	(5.78)	102.84
TOTAL	711.83	20.53	3.50	124.38	212.53	(102.87)	969.90

FIGURES IN MILLION EUROS

Deferred tax assets of the fully consolidated companies, as a consequence of negative tax bases pending application and of the deductible temporary differences accumulated as at 31st December 2011 and 2010, amount to €1,272.67 million and €981.42 million, respectively.

Of the total amount of deferred tax assets, the balance sheet and the equity or results accounts include €1,264.25 million as at 31st December 2011 and €969.90 million as at 31st December 2010.

The remaining deferred tax assets accumulated as at 31st December 2011 and 2010, which amount to €8.42 million and €11.52 million, respectively, have not been accounted for pursuant to IFRS principles.

DEFERRED TAX LIABILITIES

The following tables show the changes in deferred tax liabilities for financial years 2011 and 2010:

Financial year 2011

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	FROM		Retirements	Closing balance
				Results	Assets		
Measurement difference in financial investments	347.79	1.08	13.99	(11.01)	92.95	(38.80)	406.00
Measurement difference in mathematical provisions by shadow accounting	145.36	0.89	7.32	(8.12)	47.27	(19.88)	172.84
Stabilization and catastrophe provision	198.78	(16.56)	--	139.39	--	(72.54)	249.07
Portfolio acquisition expenses and other acquisition expenses	305.21	1.34	591.91	(23.58)	--	--	874.88
Exchange differences in non-monetary items	10.00	--	(4.59)	--	(0.08)	--	5.33
Other recognised income and expense	7.25	--	15.32	--	0.04	(0.54)	22.07
Others	81.92	--	0.97	21.01	--	(103.26)	0.64
TOTAL	1,096.31	(13.25)	624.92	117.69	140.18	(235.02)	1,730.83

FIGURES IN MILLION EUROS

Financial year 2010

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	FROM		Retirements	Closing balance
				Results	Assets		
Measurement difference in financial investments	442.77	24.44	--	8.27	(118.94)	(8.75)	347.79
Measurement difference in mathematical provisions by shadow accounting	24.91	--	--	0.77	134.94	(15.26)	145.36
Stabilization and catastrophe provision	160.47	11.46	--	26.85	--	--	198.78
Portfolio acquisition expenses and other acquisition expenses	187.69	17.76	106.88	(7.12)	--	--	305.21
Exchange differences in non-monetary items	4.76	--	--	--	5.24	--	10.00
Other recognised income and expense	--	--	--	--	7.25	--	7.25
Others	49.65	2.41	--	87.61	--	(57.75)	81.92
TOTAL	870.25	56.07	106.88	116.38	28.49	(81.76)	1,096.31

FIGURES IN MILLION EUROS

The full amount of deferred tax liabilities of fully consolidated companies as a consequence of cumulative timing differences as at 31st December 2011 and 2010 has been recorded in the balance sheets as at the said dates.

NEGATIVE TAX BASES

The negative tax bases pending set-off in fully consolidated companies at the end of the last two financial years break down as follows:

YEAR GENERATED	DEADLINE FOR THEIR APPLICATION	Amount of negative tax bases				Deferred tax asset			
		APPLIED IN THE FINANCIAL YEAR		PENDING APPLICATION		AMOUNT RECORDED		AMOUNT NOT RECORDED	
		2011	2010	2011	2010	2011	2010	2011	2010
2005	2020	4.64	13.08	22.23	26.87	3.59	5.61	3.08	2.45
2006	2021	3.58	3.69	4.03	7.61	0.99	1.87	0.22	0.41
2007	2022	--	1.60	0.22	0.22	0.02	--	0.05	0.07
2008	2023	31.29	36.00	43.51	74.80	13.05	17.57	--	4.87
2009	2024	13.87	10.13	6.85	20.72	1.62	4.85	0.44	1.37
2010	2025	11.98	--	1.78	13.76	0.10	1.77	0.43	2.35
2011	2026	--	--	58.72	--	13.42	--	4.20	--
TOTAL		65.36	64.50	137.34	143.98	32.79	31.67	8.42	11.52

FIGURES IN MILLION EUROS

Assets accounted for in relation to deferred taxes on negative tax bases pending set-off in consolidated companies correspond with negative tax bases generated as a result of unusual management events, and future tax profits are likely to exist against which they may be offset.

TAX INCENTIVES

The detail of tax incentives in fully consolidated companies for financial years 2011 and 2010 is as follows:

MODE	AMOUNT APPLIED IN THE FINANCIAL YEAR		AMOUNT PENDING APPLICATION		AMOUNT NOT RECORDED		DEADLINE FOR THEIR APPLICATION
	2011	2010	2011	2010	2010	2011	
Double taxation deduction	24.30	48.69	--	3.68	--	--	--
Job creation and others	18.36	21.79	2.88	6.92	--	--	2021
TOTAL	42.66	70.48	2.88	10.60	--	--	--

FIGURES IN MILLION EUROS

VERIFICATION BY THE TAX AUTHORITIES

Pursuant to current legislation, the tax returns filed for the different taxes cannot be considered definitive until they have been inspected by the tax authorities or until the prescription period (four years for Spanish companies) has elapsed.

As at 31st December 2011, fully consolidated companies have open to inspection all the taxes to which they are subject corresponding to the maximum prescription period in each of the countries where they operate. In the opinion of the Group's advisers, the likelihood of fiscal liabilities affecting significantly consolidated companies' financial position as at 31st December 2011 is remote.

The most important amount of the MAPFRE GROUP tax payment orders refers to the corporate income tax return for financial year 2001 and amounts to €2 million. The group has filed an appeal against these payment orders before the High Court and the Central Economic-Administrative Court, which have yet to hand down rulings. In the opinion of the Group's advisers, the likelihood of significant unrecorded fiscal liabilities emerging for this reason is remote.

During the financial year 2011 and once the pertinent procedures had ended, the payment orders issued to Group 9/85 for the corporate income tax returns for financial years 1989 to 1993 and 1994 to 1997 were paid. Most of the payment orders paid referred to time differences that generated a tax credit for the Group.

6.22 Remuneration to staff and related liabilities

PERSONNEL EXPENSES

Staff expenses in the last two financial years are broken down in the following table:

ITEM	AMOUNT	
	2011	2010
Short term remuneration		
Wages and salaries	901.63	935.81
Social Security	192.79	249.62
Other remuneration	190.32	156.48
Post-employment benefits		
Defined contribution commitments	10.98	28.02
Defined benefit commitments	--	--
Other long term remuneration	0.07	0.07
Termination payments	23.30	20.68
Share-based payments	0.48	(2.30)
TOTAL	1,319.57	1,388.38

FIGURES IN MILLION EUROS

POST-EMPLOYMENT BENEFITS

a) Description of the defined benefit plans in force

The defined benefit plans in force, all of which are instrumented through insurance policies, are valued pursuant to the provisions detailed in the accounting policies, and are those where the benefit is determined according to end salaries, with a benefit paid as a for life annuity, subject to review according to the annual consumer price index (CPI).

b) Amounts recognised in the Balance Sheet

There are defined benefit plan-related obligations amounting to €61.42 million and €62.46 million, respectively, as at 31st December 2011 and 2010, which are fully externalised by means of policies entered into with MAPFRE VIDA, there being consequently no assets recognised as allocated to these plans.

In addition, there are obligations on pension related commitments that are externalised with allocated insurance policies amounting to €14.26 million and €14.27 million as at 31st December 2011 and 2010, respectively.

RECONCILIATION WITH THE PRESENT VALUE OF THE OBLIGATION

The reconciliation of the present value of the obligation arising from defined benefit plans in the last two years is shown below:

ITEM	2011	2010
PRESENT VALUE OF OBLIGATION AS AT 1ST JANUARY	76.73	78.95
Cost of services in the year under review	--	--
Interest cost	3.17	3.18
Contributions made by plan members	--	--
Actuarial losses and gains	0.01	0.65
Modifications due to exchange rate changes	--	--
Benefits paid	(4.23)	(4.73)
Cost of past services	--	--
Business combinations	--	--
Reductions	--	--
Liquidations	--	--
Other items	--	(1.32)
PRESENT VALUE AS AT 31ST DECEMBER	75.68	76.73

FIGURES IN MILLION EUROS

RECONCILIATION OF THE OPENING AND CLOSING BALANCE OF ASSETS ALLOCATED TO THE PLAN AND REIMBURSEMENT RIGHTS

The following table details the reconciliation of the opening and closing balance of the assets allocated to the plan and reimbursement rights in the last two financial years.

ITEM	2011	2010
VALUE OF ASSETS ALLOCATED TO THE PLAN AND REIMBURSEMENT RIGHTS AS AT 1ST JANUARY	76.73	79.20
Expected return from assets allocated to the plan	3.17	3.18
Actuarial losses and gains	0.01	0.65
Modifications due to exchange rate changes	--	--
Contributions made by the employer	--	--
Contributions made by plan members	--	--
Benefits paid	(4.23)	(4.73)
Other items	--	(1.57)
VALUE OF ASSETS ALLOCATED TO THE PLAN AND REIMBURSEMENT RIGHTS AS AT 31ST DECEMBER	75.68	76.73

FIGURES IN MILLION EUROS

c) Amounts recognised in the consolidated income statement

The following table details the amounts recognised in the consolidated income statement of financial years 2011 and 2010.

ITEM	2011	2010
Cost of services in the year under review	--	--
Interest cost	3.17	3.18
Expected return from assets allocated to the plan	(3.17)	(3.18)
Actuarial losses and gains	--	--
Cost of past services recognised in the year	--	--
Other items	--	0.24
TOTAL EXPENSE RECOGNISED IN THE INCOME STATEMENT	--	0.24

FIGURES IN MILLION EUROS

d) Output

The expected rate of return is determined according to the interest rate guaranteed in the allocated insurance policies.

The actual return of the assets allocated to the plan, as well as of the investments allocated to the cover of mathematical reserves, amounted to €3.17 million and €3.18 million in 2011 and 2010, respectively.

e) Assumptions

The main actuarial assumptions used on the closing date are as follows:

ITEM	2011	2010
DEMOGRAPHICAL ASSUMPTIONS		
Mortality tables	--	--
Survival tables	PERM/F-2000	PERM/F-2000
FINANCIAL ASSUMPTIONS		
Discount rate	4.25%	4.25%
Average annual salary increase	--	--
Average annual CPI	3%	3%
Expected return from allocated assets	4.25%	4.25%

f) Estimates

Contributions to the defined benefit plans in financial year 2012 are not envisaged.

SHARE-BASED PAYMENTS

The controlling Company's Extraordinary Shareholders Meeting, held on 4th July 2007, approved the incentive plan linked to the value of the shares for the MAPFRE Group's officers as described below:

- Formula: Each unit holder is granted the right to receive in cash the amount resulting from multiplying the number of MAPFRE, S.A. shares that are theoretically allocated by the difference between the simple arithmetic mean of the closing price of the stock market sessions of the 30 business days prior to the reporting date for the year and the simple arithmetic mean of the closing price during the stock market sessions corresponding to the 30 business days immediately before the date of inclusion in the plan. Nevertheless, in the initial group of members, this reference was replaced with the closing share price of 31st December 2006, which was €3.42 per share.
- Exercise of the right: The right can be exercised as to a maximum of 30% during the month of January of the fourth year, a maximum of 30% during the month of January of the seventh year, and the remainder during the month of January of the tenth year. All of the rights that are granted must be exercised no later than the last day of the third period mentioned above.

The number of reference shares taken into account for the purpose of calculating the remuneration amounted to 8,260,235 shares, with a strike price of €3.42 per share.

A cancellation has taken place during the year, due to the member's no longer forming part of the entity's staff by the date of exercise of the option, as required under the provisions of the plan.

In order to obtain the fair value of the granted options, a valuation model based on binomial trees has been applied to the calculation, taking the following parameters into account:

- Risk-free interest rate: the zero coupon rate arising from the IRS (Interest Rate Swap) curve for the Euro for the maturity term of the option.
- Dividend yield: that resulting from the dividends paid against the latest financial year closed (2010) and the closing share price of financial year 2011.
- Volatility of the underlying asset: that resulting from the performance of the MAPFRE share price during financial year 2011.

According to these parameters, the said remuneration system is measured and recognised in the income statement pursuant to the rules explained in Note 5.19 of the annual report. Personnel expenses accounted for in the income statement in this concept amount to €0.48 million and (€2.30 million) in 2011 and 2010, respectively, with a liability being recognised for the same amount.

In order to cover the expense for this concept as at the date of exercise of the right, two equity swaps were contracted during the 2008 financial year over 8,625,733 shares and 219,297 shares, with a strike price of €3.2397 and €2.6657, respectively. At the closing of 2011 and 2010, the market value of the said equity swaps, amounting to €6.82 million and €7.88 million, respectively, is included under "Other financial liabilities", with the variation in the year being recorded in the consolidated income statement.

STAFF NUMBERS

The following table shows the number of employees at the end of the last two financial years, classified by categories and sex, and distributed by geographical segments.

GEOGRAPHICAL AREA	Executives				Clerical Staff				Sales Staff				Others				Total			
	MEN		WOMEN		MEN		WOMEN		MEN		WOMEN		MEN		WOMEN		MEN		WOMEN	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Spain	806	1,158	279	421	561	1,105	1,573	6,263	1,745	1,357	936	728	2,623	2,474	2,491	2,635	5,735	6,094	5,279	10,047
United States of America	102	239	62	240	497	547	1,618	1,588	45	72	121	97	593	388	648	471	1,237	1,246	2,449	2,396
Brazil	319	213	195	107	652	362	1,560	781	289	268	485	419	610	621	541	524	1,870	1,464	2,781	1,831
Mexico	217	130	127	64	162	164	127	117	137	132	243	246	491	616	317	356	1,007	1,042	814	783
Venezuela	107	68	95	54	316	245	589	431	9	39	17	83	163	249	117	241	595	601	818	809
Colombia	81	68	74	46	68	81	87	91	34	31	119	121	229	250	232	235	412	430	512	493
Argentina	232	149	87	49	234	325	511	535	296	316	237	232	482	532	339	329	1,244	1,322	1,174	1,145
Turkey	66	47	30	26	54	61	145	136	54	47	74	55	87	73	90	83	261	228	339	300
Chile	57	35	31	17	128	123	247	340	52	54	92	95	95	117	77	84	332	329	447	536
Other countries	412	792	233	515	779	662	1,063	1,018	497	408	509	386	1,107	539	892	288	2,795	2,401	2,697	2,207
AVERAGE TOTAL NUMBER OF EMPLOYEES	2,399	2,899	1,213	1,539	3,451	3,675	7,520	11,300	3,158	2,724	2,833	2,462	6,480	5,859	5,744	5,246	15,488	15,157	17,310	20,547

6.23. Net results of exchange differences

Exchange gains other than those arising from financial instruments measured at fair value, allocated to the consolidated income statement, amount to €307.68 million and €461.96 million in financial years 2011 and 2010, respectively.

Exchange losses other than those arising from financial instruments measured at fair value, allocated to the consolidated income statement, amount to €302.92 million and €422.27 million in financial years 2011 and 2010, respectively.

The reconciliation of the translation differences recognised in equity at the beginning and the end of the year, in 2011 and 2010, is shown below.

DESCRIPTION	AMOUNT	
	2011	2010
EXCHANGE DIFFERENCES AT THE BEGINNING OF THE YEAR	66.38	(129.65)
Net exchange differences on valuation of non-monetary items	1.02	5.12
Net exchange differences on translation of financial statements	(56.98)	190.91
EXCHANGE DIFFERENCES AT THE END OF THE YEAR	10.42	66.38

FIGURES IN MILLION EUROS

As at 31st December 2011 and 2010, net exchange differences arising from the translation into Euros of the financial statements of those Group companies whose functional currency is not the Euro are:

COMPANY/SUB GROUP	GEOGRAPHICAL AREA	Exchange rate differences					
		GAINS		LOSSES		NET	
		2011	2010	2011	2010	2011	2010
Fully consolidated companies:							
MAPFRE RE	Europe, America and rest of the world	7.59	1.13	(22.38)	(8.87)	(14.79)	(7.74)
MAPFRE AMERICA	America	13.49	79.05	(77.29)	(82.45)	(63.80)	(3.40)
MAPFRE INTERNACIONAL	Europe, America and rest of the world	210.31	131.95	(112.11)	(53.08)	98.20	78.87
OTHERS	--	3.46	1.32	(18.50)	(7.50)	(15.04)	(6.18)
Associated companies	--	--	--	--	--	--	--
TOTAL		234.85	213.45	(230.28)	(151.90)	4.57	61.55

FIGURES IN MILLION EUROS

6.24. Contingent assets and liabilities

At the end of financial years 2011 and 2010, and until the date of issue of the financial statements, there was no evidence of the existence of contingent assets and liabilities for significant amounts.

6.25. Business combinations

TRANSACTIONED DURING FINANCIAL YEARS 2011 AND 2010

During financial years 2011 and 2010 several shareholding interests were acquired, the most significant ones being the stakes in BB ALIANÇA PARTICIPAÇÕES, S.A. and BB ALIANÇA REV. PARTICIPAÇÕES, S.A., both as part of the execution of the strategic alliance agreed with BANCO DO BRASIL; and MIDDLESEA INSURANCE, P.L.C., all of them in 2011; and CATALUNYACAIXA VIDA, CATALUNYACAIXA ASSEGURANCES GENERALS, CAIXA TARRAGONA VIDA, CAIXA MANRESA VIDA and INSURE AND GO in 2010. The fair value of the identifiable assets and liabilities on the acquisition of the said interests is as follows:

ITEM	FINANCIAL YEAR 2011			FINANCIAL YEAR 2010				
	BB ALIANÇA PARTICIPAÇÕES S.A.	BB ALIANÇA REV. PARTICIPAÇÕES S.A.	MIDDLESEA INSURANCE, P.L.C.	CATALUNYACAIXA ASSEGURANCES GENERALS	CATALUNYACAIXA VIDA	CAIXA TARRAGONA VIDA	CAIXA MANRESA VIDA	INSURE AND GO
ASSETS								
Portfolio acquisition expenses	1,471.54	103.29	--	--	328.36	--	23.49	--
Other intangible assets	201.49	28.49	43.06	0.43	0.04	--	0.44	2.30
Property, plant and equipment	9.25	1.84	3.26	--	0.08	--	--	0.30
Investments	869.82	427.51	1,028.92	24.66	2,462.98	4.20	42.51	--
Loans	364.08	481.66	15.02	7.20	196.26	0.48	1.81	1.90
Cash and banks	12.37	2.18	103.30	1.11	247.29	3.70	36.22	2.53
Other assets	483.78	150.28	38.49	10.69	13.59	1.34	0.73	8.77
TOTAL ASSETS	3,412.33	1,195.25	1,232.05	44.09	3,248.60	9.72	105.20	15.80
LIABILITIES								
Technical provisions	621.85	604.35	1,086.09	19.08	2,603.89	1.66	65.62	--
Debts	155.63	98.44	15.42	6.72	16.16	0.97	1.10	15.80
Other liabilities	759.25	173.04	21.86	1.93	164.72	0.04	7.77	--
TOTAL LIABILITIES	1,536.73	875.83	1,123.37	27.73	2,784.77	2.67	74.49	15.80
Fair value of the net assets	1,875.60	319.42	108.68	16.36	463.83	7.05	30.71	--
Interest purchased	25.01%	50.00%	54.56%	50.01%	50.00%	50.00%	50.00%	100.00%
Fair value of the percentage of purchased net assets	469.09	159.71	59.29	8.18	231.92	3.53	15.36	--
First consolidation difference	109.50	124.66	(13.09)	97.62	260.10	46.79	32.53	36.80
NET ACQUISITION COSTS	578.59	284.37	46.20	105.80	492.02	50.32	47.89	36.80

FIGURES IN MILLION EUROS

The above stated fair values differ from the values in the accounts of the entities prior to the combination, mainly due to portfolio acquisition expenses, which are not recorded on their books.

When applicable, the combination acquisition cost includes the amount of deferred payments.

The costs directly attributable to the combinations for the financial year 2011 and 2010, as independent professional, legal and financial advisory fees, for a total amount of €1.95 and €2.42 million, respectively, have been charged as expense to the consolidated income statement.

The interests acquired in BB ALIANÇA PARTICIPAÇÕES, S.A. and BB ALIANÇA REV. PARTICIPAÇÕES, S.A. were added to the scope of consolidation on 31st May

2011, the interest in MIDDLESEA INSURANCE P.L.C. was added on 29th July 2011; and the interests acquired in 2010 were added on 30th September, and in these financial years contributed €1,276.66 and €195.46 million to the Group's premiums and €44.82 and €9.09 million to as of net profit, respectively. If said combinations had been carried out at the beginning of the year, they would have contributed €2,204.64 and €853.18 million to the Group's premiums and €75.73 and €24.86 million to net profit, respectively.

Other business combinations with a lower cost, carried out during financial year 2011, were ALIANÇA DO BRASIL SEGUROS, S.A., BRASIL VEICULOS COMPANHIA DE SEGUROS, S.A., COMPANHIA DE SEGUROS ALIANÇA DO BRASIL, S.A., FUNEGRUP, MIDDLESEA INSURANCE PLC and MAPFRE SERVICIOS MEXICANOS; and during the financial year 2010 were NUEVO TANATORIO, S.L., FUNERARIA CRESPO, TANATORIO SAN ALBERTO and FINIBANCO VIDA (See Appendix 1).

6.26. Transactions with related parties

All transactions with related parties have been conducted at arm's length price.

TRANSACTIONS WITH GROUP COMPANIES

The transactions conducted between Group companies, with a null effect on results because they have been eliminated in the consolidation process, are detailed below:

ITEM	EXPENSES		REVENUES	
	2011	2010	2011	2010
Received/provided services and other expenses/revenues	536.94	501.45	557.89	518.48
Expenses/revenues from investment property	16.98	18.31	13.23	19.84
Expenses/revenues from investments and financial accounts	25.21	21.01	30.14	22.09
Dividends distributed	--	--	723.79	905.58
TOTAL	579.13	540.77	1,325.05	1,465.99

FIGURES IN MILLION EUROS

REINSURANCE AND COINSURANCE TRANSACTIONS

Reinsurance and coinsurance transactions carried out between companies of the consolidable Group, which have been eliminated in the consolidation process, are shown below:

ITEM	AMOUNT	
	2011	2010
Ceded/accepted premiums	1,308.55	1,234.81
Features	766.43	790.31
Changes in technical reserves	(189.02)	282.01
Fees	247.69	243.43

FIGURES IN MILLION EUROS

The following tables detail the balances with reinsurers and ceding companies, deposits given and technical reserves on reinsurance transactions with companies of the consolidable Group, which have been eliminated in the consolidation process:

ITEM	ACCEPTED REINSURANCE		CEDED REINSURANCE	
	2011	2010	2011	2010
Credits and debts	(151.90)	(126.72)	151.90	126.72
Deposits	104.14	113.82	(104.14)	(113.82)
Technical provisions	(1,317.84)	(1,437.41)	1,317.84	1,437.41
TOTAL	(1,365.60)	(1,450.31)	1,365.60	1,450.31

FIGURES IN MILLION EUROS

REMUNERATION OF KEY MANAGERIAL STAFF

The following table details the remuneration earned in the last two financial years by key managerial staff (taking these to be the members of the Board of Directors, the Steering Committee and the Delegated Committees of the controlling Company):

ITEM	AMOUNT	
	2011	2010
Short term remuneration		
Wages	5.67	6.46
Fixed allowances	2.34	2.16
Attendance fees	0.98	0.85
Life Assurance	0.13	0.13
Other items	0.51	0.06
Post-employment remuneration		
Defined contribution	1.74	9.57
Share-based payments	0.11	(0.57)
TOTAL	11.48	18.66

FIGURES IN MILLION EUROS

External directors' basic remuneration consists of a fixed annual allowance for their belonging to the Board of Directors, which amounted to €44,388 in 2011 and to €43,948 in 2010. This amount is increased by 50% for directors serving as Chairman or Vice Chairman of the Board or chairing a Commission or Standing Committee. However, increases do not accumulate if one person holds more than one office.

In addition, they benefit from a Life assurance policy with an insured capital of €150,253 and enjoy some of the benefits extended to staff, such as medical insurance.

External directors serving on Steering Committees or Delegated Committees also receive an attendance allowance, which amounted to €4,439 in 2011 and €4,395 in 2010, for attending the Steering Committee; and €3,885 in 2011 and €3,846 in 2010 for attending other Committees.

Executive directors (who are deemed to be both the company's executives and those performing executive duties in other MAPFRE GROUP entities) receive the remuneration established in their contracts, including fixed salary, bonuses with varying amounts linked to results, life and disability insurance and other benefits generally established for the Entity's staff; in addition, certain pension complements have been acknowledged to them for the event of retirement, externalised through a life insurance policy, it all according to the remuneration policy established by the Group for its senior managerial staff, whether or not they are directors.

Executive directors earn an allowance for attending Steering Committee meetings, which amounted to €4,439 in 2011 and €4,395 in 2010, as well as, when applicable, a fixed remuneration as Chairmen of the Regional Board. In the financial year 2010, expenses for indemnities amounting to €4.48 million were incurred.

The basic remuneration package of external directors is approved by the Annual General Meeting at the proposal of the Board of Directors and pursuant to the report issued by the Nomination and Remuneration Committee. The remuneration of executive directors, attendance fees of the external members of Steering Committees and Delegated Committees and the fixed allowance for the chairmanship of Regional Boards are approved by the Board of Directors, pursuant to the report issued by the said Committee.

7. Risk management

Risk management goals, policies, and processes

MAPFRE has a Risk Management System (SGR) in place based on the integrated management of each and every one of the entity’s business processes, and on the adaptation of the risk level to the established strategic objectives. The different types of risks have been grouped under four areas, or categories, as detailed below:

Operational Risks	Includes twenty-three types of risks grouped under the following areas: actuarial, legal, technology, staff, collaborators, procedures, reporting, fraud, market, and tangible assets.
Financial Risks	Includes interest rate, liquidity, exchange rate, market and credit risks.
Insurance Activity Risks	this groups together, separately for Life and Non-Life, the risks of premium shortfalls, the sufficiency of technical provisions, and re-insurance risk.
Strategic and Corporate Governance Risks	Includes the corporate ethics and corporate governance risks, and risks on organisational structure, alliances, mergers and acquisitions, regulatory and, lastly, competition risks.

Centralisation of the Risk Management System

The structure of MAPFRE is based on Operational Divisions and Units with a high level of autonomy in their management. The Group’s governance and management bodies approve the lines of action of the Units and Companies as regards risk management, and monitor their risk exposures on an on-going basis by means of indicators and ratios. In addition, there are general action guidelines in order to mitigate risk exposure, such as maximum levels of investment in equities or credit rating of reinsurers.

The Financial Area, through the Risks Management, co-ordinates the activities relating to the quantification of risks, and in particular, the implementation of proprietary economic capital models at the operational units with the aim of complying with the future Solvency II requirements.

Operating Units have a Risk Coordinator, reporting to the Administration Management, for the implementation of risk policies and risk management in each unit. The coordination of activities for the implementation of Risk Quantification Models is carried out through the Risk Committee. The degree of progress in projects and other significant aspects are reported to MAPFRE’s Senior Management through the Audit Committee.

In general terms, decisions on the underwriting of insurable risks and reinsurance covers are highly decentralised in the Units. The aspects related to Operational Risk are supervised centrally, although their implementation and

monitoring are delegated to the Units. The management of Strategic and Corporate Governance risks is highly centralised. Financial risks are managed centrally through the Group’s Investments Area.

Estimation of Risks and Capitals

MAPFRE has an internal capitalisation and dividend policy that is designed to provide the Units with the capital necessary in cover the risks that have been assumed, all in a rational and objective way. Risk estimation is made by means of a standard fixed factors model that quantifies financial risks, credit risks and insurance activity risks. In addition, the level of capital allocated to each Unit will never be lower than the legally required minimum from time to time plus a margin of 10%.

Allocated capital is determined pursuant to an estimation based on the budgets for the following year and is revised at least once a year, according to the evolution of risks.

Certain units require a capitalisation level higher than that arising from the above described general rule, either because they operate in countries having different legal requirements, or because they are subject to higher financial solvency rules because of their rating. In those cases, MAPFRE’s Management Committee determines the capitalisation level on a case by case basis.

Operational Risks

Operational Risks are identified and evaluated with Riskm@p, a software application developed in-house at MAPFRE, which draws up the Risk Maps for the companies.

Riskm@p is also the corporate tool used for handling control activities (process manuals, inventory of controls associated to risks and evaluation of their effectiveness).

The operational risk management model is based on a dynamic analysis by Unit processes, such that the managers of each area or department can identify and evaluate on an annual basis the potential risks affecting the following processes: Product Development, Underwriting, Claims / Benefits, Administrative Management, Marketing Activities, Human Resources, Commissions, Coinsurance / Reinsurance, Technical Provisions, Investments, IT Systems, and Client Service.

Financial Risks

MAPFRE mitigates its exposure to this type of risk by means of a prudent investment policy, with the portfolio being heavily weighted in top quality fixed-income securities.

In the management of investment portfolios, differentiation is made between those seeking to match the obligations arising from insurance contracts and those subject to active management. The former minimise exchange rate risks as well as interest rate and other risks of variation in prices, while the latter maintain a management policy with a certain degree of market risk assumption, along the following lines:

- In the portfolios that do not cover long-term liability commitments, the risk management variable interest rate is the modified duration.

- Exposure to exchange rate risk is minimised in the case of insurance liabilities. Exposure to this type of risk may not exceed a fixed percentage of assets qualified for the cover.
- Investments in shares are subject to an investment portfolio ceiling.
- Risk limitations are established in terms of quantitative variables that are easily observable. Nevertheless, risk analysis in probability terms is carried out, according to historical volatilities and correlations.

With respect to credit risk, MAPFRE’s policy is based on holding a diversified portfolio comprising securities being prudently selected on the basis of the issuer’s solvency.

Investments in fixed income and equity securities are subject to concentration limits per issuer.

Insurance Activity Risks

The organisation of MAPFRE, based on Units and Companies specialising in various business lines, requires them to be highly autonomous in the management of their business, in particular in the underwriting of risks and tariff fixing, as well as the indemnities or provision of services in the case of occurrences. Premium adequacy is a particularly important element, and its determination is supported by specific computer applications.

Treatment of claim related benefits, together with the adequacy of provisions, are basic principles of insurance activity. Technical provisions are estimated by the actuarial teams of the different Units and Companies and in certain cases are also reviewed by independent experts. The prevalence of the personal damages business line in MAPFRE, with very short times for the settlement of claims, as well as the scant importance of insured long-tail risks, such as asbestos or professional liability, are elements mitigating this type of risk.

MAPFRE’s presence in countries highly likely to be prone to catastrophes (earthquakes, hurricanes, etc.) call for special treatment of these types of risks. The Units and Companies operating in this type of risks, essentially MAPFRE AMÉRICA, MAPFRE INTERNACIONAL and MAPFRE RE, count on expert reports on catastrophe exposure, generally prepared by independent experts, which estimate the extent of the losses that may affect insured risks in the event of occurrence of catastrophes. The underwriting of catastrophic risks is made according to this information and to the economic capital available to the company that underwrites them, When applicable, the equity exposure to this type of risks is mitigated by taking specific reinsurance covers. In this connection, it is important to highlight the contribution of MAPFRE RE, which provides the Group with its extensive experience in the catastrophic risk market. Every year MAPFRE RE determines the global catastrophic capacity that it assigns to each area, and establishes the maximum underwriting capacities per risk and event. It is also protected by risk retrocession programmes to cover variations or increases in catastrophic claim experience in the different territories.

In relation to reinsurance risk, MAPFRE’s policy is to cede business to reinsurers with proven financial capacity (minimum A credit rating by Standard & Poor’s).

Strategic and Corporate Governance Risks

The ethical principles applied to corporate management have been a constant feature at MAPFRE and form part of its bylaws and of its day to day work. In order to standardise this corporate culture and adapt it to the legal governance and transparency requirements in management, MAPFRE’s Management Bodies approved in 2008 a revised version of the Good Governance Code, in force since 1999. The strict application of Good Corporate Governance principles is considered by MAPFRE as the most efficient way for mitigating this type of risks.

a) INSURANCE RISK

1. Sensitivity to insurance risk

This sensitivity analysis measures the impact on economic capital of upward and downward fluctuations of the conditioning factors for the said risk (number of insured risks, value of average premium, frequency and cost of claims). A measure of sensitivity to the Non Life assurance risk is the impact that a percentage point change in the combined ratio would have on the results of the year and, consequently, on equity. This information is detailed in the following table, together with the volatility index of the said ratio, calculated according to its standard deviation in a five-year time horizon:

ITEM	IMPACT ON RESULTS OF A 1% VARIATION IN THE COMBINED RATIO		COMBINED RATIO VOLATILITY INDEX
	2011	2010	
Direct Insurance Spain			
Businesses	3.69	3.72	3.6%
Households	28.78	29.26	0.8%
Direct Insurance International			
America	30.30	18.89	1.0%
International	11.26	11.16	2.6%
Global Businesses			
Reinsurance	11.28	9.09	2.8%
Assistance	3.41	2.46	0.6%
Global Risks	1.98	1.70	4.3%
CONSOLIDATED	92.08	80.88	1.4%

FIGURES IN MILLION EUROS

For the Life activity, the sensitivity level is shown according to the results from the calculation of the embedded value, which has been made pursuant to the principles and methodology laid down in the so-called “European Embedded Value”. The embedded value is obtained by adding to the adjusted equity the present value of the future profits of the managed portfolio (Life and fund management) and deducting the present value of options and guarantees granted to policyholders and the cost of the required regulatory capital.

The methodology to calculate the embedded value is based on the assessment of each business risk component separately and differentiating between the existing portfolio and the new business attracted during the year. The different components of the embedded value have been calculated as follows:

- **Adjusted equity:** this is calculated adjusting book equity, measured pursuant to the Chart of Accounts for Insurance Companies, for unrealised capital gains and losses, and decreasing its value in the amount of goodwill, deferred expenses and dividends and donations approved but pending payment.
- **Present value of the portfolio's future profits:** this is calculated by discounting future profits after taxes of the policies portfolio at present value as at the valuation date on the basis of risk-free rates, and including an estimate of the embedded value of options and financial guarantees granted to policyholders.
- **Temporary value of the options and guarantees granted to policyholders:** this is the change in the cost of the said options and guarantees that may result from any potential modifications that may take place in the benefits in favour of policyholders throughout the life of the policy. It is estimated by simulating the economic scenarios consistent with different market situations.
- **Cost of required capital:** this is an estimate of the cost of required capital, including that necessary to cover both financial and non financial risks. In line with market practices, the cost of capital used in the calculation of embedded value as at 31st December 2010 was measured applying a fixed rate of 4% to the minimum amount required for the solvency margin.

Furthermore, the main assumptions used were as follows:

- **Discount and reinvestment rates:** based on the Euro swap rate curve zero coupon at year end.
- **Maintenance expenses:** based on an in-house study and indexed to an inflation rate of 2.5%.
- **Technical variables (commissions, mortality, disability, redemptions, switches and returns of existing financial assets):** on the basis of the entity's data and its own experience.
- **Tax rate:** 30%.

The following table breaks down the embedded value at the end of financial years 2010 and 2009 (figures for 2011 are not available at the date of issuing the consolidated annual accounts). The figures for the financial year 2010 include the business of CATALUNYACAIXA VIDA, while the business of MAPFRE VERACRUZ VIDA is not included in either of the two financial years.

ITEM	2010	2009	% change
Adjusted equity	777.4	700.2	11.0%
Present value of future profits	1,984.9	1,718.7	15.5%
Present value of options and guarantees granted to policyholders	(44.1)	(37.3)	18.2%
Cost of regulatory required capital	(227.7)	(202.9)	12.2%
TOTAL EMBEDDED VALUE	2,490.5	2,178.7	14.3%

FIGURES IN MILLION EUROS

The variables to which embedded value is most sensitive in 2010 are as follows:

- A 25 basis-point rise in the default probability of fixed-income securities would reduce the embedded value by €205.1 million.
- A 100 basis-point rise in interest rates, which would reduce the embedded value by €91.9 million in the existing portfolio and by €16.6 million in new business.
- A 10% reduction in the decline in the portfolio, which would increase the embedded value by €131.7 million in the existing portfolio and by €26.5 million in new business.

The Direct Insurance International companies that operate in the Life line, other than MAPFRE VERACRUZ, essentially operate in risk modalities, albeit without significant volumes of business until 2010.

2. Concentration of insurance risk

MAPFRE counts on a high degree of insurance risk diversification since it operates in virtually all insurance lines in Spain and has a strong presence in the international markets.

The Group has in place procedure and limit systems allowing it to control the level of concentration of the insurance risk.

It is usual practice to use reinsurance contracts to mitigate the insurance risk arising from concentration or accumulation of guarantees exceeding the maximum acceptance levels.

2.A) PREMIUM INCOME PER RISK

The following tables break down the premiums written for direct insurance and accepted reinsurance classified according to the type of business underwritten in the last two financial years:

Financial year 2011

ITEM	Accepted reinsurance				Direct insurance				
	LIFE	NON-LIFE		TOTAL	CATASTROPHE RISK	OTHER RISKS			TOTAL
		Catastrophe risk	Other risks			LIFE	NON-LIFE		
							Motor	Others	
Premiums issued direct insurance	--	--	--	--	83.95	4,758.31	5,576.27	6,865.32	17,283.85
Reinsurance premiums accepted	369.33	447.34	1,499.72	2,316.39	--	--	--	--	--

FIGURES IN MILLION EUROS

Financial year 2010

ITEM	Accepted reinsurance				Direct insurance				
	LIFE	NON-LIFE		TOTAL	CATASTROPHE RISK	OTHER RISKS			TOTAL
		Catastrophe risk	Other risks			LIFE	NON-LIFE		
							Motor	Others	
Premiums issued direct insurance	--	--	--	--	67.66	3,920.41	5,111.67	5,874.58	14,974.32
Reinsurance premiums accepted	284.77	385.32	1,328.72	1,998.81	--	--	--	--	--

FIGURES IN MILLION EUROS

2.B) PREMIUM INCOME PER OPERATING SEGMENT AND GEOGRAPHICAL AREA

The following tables show written premiums for direct insurance and accepted reinsurance per segment of activity and geographical area in the last two years:

Financial year 2011

GEOGRAPHICAL AREA	DIRECT INSURANCE			Reinsurance	Total
	Life	Motor	Other Non-Life		
Spain	3,200.18	2,364.85	2,782.31	112.61	8,459.95
United States of America	--	1,182.68	528.89	145.60	1,857.17
Brazil	986.39	1,190.73	1,442.77	99.93	3,719.82
Mexico	81.05	182.53	375.55	83.67	722.80
Venezuela	5.77	245.06	389.20	78.00	718.03
Colombia	244.51	50.92	195.28	83.11	573.82
Argentina	25.88	92.68	340.68	80.86	540.10
Turkey	5.14	117.69	157.22	73.74	353.79
Chile	4.22	35.46	239.68	75.49	354.85
Other countries	205.17	127.63	825.08	1,142.03	2,299.91
TOTAL	4,758.31	5,590.23	7,276.66	1,975.04	19,600.24

FIGURES IN MILLION EUROS

Financial year 2010

GEOGRAPHICAL AREA	DIRECT INSURANCE			Reinsurance	Total
	Life	Motor	Other Non-Life		
Spain	2,719.59	2,367.35	2,965.77	71.54	8,124.25
United States of America	--	1,209.28	512.65	137.40	1,859.33
Brazil	694.72	792.57	657.59	30.32	2,175.20
Mexico	77.15	133.50	255.97	124.43	591.05
Venezuela	5.45	234.68	379.53	99.73	719.39
Colombia	208.66	45.17	135.67	68.87	458.37
Argentina	27.92	109.85	320.85	62.85	521.47
Turkey	6.44	108.83	147.75	64.41	327.43
Chile	3.65	31.27	184.63	63.40	282.95
Other countries	176.83	90.93	615.64	1,030.29	1,913.69
TOTAL	3,920.41	5,123.43	6,176.05	1,753.24	16,973.13

FIGURES IN MILLION EUROS

2.C) PREMIUM INCOME PER CURRENCY

The following table shows written premiums for direct insurance, broken down by currency, in the last two years:

CURRENCY	YEAR	
	2011	2010
Euros	8,462.50	7,956.42
US Dollar	1,979.29	2,023.10
Brazilian real	3,561.33	2,115.15
Mexican peso	547.13	496.45
Argentine peso	457.92	458.62
Venezuelan bolivar	640.03	619.66
Turkish lira	238.58	230.13
Colombian peso	459.50	389.49
Chilean peso	279.36	219.54
Pound sterling	178.50	98.57
Other currencies	479.71	367.19
TOTAL	17,283.85	14,974.32

FIGURES IN MILLION EUROS

3. Loss ratio

Section 3.4 of Note 6.14 of the "Technical Provisions" report provides information on the evolution of claims.

b) LOAN RISK

1. Credit risk arising from reinsurance contracts

The following table breaks down credits to reinsurers in the last two years:

CEDED AND RETROCEDED REINSURANCE	BOOK VALUE	
	2011	2010
Provision for Life assurance	75.20	46.61
Provision for claims	2,141.73	2,057.25
Other technical provisions	23.70	14.07
Credits on ceded and retroceded reinsurance transactions	339.84	251.28
Debts on ceded and retroceded reinsurance transactions	(679.41)	(450.14)
TOTAL NET POSITION	1,901.06	1,919.07

FIGURES IN MILLION EUROS

The following table breaks down credits to reinsurers based on their financial solvency:

RATING	BOOK VALUE	
	2011	2010
AAA	6.06	30.32
AA	531.92	746.48
A	1,024.17	730.76
BBB	147.98	171.81
BB or lower	13.78	20.59
No credit rating	177.15	219.11
TOTAL NET POSITION	1,901.06	1,919.07

FIGURES IN MILLION EUROS

The following table details the type and amount of security granted by reinsurers in the last two financial years:

TYPE OF SECURITY	AMOUNT	
	2011	2010
Letters of credit	2.75	3.73
Guarantees	119.63	37.33
Pledging of assets	--	--
Other guarantees	298.99	411.83
TOTAL	421.37	452.89

FIGURES IN MILLION EUROS

The balances corresponding to credits from direct insurance and coinsurance transactions amount to €3,266.70 million and €2,732.80 million as at 31st December 2011 and 2010, respectively. The estimated impairment loss is shown in the income statement as stated under accounting policy 5.10.

2. Credit risk arising from other financial instruments

A breakdown is shown below of the fixed-income securities portfolio according to the credit rating of fixed-income issuers and of financial entities, respectively, during the last two years:

CREDIT RATING OF THE ISSUERS	Book value							
	PORTFOLIO HELD TO MATURITY		PORTFOLIO AVAILABLE FOR SALE		TRADING PORTFOLIO		CASH AND BANKS	
	2011	2010	2011	2010	2011	2010	2011	2010
AAA	1,297.03	785.48	3,784.51	5,325.80	1,414.90	631.15	211.38	235.21
AA	177.72	48.42	14,003.87	11,479.56	225.42	37.41	92.23	298.86
A	57.00	46.69	3,819.44	6,220.51	473.33	63.26	428.29	774.77
BBB	87.38	60.31	2,212.50	1,068.07	105.22	48.47	277.78	64.82
BB or lower	63.38	58.87	1,258.65	526.83	96.65	47.13	44.79	62.46
No credit rating	80.74	71.15	91.43	111.97	15.16	64.45	199.88	61.29
TOTAL	1,763.25	1,070.92	25,170.40	24,732.74	2,330.66	891.87	1,254.35	1,497.41

FIGURES IN MILLION EUROS

3. Fixed-income securities in default

As at 31st December 2011 and 2010, there were no fixed-income securities in default for significant amounts.

4. Loans

The following table breaks down the credits and receivables as at 31st December 2011 and 2010, as well as impairment losses, gains on reversal of impairment, and the amount of the security received in the last two years:

ITEM	NET BALANCE ON BALANCE SHEET		Impairment				SECURITY RECEIVED	
			RECORDED LOSSES		REVERSAL GAINS			
	2011	2010	2011	2010	2011	2010	2011	2010
Receivables on direct insurance and co-insurance transactions	3,266.70	2,732.80	(5.56)	(2.14)	2.61	4.99	17.20	37.28
Credit on reinsurance transactions	711.00	718.66	(1.62)	--	--	0.12	--	--
Tax Credits	196.10	216.05	--	--	--	--	--	--
Corporate and other credits	1,203.08	465.60	(2.97)	(4.71)	2.08	3.75	--	--
TOTAL	5,376.88	4,133.11	(10.15)	(6.85)	4.69	8.86	17.20	37.28

FIGURES IN MILLION EUROS

c) LIQUIDITY RISK

As regards liquidity risk, MAPFRE's policy is based on maintaining cash balances sufficient to cover any contingency arising from its obligations vis-à-vis insured parties and creditors. Thus, as at 31st December 2011, the cash and cash equivalent balance amounted to € 1,254.35 million (€1,497.41 million in the preceding year), equivalent to 3.81% of total financial investments and cash. For life and savings insurance, the investment policy preferably applied consists of matching the maturities of investments with obligations entered into under insurance contracts, in order to mitigate the exposure to this type of risk. In addition, most fixed-income investments enjoy high credit ratings and are traded in organised markets, this providing a large capacity of action in view of potential liquidity strains.

Assets with maturities exceeding one year are detailed in the section “Interest rate risks”.

In addition, MAPFRE S.A. has in place credit facilities, not fully drawn down, which may be used at the Group’s discretion.

1. Liquidity risk arising from insurance contracts

The estimated maturities of disbursements relating to liabilities under insurance contracts recorded as at 31st December 2011 and 2010 are as follows, without taking into account the financial discount in the case of the life assurance provisions.

Financial year 2011

ITEM	CASH OUTFLOWS ESTIMATED IN YEAR							Closing balance
	2012	2013	2014	2015	2016	2017 to 2021	Subsequent	
Reserve for life assurance	2,592.18	1,779.21	1,797.21	1,735.60	1,482.52	5,977.32	11,131.02	26,495.06
Provision for claims	4,696.58	1,512.34	692.76	412.27	285.98	549.00	137.43	8,286.36
Other technical provisions	105.66	15.29	14.66	13.96	14.12	62.14	362.51	588.34
Due on direct insurance and reinsurance transactions	812.08	5.81	3.44	2.98	2.01	3.86	0.84	831.02
Due on re-insurance transactions	670.15	5.35	3.64	2.69	1.96	3.62	0.48	687.89
TOTAL	8,876.65	3,318.00	2,511.71	2,167.50	1,786.59	6,595.94	11,632.28	36,888.67

FIGURES IN MILLION EUROS

Financial year 2010

ITEM	CASH OUTFLOWS ESTIMATED IN YEAR							Closing balance
	2011	2012	2013	2014	2015	2016 to 2020	Subsequent	
Reserve for life assurance	2,432.84	1,687.19	1,500.66	1,564.68	1,373.77	5,896.59	8,667.85	23,123.58
Provision for claims	4,154.75	1,123.56	538.41	309.22	150.67	224.21	846.82	7,347.64
Other technical provisions	112.63	14.22	13.56	12.75	12.92	57.18	345.45	568.71
Due on direct insurance and reinsurance transactions	685.93	9.81	--	--	--	--	--	695.74
Due on re-insurance transactions	692.33	3.43	0.05	--	--	--	--	695.81
TOTAL	8,209.98	2,819.48	1,930.68	1,710.03	1,278.84	4,499.48	6,792.44	27,240.93

FIGURES IN MILLION EUROS

2. Liquidity risk arising from subordinated and financial liabilities

The detail for the last two years of maturity of outflows, not taking the financial discount into account, corresponding to subordinated and financial liabilities, grouped by maturity, is as follows:

Financial year 2011

ITEM	MATURITY IN:						Total
	2012	2013	2014	2015	2016	Subsequent	
Subordinated liabilities	34.83	34.83	34.83	34.83	34.83	623.52	797.67
Issuance of debentures and other negotiable securities	9.38	166.97	--	--	--	--	176.35
Due to credit institutions	129.17	502.13	510.61	4.68	4.14	38.68	1,189.41
Other financial liabilities	254.37	102.25	16.06	14.90	6.38	17.91	411.87
TOTAL	427.75	806.18	516.50	54.41	45.35	680.11	2,575.30

FIGURES IN MILLION EUROS

Financial year 2010

ITEM	MATURITY IN:						Total
	2011	2012	2013	2014	2015	Subsequent	
Subordinated liabilities	34.92	34.92	34.92	34.92	34.92	659.53	834.13
Issuance of debentures and other negotiable securities	300.81	9.26	164.90	--	--	--	474.97
Due to credit institutions	266.36	19.00	278.60	509.20	4.53	46.45	1,124.14
Other financial liabilities	109.35	20.18	160.99	2.88	0.27	4.72	298.39
TOTAL	711.44	83.36	639.41	547.00	39.72	710.70	2,731.63

FIGURES IN MILLION EUROS

d) MARKET RISK

MAPFRE's Investment Department regularly conducts different analyses of sensitivity of the investment portfolio's value to market risk. Among others, the most usual indicators are the modified duration, for fixed-income securities, and the Value at Risk (VaR) for equity instruments.

1. Interest rate risk

The tables below show the significant information for the last year regarding the level of exposure to interest rate risk of the financial assets and liabilities:

PORTFOLIO	Amount of assets exposed to interest rate risk in fair value					
	FIXED INTEREST RATE		NOT EXPOSED TO RISK		TOTAL	
	2011	2010	2011	2010	2011	2010
Held to maturity	1,760.44	1,092.23	6.53	16.47	1,766.97	1,108.70
Available for sale	20,812.60	19,297.56	6,075.85	7,094.54	26,888.45	26,392.10
Trading	2,590.08	869.79	408.56	308.11	2,998.64	1,177.90
TOTAL	25,163.12	21,259.58	6,490.94	7,419.12	31,654.06	28,678.70

FIGURES IN MILLION EUROS

ITEM	Amount of liabilities exposed to interest rate risk in fair value					
	FIXED INTEREST RATE		NOT EXPOSED TO RISK		TOTAL	
	2011	2010	2011	2010	2011	2010
Subordinated liabilities	599.39	610.07	8.51	--	607.90	610.07
Issuance of debentures and other negotiable securities	153.71	433.50	--	--	153.71	433.50
Due to credit institutions	33.61	129.17	1,119.76	949.39	1,153.37	1,078.56
Other financial liabilities	74.84	10.34	317.98	241.80	392.82	252.14
TOTAL	861.55	1,183.08	1,446.25	1,191.19	2,307.80	2,374.27

FIGURES IN MILLION EUROS

The following tables break down the financial investments by maturities, average interest rate and modified duration, for the financial years 2011 and 2010:

in the section “Liquidity risk arising from subordinated and financial liabilities”.

31st December 2011

ITEM	Closing balance	MATURITY IN:						Average interest rate %	Modified term %
		1 year	2 years	3 years	4 years	5 Years	Subsequent or without maturity		
PORTFOLIO HELD TO MATURITY									
Fixed-income securities	1,763.25	552.40	128.90	281.76	132.04	89.67	578.48	8.97	3.19
Other investments	3.72	1.05	--	--	0.40	--	2.27	2.95	0.66
TOTAL PORTFOLIO HELD TO MATURITY	1,766.97	553.45	128.90	281.76	132.44	89.67	580.75	--	--
PORTFOLIO AVAILABLE FOR SALE									
Fixed-income securities	25,170.40	2,287.32	1,956.35	2,353.98	2,165.62	2,510.04	13,897.09	5.06	6.05
Other investments	216.56	60.21	--	--	--	0.47	155.88	4.00	10.51
TOTAL PORTFOLIO AVAILABLE FOR SALE	25,386.96	2,347.53	1,956.35	2,353.98	2,165.62	2,510.51	14,052.97	--	--
TRADING PORTFOLIO									
Financial swaps	73.41	--	--	--	--	--	73.41	--	--
Options	11.13	6.74	--	4.39	--	--	--	--	--
Fixed-income securities	2,330.66	1,008.12	293.97	228.85	228.74	144.35	426.63	8.79	3.90
TOTAL TRADING PORTFOLIO	2,415.20	1,014.86	293.97	233.24	228.74	144.35	500.04	--	--

FIGURES IN MILLION EUROS

31st December 2010

ITEM	Closing balance	MATURITY IN:						Average interest rate %	Modified term %
		1 year	2 years	3 years	4 years	5 Years	Subsequent or without maturity		
PORTFOLIO HELD TO MATURITY									
Fixed-income securities	1,070.92	94.84	97.85	32.97	184.02	61.93	599.31	8.76	3.42
Other investments	37.78	16.36	--	--	--	--	21.42	1.51	--
TOTAL PORTFOLIO HELD TO MATURITY	1,108.70	111.20	97.85	32.97	184.02	61.93	620.73	--	--
PORTFOLIO AVAILABLE FOR SALE									
Fixed-income securities	24,732.74	2,052.11	2,020.88	2,317.46	2,686.07	1,864.44	13,791.78	4.40	5.91
Other investments	383.92	227.53	0.50	2.00	1.80	0.84	151.25	3.85	6.65
TOTAL PORTFOLIO AVAILABLE FOR SALE	25,116.66	2,279.64	2,021.38	2,319.46	2,687.87	1,865.28	13,943.03	--	--
TRADING PORTFOLIO									
Financial swaps	0.53	0.01	--	0.52	--	--	--	--	--
Options	12.66	0.67	5.73	0.08	6.18	--	--	--	--
Fixed-income securities	891.87	370.45	121.05	104.82	73.82	65.25	156.48	7.79	4.20
Others	20.17	14.74	3.63	--	--	--	1.80	0.21	1.07
TOTAL TRADING PORTFOLIO	925.23	385.87	130.41	105.42	80.00	65.25	158.28	--	--

FIGURES IN MILLION EUROS

The modified duration shows the sensitivity of the value of the assets to changes in interest rates and represents an approach to the percentage variation in the value of financial assets per each percentage point (100 bp) of variation in interest rates.

Balances included under the heading “Credits and receivables” of the balance sheet assets and under “Due on direct insurance and coinsurance operations”, “Due on reinsurance operations”, “Tax payable” and “Other debts” of the balance sheet liabilities do not accrue interest and, generally, they are settled within the following financial year. Liabilities with maturities exceeding one year are detailed

2. Exchange rate risk

The following table provides a breakdown of assets and liabilities paying attention to the currencies in which they are denominated at the closing of the last two financial years.

CURRENCY	ASSETS		LIABILITIES		NET TOTAL	
	2011	2010	2011	2010	2011	2010
Euros	36,100.70	35,512.50	31,012.28	30,435.60	5,088.42	5,076.90
US Dollar	4,824.00	5,274.47	2,683.04	3,551.00	2,140.96	1,723.47
Mexican peso	812.16	628.79	749.06	563.80	63.10	64.99
Brazilian real	8,154.37	3,455.27	5,921.93	2,955.41	2,232.44	499.86
Turkish lira	624.64	612.61	354.01	281.87	270.63	330.74
Chilean peso	758.46	855.62	751.14	778.29	7.32	77.33
Venezuelan bolivar	546.52	408.94	405.72	322.04	140.80	86.90
Argentine peso	460.57	330.11	501.49	381.24	(40.92)	(51.13)
Colombian peso	818.70	536.57	866.53	586.11	(47.83)	(49.54)
Pound sterling	264.30	207.38	229.85	177.51	34.45	29.87
Canadian dollar	38.38	38.72	19.22	17.60	19.16	21.12
Philippine Peso	74.74	59.42	49.95	38.52	24.79	20.90
Peruvian sol	208.70	173.75	170.17	141.24	38.53	32.51
Other currencies	1,169.41	578.16	1,414.64	646.27	(245.23)	(68.11)
TOTAL	54,855.65	48,672.31	45,129.03	40,876.50	9,726.62	7,795.81

FIGURES IN MILLION EUROS

The sensitivity of the Group's equity to changes in Euro exchange rates against the different currencies in which assets are denominated, is determined by the net total amount shown in the table above, having deducted the amount of non monetary items. Likewise, the effect on the Group's future results of these exchange rate changes is determined by the volume of results obtained in each currency. In this respect, Appendix 1 provides a breakdown of the result obtained by each Group company and the country where its operations are located.

3. Stock market risk

The VaR or value at risk (maximum variation expected in a one-year time horizon and for a confidence level of 99%) of equity securities and mutual funds exposed to market risk, amounts on 31st December 2011 and 2010 to €596.71 and €392.04 million, respectively.

4. Property risk

MAPFRE has property assets representing approximately 6.60% of total investments and cash, of which approximately 42.35% corresponds to own offices. These assets perform a twofold function of providing administration and sales support, as well as generating financial revenues and diversifying investments. The property is broken down in the following table:

ITEM	NET BOOK VALUE		MARKET CAPITALISATION	
	2011	2010	2011	2010
Investment property	1,443.13	1,467.14	2,098.22	2,190.93
Property for own use	1,060.02	1,001.66	1,654.68	1,696.30
TOTAL	2,503.15	2,468.80	3,752.90	3,887.23

FIGURES IN MILLION EUROS

Unrealised property gains would offset a fall in the price of properties equivalent to approximately 33.30% of their market value.

8. Other information

8.1. Information regarding the board of directors

During the year, the controlling Company's directors did not carry out any transaction with the controlling Company itself or with any other Group company outside the scope of the companies' ordinary trading activities, nor under non market conditions.

On that date, the controlling Company's directors holding their office at year-end did not own shares in the capital of companies that have the same, a similar or a supplementary kind of activity to that of the company, nor did they engage, either on their own or another party's account, in activities that are the same, similar or supplementary to the Company's corporate purpose, with the exceptions listed below:

DIRECTOR	Company	Number of shares/ stocks	Position/ Function
Mr. Alberto Manzano Martos	BANKIA	26,666	--
	Caixabank	18,666	--
	BBVA	7,496	--
	BANCO SANTANDER	9,585	--
	Muenchener Rueckver AG	717	--
Mr. Antonio Miguel- Romero Olano	BANCO SANTANDER	1,387	--
	BBVA	2,304	--
Mr. Francisco Vallejo Vallejo	Banco Urquijo, SBP, S.A.	--	CEO
	COMPAÑIA ESPAÑOLA DE SEGUROS DE CRÉDITO A LA EXPORTACIÓN (CESCE)	--	Director
Mr. Filomeno Mira Candel	Allianz SE	400	--
	Munchener	300	--

The following table details the shares in MAPFRE S.A. that the controlling Company's directors in office at year-end held as at 31st December 2011, as well as the boards of directors of MAPFRE GROUP entities of which they were members on the said date.

DIRECTOR	MAPFRE GROUP	
	Companies in which they are Board Members	Number of shares of MAPFRE S.A.
Mr. José Manuel Martínez Martínez	--	226,011
Mr. Ignacio Baeza Gómez	MAPFRE VIDA; MAPFRE VIDA PENSIONES, E.G.F.P.; MAPFRE FAMILIAR; MAPFRE INTERNACIONAL; MAPFRE INVERSION DOS S.G.I.I.C.; CATALUNYACAIXA VIDA; CATALUNYACAIXA ASSEGUANCES GENERALS	79,675
Mr. Rafael Beca Borrego	MAPFRE AMERICA	457,807
Mr. Rodrigo de Rato and Figaredo	---	50
Mr. Rafael Fontoira Suris	MAPFRE INMUEBLES S.G.A.; MAPFRE VIDA	23
Mr. Santiago Gayarre Bermejo	MAPFRE VIDA; MAPFRE PARAGUAY; MAPFRE SEGUROS DE EMPRESAS	7,402
Mr. Luis Hernando de Larramendi Martínez	MAPFRE VIDA; MAPFRE INTERNACIONAL	13,202
Mr. Antonio Huertas Mejías	MAPFRE FAMILIAR; MAPFRE INTERNACIONAL; MAPFRE VIDA; MAPFRE INTERNET; MAPFRE INFORMÁTICA, A.I.E.; MAPFRE INMUEBLES S.G.A.	181,385
Mr. Luis Iturbe Sanz de Madrid	MAPFRE INVERSIÓN SOCIEDAD DE VALORES	34,816
Mr. Andrés Jiménez Herradón	MAPFRE AMERICA; MAPFRE FAMILIAR	23,452
Mr. Alberto Manzano Martos	MAPFRE AMERICA; MAPFRE FAMILIAR; MAPFRE INTERNACIONAL	90,154
Mr. Rafael Márquez Osorio	MAPFRE AMERICA	69,804
Ms. Francisca Martín Tabernero	MAPFRE VIDA; DUERO PENSIONES; DUERO VIDA	23
Mr. Antonio Miguel-Romero de Olano	MAPFRE INMUEBLES S.G.A.; MAPFRE VIDA; MAPFRE ASISTENCIA; MAPFRE GLOBAL RISKS	32,567
Mr. Filomeno Mira Candel	MAPFRE VIDA; MAPFRE INTERNACIONAL	154,141
Mr. Antonio Núñez Tovar	MAPFRE AMERICA; MAPFRE ASISTENCIA; CENTRO INTERNACIONAL DE FORMACIÓN DE DIRECTIVOS; MAPFRE FAMILIAR.; MAPFRE SEGUROS DE EMPRESAS	258,930
Mr. Alfonso Rebuelta Badiás	MAPFRE AMERICA; MAPFRE INTERNACIONAL; MAPFRE GLOBAL RISKS	44,346
Mr. Francisco Ruiz Risueño	MAPFRE VIDA; MAPFRE RE; MAPFRE FAMILIAR; CCM VIDA Y PENSIONES	73
Mr. Matías Salvá Benassar	MAPFRE FAMILIAR; MAPFRE RE; MAPFRE GLOBAL RISKS; MAPFRE SEGUROS GERAIS	735,110
Mr. Esteban Tejera Montalvo	MAPFRE AMERICA; MAPFRE FAMILIAR; MAPFRE VIDA; MAPFRE GLOBAL RISKS; MAPFRE ASISTENCIA; MAPFRE CAUCIÓN Y CRÉDITO; MAPFRE INTERNACIONAL; MAPFRE INVERSIÓN SOCIEDAD DE VALORES; MAPFRE USA CORPORATION	23
Mr. Francisco Vallejo Vallejo	MAPFRE FAMILIAR; MAPFRE SEGUROS DE EMPRESAS	105,000

8.2. External auditors' fees

The annual accounts of the MAPFRE GROUP and the main companies forming part of it, for financial year 2011, have been audited by the firm Ernst & Young, mainly except for those of the subsidiary in Paraguay, which are audited by PriceWaterhouseCoopers.

The fees charged by the External Auditors in the financial year 2010 for auditing the annual accounts and for the limited review of the consolidated interim statements as at 30th June amount to €8,191,165 (€7,072,727 in 2010), of which €8,087,999 (€6,979,445 in 2010) correspond to the main auditor. The main auditor also charged an additional €96,333 (€214,149 in 2010) for auditor's office related services and €416,564 (€507,847 in 2010) for other complementary services provided. These amounts are not considered to jeopardise the auditor's independence.

8.3. Environmental information

The Group companies do not have any environmental related item that might be significant or specifically included in the present consolidated financial statements.

8.4. Information on deferred payments to suppliers

Listed below are the characteristics of the payments made to suppliers in the financial year 2011.

ITEM	Amount	%
Payments made within the statutory minimum term	1,748.42	99.72
Rest of payments made	4.93	0.28
Total payments for the financial year	1,753.35	100.00
Exceeded weighted average term for payments (days)	61	--
Deferments that on the closing date had exceeded the maximum statutory term	0.11	--

FIGURES IN MILLION EUROS

At the end of the year, payment of trade accounts payable that had been deferred more than 85 days amounted to €1.23 million.

9. Additional note for the English translation

These financial statements are presented by applying the International Reporting Standards adopted by the European Union (IFRS –EU). Consequently, certain accounting principles applied by the Company may not conform to generally accepted accounting principles in other countries.

In addition, this document is a free translation of the consolidated accounts originally issued in Spanish. In the event of any discrepancy, the Spanish language version prevails.

Subsidiaries, Associated undertakings and joint ventures (appendix 1)

NAME	REGISTERED ADDRESS	EFFECTIVE TAX RATE	LINE OF BUSINESS	EQUITY INTEREST		
				HOLDER	PERCENTAGE	
					2011	2010
DIRECT INSURANCE SPAIN						
FAMILY						
MAPFRE FAMILIAR COMPAÑÍA DE SEGUROS Y REASEGUROS S.A.	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	30.00% (1) (2)	Insurance and reinsurance	• MAPFRE SA	99.9993	99.9993
MAPFRE RENTING DE VEHICULOS, S.A.	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	(1)	Financial	• MAPFRE FAMILIAR • MAPFRE SA	99.9833 0.0167	99.9833 0.0167
CLUB MAPFRE, S.A.	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	(1)	Services	• MAPFRE FAMILIAR • MAPFRE RENTING	99.9875 0.0125	99.9875 0.0125
CENTRO DE EXPERIMENTACIÓN Y SEGURIDAD VIAL MAPFRE, S.A.	Ctra.Valladolid, km 1 (Ávila) Spain	30.00% (1)	Research, training and advice	• MAPFRE FAMILIAR • MAPFRE SA	99.9982 0.0018	99.9982 0.0018
MAPFRE MULTICENTRO DEL AUTOMÓVIL, S.A.	Crta. De Pamplona a Zaragoza Polígono Ind. Cordovilla (Navarre) Spain	(1)	Services	• MAPFRE FAMILIAR	99.9900	99.9900
CATALUNYA CAIXA ASSEGURANCES GENERALS S.A D'ASSEGURANCES I REASSEGURANCES (En 2010 ASCAT SEGUROS GENERALES)	C/ Roure nº6y8 Pol.Ind.Más Mateu El Prat de Llobregat (Barcelona) Spain	30.04% (2)	Insurance and reinsurance	• MAPFRE FAMILIAR	50.0100	50.0100
IBERICAR, SOCIEDAD IBÉRICA DEL AUTOMÓVIL, S.A.	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	30.00%	Services	• MAPFRE FAMILIAR	50.0000	49.0000
AUTOMOCIÓN PENINSULAR INMUEBLES, S.A.	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	--	Real Estate	• MAPFRE FAMILIAR	50.0000	50.0000
VERTI ASEGURADORA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	(1) (2)	Services	• MAPFRE FAMILIAR • CLUB MAPFRE	99.9991 0.0009	99.9970 0.0030
SERVICIOS AUXILIARES MVA	C/ del Gremis 8, Polig. Vara de Quart, (Valencia) Spain	(1)	Asset Holding and marketing of fuels	• MAPFRE FAMILIAR	100.0000	100.0000
MMTMA VALENCIANA AUTOMOVILISTA ASISTENCIA, S.A.	C/ del Gremis 8, Polig. Vara de Quart, (Valencia) Spain	30.00% (1)	Travel Assistance	• MAPFRE FAMILIAR	100.0000	100.0000
BUSINESS LAB VENTURES, S.A. (en 2010 MAPFRE FAMILIAR SERVICIOS DIGITALES)	C/ Manuel Silvela, 15 (Madrid) Spain	30.00% (1)	Counselling services	• MAPFRE FAMILIAR	100.0000	100.0000
VIAJES MUTUA VALENCIANA AUTOMOVILISTA, S.A.	C/ del Gremis 8, Polig. Vara de Quart, (Valencia) Spain	--	Travel Agency	• MAPFRE FAMILIAR	100.0000	100.0000
LAURIA 5, CORREDURIA DE SEGUROS, S.L.	C/ del Gremis 8, Polig. Vara de Quart, (Valencia) Spain	28.60% (1)	Insurance brokerage	• MAPFRE FAMILIAR	100.0000	100.0000
DISEÑO URBANO, S.L.	Avda. Juan XXIII 64 (Valencia)	--	Development agents	• MAPFRE FAMILIAR	50.0000	50.0000
ESPACIOS AVANZADOS DEL MEDITERANEO, S.L.	C/Siete s/nº, Alboraya (Valencia) Spain	30.00%	Property building and development	• MAPFRE FAMILIAR	22.4992	22.4992
SERVICIOS COMERCIALES Y ENERGÉTICOS DE BENIDORM, S.L.	Avda. Juan XXIII 64 (Valencia) Spain	--	Development and operation of wind parks	• MAPFRE FAMILIAR	50.0000	50.0000
RASTREATOR.COM LTD	C/ Juan Hurtado de Mendoza,17 28036 (Madrid) Spain	--	--	• MAPFRE FAMILIAR	25.0000	25.0000
MAPFRE CONSULTORES DE SEGUROS Y REASEGUROS, S.A.	Paseo de Recoletos, 25 (Madrid) Spain	30.00% (1)	Advisory and management services	• MAPFRE FAMILIAR • MAPFRE SA	50.0000 50.0000	50.0000 50.0000
MULTISERVICIOS MAPFRE MULTIMAP, S.A.	Ctra. Pozuelo, 50. Majadahonda (Madrid) Spain	30.00% (1)	Real estate services	• MAPFRE FAMILIAR • POLICLINICO SALUD 4, S.A.	97.5000 2.5000	97.5000 2.5000
FINLOG-ALUGUER E COMERCIO DE AUTOMOVEIS, S.A.	Rua Oscar da Silva 2243-2263 - Leça da Palmeira, Matosinhos (Portugal)	25.03%	Car rental	• MAPFRE FAMILIAR	51.0000	51.0000

FINANCIAL YEAR END FIGURES (thousand euros)										
ASSETS		EQUITY		REVENUES		EARNINGS AFTER TAX		METHOD OR PROCEDURE		
2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2010
5,711,863	5,846,733	1,402,841	1,332,786	4,342,085	4,409,007	430,271	432,043	(A)		(A)
35,254	57,330	4,528	4,260	13,465	19,594	269	1,283	(A)		(A)
7,044	7,211	3,714	4,037	14,014	11,429	1,406	980	(A)		(A)
18,061	18,954	16,214	17,606	13,614	12,612	1,033	979	(A)		(A)
13,183	13,935	13,024	13,650	8,438	5,871	(689)	(639)	(A)		(A)
50,256	41,488	18,875	16,614	36,936	8,056	3,652	291	(A)		(G)(A)
272,535	368,412	75,270	99,196	511,367	357,475	(13,493)	(9,070)	(C)		(C)
14	14	14	14	---	---	---	---	(A)		(A)
52,171	16,650	26,775	13,864	23,167	---	(33,829)	(6,198)	(A)		(A)
914	1,052	914	939	---	---	(49)	(59)	(A)		(A)
714	666	564	666	150	1	(105)	7	(A)		(A)
1,032	840	337	744	31	52	(407)	(284)	(A)		(A)
98	98	98	98	---	---	---	(1)	(A)		(A)
24	150	23	144	15	13	9	8	(A)		(A)
(247)	1,670	(247)	(246)	---	---	---	(1)	(C)		(A)
2,893	2,976	854	866	150	145	67	10	(C)		(C)
218	218	217	217	---	---	---	---	(C)		(A)
2,179	---	2,179	---	1,088	---	228	---	(C)		(C)
243	2,145	223	322	170	222	13	64	(A)		(A)
7,565	7,437	6,407	6,472	37,059	39,345	1,261	1,335	(A)		(A)
101,655	99,042	12,325	10,048	67,907	91,055	1,381	1,474	(A)		(A)

NAME	REGISTERED ADDRESS	EFFECTIVE TAX RATE	LINE OF BUSINESS	EQUITY INTEREST		
				HOLDER	PERCENTAGE	
					2011	2010
GESTORA DE ACTIVOS FUNERARIOS GESMAP, S.A.	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	30.00% (1)	Undertaker services	• MAPFRE FAMILIAR	---	100.0000
FUNESPAÑA, S.A.	C/ Suflí, 4 (Almería) Spain	30.00%	Undertaker services	• MAPFRE FAMILIAR	45.1200	27.2800
NUEVO TANATORIO, S.L.	Avda. Hermanos Bou, 251 (Castellón) Spain	30.00%	Undertaker services	• GESMAP	---	50.0000
FUNERARIA CRESPO, S.L.	C/ Bautista Riera, 19 ; Burjasot (Valencia) Spain	30.00%	Undertaker services	• GESMAP	---	100.0000
TANATORIO SAN ALBERTO, S.A.	C/ Ermitagaña 2; Pamplona (Navarre) Spain	30.00%	Undertaker services	• GESMAP	---	52.8236
SALZILLO SERVICIOS FUNERARIOS, S.L.	C/ Historiador Torres Fontes s/n (Murcia)Spain	30.00% (1)	Undertaker services	• GESMAP	---	100.0000
DE MENA SERVICIOS FUNERARIOS, S.L.	Crta. Pozuelo, 50. Majadahonda (Madrid) Spain	30.00%	Undertaker services	• GESMAP	---	70.0000
SERVICIOS FUNERARIOS LA CARIDAD, S.L.	C/ Banda Playa, 74, San Lúcar de Barrameda (Cádiz) Spain	30.00%	Undertaker services	• GESMAP	---	42.0000
SERVICIOS FUNERARIOS DEL NERVION, S.L.	C/ Alameda de Recalde, 10 (Bilbao)Spain	30.00%	Undertaker services	• GESMAP	---	50.0000
ISABELO ALVAREZ MAYORGA, S.A.	Crta. Ávila-Valladolid km 0,8 (Ávila) Spain	30.00%	Undertaker services	• GESMAP	---	50.0000
FUNERARIA HISPALENSE, S.L.	Avda. Ramón y Cajal, 1 Dos Hermanas (Sevilla) Spain	30.00%	Undertaker services	• GESMAP	---	50.0000
TANATORIO DE ECIJA, S.L.	C/ Arfe, 13 (Córdoba) Spain	30.00%	Undertaker services	• GESMAP	---	25.0000
TANATORIO Y CEMENTERIO DE SANLÚCAR, S.L.	C/ Cuesta de Belén Palacio (Sanlúcar de Barrameda) Spain	30.00%	Undertaker services	• LA CARIDAD	---	75.0000
MULTISERVICAR (En 2010 TINERFEÑA DE SERVICIOS DE TECNOLO- LOGIA E INNOVACION PARA EL AUTOMOVIL, S.A.)	Subida de Mayorazgo (Santa Cruz de Tenerife) Spain	30.00% (1)	Automobile innovation and technology services	• MAPFRE FAMILIAR	100.0000	100.0000
MEDISEMAP, AGENCIA DE SEGUROS, S.L.	C/ Doctor Huarte, 1 (Pamplona) Spain	30.00% (1)	Insurance agents	• MAPFRE FAMILIAR • MAPFRE SEGUROS DE EMPRESAS • MAPFRE VIDA • MAPFRE GLOBAL RISKS	33.3334 33.3333 33.3333 ---	33.3334 33.3333 33.3333 ---
POLICLINICO SALUD 4, S.A. (En 2010 CLINICA CASTELLÓ)	C/ Castello 56 (Madrid) Spain	(1)	Medical services	• MAPFRE FAMILIAR	100.0000	100.0000
MAPFRE VIDEO Y COMUNICACIÓN S.A.	Ctra. Pozuelo, 50. Majadahonda (Madrid) Spain	0.00% (1)	Asset management	• MAPFRE VIDA • MAPFRE SEGUROS DE EMPRESAS • MAPFRE FAMILIAR	25.0000 25.0000 50.0000	25.0000 25.0000 50.0000
BANKINTER SEGUROS GENERALES, S.A.	Paseo de la Castellana, 29 Madrid		Insurance and reinsurance	• MAPFRE FAMILIAR	10.0000	---
LIFE						
MAPFRE VIDA SOCIEDAD ANÓNIMA DE SEGUROS Y REASEGUROS SOBRE LA VIDA HUMANA	Avda.General Perón,40 (Madrid) Spain	11.14% (1) (2)	Insurance and reinsurance	• MAPFRE SA	99.8891	99.8891
CONSULTORA ACTUARIAL Y DE PENSIONES MAPFRE VIDA S.A.	Avda.General Perón,40 (Madrid) Spain	30.34% (1)	Consultancy	• MAPFRE VIDA • MAPFRE SA	99.9339 0.0661	99.9339 0.0661
GESTION MODA SHOPPING S.A.	Avda.General Perón,40 (Madrid) Spain	38.10% (1)	Shopping mall management	• MAPFRE VIDA • MAPFRE SA	99.8215 0.1785	99.8215 0.1785
MAPFRE INVERSIÓN SOCIEDAD DE VALORES S.A.	Avda.General Perón,40 (Madrid) Spain	30.02% (1)	Securities broker-dealer	• MAPFRE VIDA • MAPFRE SA	99.9991 0.0009	99.9991 0.0009
MAPFRE INVERSIÓN DOS SOCIEDAD GESTORA DE INSTITUCIONES DE INVERSIÓN COLECTIVA S.A.	Avda.General Perón,40 (Madrid) Spain	30.29% (1)	UCITS management firm	• MAPFRE INVERSIÓN • MAPFRE SA	99.9853 0.0147	99.9853 0.0147

FINANCIAL YEAR END FIGURES (thousand euros)										
ASSETS		EQUITY		REVENUES		EARNINGS AFTER TAX		METHOD OR PROCEDURE		
2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	
---	21,598	---	18,389	---	5,048	---	665	(H)	(A)	
196,241	n/d	71,083	n/d	73,507	n/d	(4,153)	n/d	(C)	(G)(C)	
---	1,398	---	890	---	1,898	---	294	(H)	(G)(E)	
---	178	---	97	---	408	---	63	(H)	(G)(A)	
---	3,641	---	3,265	---	1,499	---	93	(H)	(G)(A)	
---	618	---	511	---	857	---	9	(H)	(A)	
---	589	---	535	---	659	---	83	(H)	(A)	
---	1,319	---	1,229	---	733	---	114	(H)	(E)	
---	234	---	212	---	736	---	136	(H)	(E)	
---	2,262	---	494	---	1,266	---	20	(H)	(E)	
---	98	---	86	---	248	---	---	(H)	(E)	
---	3,548	---	1,548	---	652	---	84	(H)	(E)	
---	7,161	---	714	---	548	---	(117)	(H)	(A)	
5,607	5,952	4,563	4,338	7,547	7,042	163	(223)	(A)	(A)	
678	691	113	595	3,177	109	205	(433)	(B)	(B)	
29,383	33,939	14,721	16,135	11,856	10,402	(1,414)	(3,847)	(A)	(A)	
66,047	63,895	65,165	63,636	3,408	4,095	1,396	1,550	(A)	(A)	
539	---	521	---	---	---	---	---	(F)(C)	---	
11,029,916	10,824,882	786,898	495,046	2,169,422	1,852,082	111,979	80,705	(A)	(A)	
1,973	1,885	1,932	1,831	270	254	101	91	(A)	(A)	
1,221	1,026	783	756	1,381	1,395	27	59	(A)	(A)	
201,130	166,765	142,417	141,433	73,510	74,237	23,537	30,429	(A)	(A)	
43,336	41,866	36,930	35,248	29,197	34,947	1,576	1,671	(A)	(A)	

NAME	REGISTERED ADDRESS	EFFECTIVE TAX RATE	LINE OF BUSINESS	HOLDER	EQUITY INTEREST		
					PERCENTAGE		
					2011	2010	
MAPFRE VIDA PENSIONES, ENTIDAD GESTORA DE FONDOS DE PENSIONES S.A.	Avda.General Perón,40 (Madrid) Spain	30.04% (1)	Pension fund administration	• MAPFRE INVERSION	99.9971	99.9971	
				• MAPFRE SA	0.0029	0.0029	
UNIÓN DEL DUERO COMPAÑÍA DE SEGUROS DE VIDA, S.A.	Pº de la Castellana, 167 (Madrid) Spain	30.01% (2)	Insurance	• MAPFRE SA	- -	50.0000	
				• MAPFRE VIDA	50.0000		
DUERO PENSIONES ENTIDAD GESTORA DE FONDOS DE PENSIONES, S.A.	Pº de la Castellana, 167 (Madrid) Spain	29.96% (2)	Pension fund administration	• MAPFRE SA	- -	50.0000	
				• MAPFRE VIDA	50.0000		
MAPFRE CAJA MADRID VIDA, S.A.	Avda.General Perón,40 (Madrid) Spain	29.79% (2)	Financial	• MAPFRE VIDA	51.0000	51.0000	
CATALUNYACAIXA VIDA S.A. DE ASSEGUANCES I REASSEGURANCES (en 2010 ASCAT VIDA)	Calle Roble, 6 - 8; Prat del Llobregat (Barcelona) Spain	30.02% (2)	Insurance	• MAPFRE VIDA	50.0000	50.0000	
CAIXA MANRESA VIDA (fusionada en 2011 con CATALUNYA CAIXA VIDA)	Paseig de Pere III, 24; Manresa (Barcelona) Spain	0.00% (2)	Insurance	• MAPFRE VIDA	---	50.0000	
CAIXA TARRAGONA VIDA (fusionada en 2011 con CATALUNYA CAIXA VIDA)	C/ Higiní Anglés 5 (Tarragona) Spain	0.00% (2)	Insurance	• MAPFRE VIDA	---	50.0000	
MIRACETI S.A.	Avda.General Perón,40 (Madrid) Spain	30.02% (1)	Real Estate	• MAPFRE VIDA	99.9991	99.9991	
				• MAPFRE SA	0.0009	0.0009	
BANKINTER SEGUROS DE VIDA, S.A.	Avda. Brussels, 12 (Alcobendas) Spain	30.00% (2)	Insurance	• MAPFRE VIDA	50.0000	50.0000	
CAJA CASTILLA LA MANCHA VIDA Y PENSIONES, S.A.	C/ Carretería, 5 (Cuenca) Spain	29.84% (2)	Insurance	• MAPFRE SA	---	50.0000	
				• MAPFRE VIDA	50.0000		
CORPORATE							
MAPFRE SEGUROS DE EMPRESA	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	28.38% (1)(2)	Financial	• MAPFRE GLOBAL RISKS	99.9970	99.9970	
				• MAPFRE SA	0.0030	0.0030	
MAPFRE SERVICIOS DE PREVENCIÓN S.L.	C/ Hernandez Lazaro 29 (Madrid) Spain	30.15% (1)	Health Care	• MAPFRE SEGUROS DE EMPRESAS	---	100.0000	
SERVICIOS DE PERITACIÓN MAPFRE S.A.	C/ Manuel Silvela, 15 (Madrid) Spain	36.33% (1)	Research, training and advice	• MAPFRE SEGUROS DE EMPRESAS	96.0000	96.0000	
				• MAPFRE CAUCIÓN Y CRÉDITO	4.0000	4.0000	
				• MAPFRE GLOBAL RISKS			
MAPFRE SERVICIOS MARÍTIMOS, COMISARIADO Y LIQUIDACIÓN DE AVERÍAS S.A.	Avda.Sabino Arana,4 (Bilbao) Spain	30.00%	Marine services	• MAPFRE SEGUROS DE EMPRESAS	99.9600	99.9600	
				• MAPFRE SA	0.0400	0.0400	
INTERNATIONAL DIRECT INSURANCE							
MAPFRE AMÉRICA							
MAPFRE AMÉRICA S.A.	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	30.00% (1)(2)	Holding	• MAPFRE SA	88.8621	88.8621	
				• MAPFRE FAMILIAR	0.0001	0.0001	
ARGENTINA							
MAPFRE ARGENTINA HOLDING S.A.	Avda. Juana Manso, 205 C 1107CBE Puerto Madero Buenos Aires (Argentina)	35.00%	Holding	• MAPFRE AMÉRICA	100.0000	100.0000	
MAPFRE ARGENTINA SEGUROS S.A.	Avda. Juana Manso, 205 C 1107CBE Puerto Madero Buenos Aires (Argentina)	35.00%	Insurance	• MAPFRE ARGENTINA HOLDING	99.9988	99.9988	
ACONCAGUA SEGUROS DE RETIRO S.A.	Lavalle, 348 Buenos Aires (Argentina)	35.00%	Insurance	• MAPFRE ARGENTINA HOLDING	23.5688	23.5688	
				• MAPFRE ARGENTINA SEGUROS	76.4312	76.4312	
SURASSUR S.A.	Lavalle, 348 Buenos Aires (Argentina)	35.00%	Insurance brokerage	• MAPFRE ARGENTINA HOLDING	100.0000	100.0000	
MAPFRE ARGENTINA A.R.T.	Avda. Juana Manso, 205 C 1107CBE Puerto Madero Buenos Aires (Argentina)	35.00%	Workmen's compensation insurance	• MAPFRE ARGENTINA HOLDING	59.0279	99.0279	
				• MAPFRE ARGENTINA SEGUROS	40.9721	0.9721	
MAPFRE SALUD S.A.	Avda. Juana Manso, 205 C 1107CBE Puerto Madero Buenos Aires (Argentina)	35.00%	Insurance	• MAPFRE ARGENTINA HOLDING	98.6280	99.4286	
				• MAPFRE ARGENTINA ART	0.6860	0.2857	
				• MAPFRE ARGENTINA VIDA	0.6860	0.2857	

	FINANCIAL YEAR END FIGURES (thousand euros)									
	ASSETS		EQUITY		REVENUES		EARNINGS AFTER TAX		METHOD OR PROCEDURE	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	70,417	68,239	67,601	65,036	27,590	28,722	2,883	3,065	(A)	(A)
	616,645	558,051	46,440	47,390	154,028	149,375	13,539	12,398	(A)	(A)
	8,805	8,688	7,919	7,852	7,528	8,055	727	751	(A)	(A)
	5,150,648	4,981,462	270,777	246,717	918,012	1,236,777	39,903	50,839	(A)	(A)
	2,394,279	2,712,864	238,470	222,104	967,086	199,972	46,228	11,243	(A)	(G)(A)
	---	79,409	---	14,590	---	5,576	---	(257)	(H)	(G)(A)
	---	9,660	---	6,999	---	1,094	---	(62)	(H)	(G)(A)
	39,979	40,635	38,928	39,224	---	2,843	928	938	(A)	(A)
	461,408	507,808	46,780	44,608	236,547	196,907	29,625	21,525	(A)	(A)
	890,098	811,736	55,563	53,698	212,678	278,115	14,919	14,835	(A)	(A)
	1,841,997	2,068,673	305,404	289,275	753,308	614,912	93,091	93,599	(A)	(A)
	---	6,621	---	2,935	---	15,447	---	190	(H)	(A)
	2,671	3,060	1,914	1,796	4,121	4,491	119	368	(A)	(A)
	1,750	1,712	1,750	1,712	61	34	39	13	(A)	(A)
	1,583,068	1,239,678	1,436,934	1,081,039	66,186	71,134	40,988	43,348	(A)	(A)
	83,088	76,432	71,829	68,162	5,202	1,080	(371)	(4,888)	(A)	(A)
	306,040	264,171	60,091	40,802	247,444	174,099	7,201	4,977	(A)	(A)
	---	---	---	---	---	---	---	---	(A)	(A)
	1,449	596	428	118	664	682	(42)	(314)	(A)	(A)
	213,140	165,317	40,260	36,879	213,713	189,419	4,956	3,703	(A)	(A)
	4,441	303	(761)	251	6,106	5,328	(1,446)	(436)	(A)	(A)

NAME	REGISTERED ADDRESS	EFFECTIVE TAX RATE	LINE OF BUSINESS	EQUITY INTEREST			
				HOLDER	PERCENTAGE		
					2011	2010	
CLUB MAPFRE ARGENTINA	Avda. Juana Manso, 205 C 1107CBE Puerto Madero Buenos Aires (Argentina)	35.00%	Services rendered	• MAPFRE ARGENTINA HOLDING	96.0747	96.0747	
				• MAPFRE ARGENTINA VIDA	3.9253	3.9253	
MAPFRE ARGENTINA SEGUROS DE VIDA S.A.	Avda. Juana Manso, 205 C 1107CBE Puerto Madero Buenos Aires (Argentina)	35.00%	Insurance	• MAPFRE AMÉRICA	64.0000	80.0000	
				• MAPFRE ARGENTINA HOLDING	36.0000	20.0000	
CESVI ARGENTINA, S.A.	Calle 9 y 17. Parque Ind.Pilar- Buenos Aires (Argentina)	--	Research, training and advice	• MAPFRE ARGENTINA SEGUROS	65.0167	6.5600	
				• MAPFRE FAMILIAR	---	49.7107	
BRAZIL							
MAPFRE VERA CRUZ SEGURADORA S.A.	Avd.Nações Unidas, 11711 16. Andar Brooklin Sao Paulo. (Brazil)	40.00%	Insurance	• CLUBE MAPFRE DO BRASIL	---	9.7826	
				• MAPFRE AMÉRICA	---	90.2174	
				• MAPFRE BB SH2 PARTICIPAÇÕES, S.A.	100.0000	---	
MAPFRE VERA CRUZ CONSULTORIA TECNICA E ADMINISTRAÇÃO DE FUNDOS LTDA.	Avd.Nações Unidas, 11711 16. Andar Brooklin Sao Paulo (Brazil)	34.00%	Fund administration	• MAPFRE VERA CRUZ VIDA E PREVIDENCIA	---	100.0000	
				• MAPFRE BRASIL PARTICIPAÇÕES, S.A.	100.0000	---	
BB MAPFRE SH1 PARTICIPAÇÕES, S.A. (En 2010 GVH PARTICIPAÇÕES E EMPRENDIMENTOS S.A.)	Avd.Nações Unidas, 11711 16. Andar Brooklin Sao Paulo (Brazil)	40.00%	Service provider	• MAPFRE VERA CRUZ SEGURADORA	---	100.0000	
				• MAPFRE BRASIL PARTICIPAÇÕES, S.A.	25.0100	0.0000	
MAPFRE CAPITALIZAÇÃO	Avd.Nações Unidas, 11711 16. Andar Brooklin. Sao Paulo (Brazil)	40.00%	Capitalization	• MAPFRE VERA CRUZ SEGURADORA	---	100.0000	
				• MAPFRE BRASIL PARTICIPAÇÕES, S.A.	100.0000	---	
VIDA SEGURADORA	Rua Araujo Porto Alegre, 36 3 Andar, Rio de Janeiro (Brazil)	40.00%	Life Assurance	• BB MAPFRE SH1 PARTICIPAÇES	40.8763	92.0791	
				• MAPFRE VERA CRUZ SEGURADORA	---	7.9209	
				• MAPFRE PARTICIPAÇÕES LTDA	30.1524	---	
				• BB ALIANÇA PARTICIPAÇÕES, S.A.	28.9713	---	
MAPFRE ASSISTENCIA	Avd.Nações Unidas, 11711 16. Andar Brooklin. Sao Paulo (Brazil)	40.00%	Life Assurance	• MAPFRE VERA CRUZ SEGURADORA	100.0000	100.0000	
MAPFRE SH1	Avd.Nações Unidas, 11711 16. Andar Brooklin. Sao Paulo (Brazil)	40.00%	Life Assurance	• CLUBE MAPFRE DO BRASIL	---	100.0000	
MAPFRE BB SH2 PARTICIPAÇÕES, S.A. (En 2010 MAPFRE S H 2)	Avd.Nações Unidas, 11711 16. Andar Brooklin. Sao Paulo (Brazil)	40.00%	Life Assurance	• CLUBE MAPFRE DO BRASIL	---	100.0000	
				• MAPFRE BRASIL PARTICIPAÇÕES, S.A.	50.0000		
MAPFRE BRASIL PARTICIPAÇÕES, S.A. (En 2010 MAPFRE S H 3)	Avd.Nações Unidas, 11711 16. Andar Brooklin Sao Paulo (Brazil)	40.00%	Life Assurance	• CLUBE MAPFRE DO BRASIL	7.2254	100.0000	
				• MAPFRE AMERICA	91.6777	---	
				• FANCY INVESTMENT, S.A.	1.0969	---	
MAPFRE RISCOS ESPECIAIS SEGURADORA S.A.	Avd.Nações Unidas, 11711 16. Andar Brooklin. Sao Paulo (Brazil)	40.00%	Insurance	• MAPFRE VERA CRUZ SEGURADORA	100.0000	100.0000	
CESVI BRASIL S.A. CENTRO DE EXPERI- MENTAÇÃO E SEGURANÇA VIARIA	Rua Amador Aguiar, 700-City Empresarial – Sao Paulo (Brazil)	--	Research, training and advice	• MAPFRE FAMILIAR	---	100.0000	
				• MAPFRE BRASIL PARTICIPAÇÕES, S.A.	100.0000	---	
CLUBE MAPFRE DO BRASIL LTDA.	Avda. dos Autonomistas, 701 Vila- Yara – Osasco SP CEP 06020-000(Brazil)	34.00%	Research, training and advice Consultancy	• MAPFRE AMÉRICA	99.4857	99.4857	
				• MAPFRE SA	0.5143	0.5143	
MAPFRE NOSSA CAIXA VIDA E PREVIDENCIA, S.A.	Al. Santos, 415, 7 ardar Sao Paulo (Brazil)	40.00%	Insurance	• MAPFRE PARTICIPAÇÕES	---	51.0000	
DETECTAR DESENVOLVIMENTO DE TECNICAS PARA TRANSFÊRENCIAS ES ADMINISTRAÇÃO DE RISCOS LTDA.	Avd.Nações Unidas, 11711 16. Andar Brooklin Sao Paulo (Brazil)	34.00%	Risk administration	• MAPFRE VERA CRUZ SEGURADORA	---	100.0000	
				• MAPFRE BRASIL PARTICIPAÇÕES, S.A.	100.0000	---	
MAPFRE PARTICIPAÇÕES LTDA	Avd.Nações Unidas, 11711 16. Andar Brooklin. Sao Paulo (Brazil)	40.00%	Securities broker-dealer	• MAPFRE VERA CRUZ SEGURADORA	---	100.0000	
				• BB MAPFRE SH1 PARTICIPAÇÕES, S.A.	100.0000	---	
MAPFRE VERA CRUZ VIDA E PREVIDENCIA	Avd.Nações Unidas, 11711 16. Andar Brooklin. Sao Paulo (Brazil)	40.00%	Insurance	• MAPFRE AMÉRICA	---	86.3279	
				• MAPFRE VERA CRUZ SEGURADORA	---	9.8996	
				• FANCY INVESTMENT	---	3.7508	
				• BB MAPFRE SH1 PARTICIPAÇÕES, S.A.	100.0000	---	

	FINANCIAL YEAR END FIGURES (thousand euros)									
	ASSETS		EQUITY		REVENUES		EARNINGS AFTER TAX		METHOD OR PROCEDURE	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	2,621	561	174	222	5,303	4,711	(36)	(137)	(A)	(A)
	38,036	32,084	7,746	6,372	39,157	31,019	925	(629)	(A)	(A)
	4,319	3,998	3,161	2,949	339	511	339	511	(A)	(C)
	2,150,631	1,911,694	436,783	545,740	1,657,733	1,133,354	26,739	57,399	(A)	(A)
	22,242	23,936	20,897	22,862	3,594	3,023	(93)	12	(A)	(A)
	1,165,561	21,429	1,124,164	21,429	248,060	6	247,470	3	(A)	(A)
	17,292	12,968	9,915	8,679	16,050	13,009	1,839	1,452	(A)	(A)
	305,337	87,394	177,294	58,446	93,145	43,827	38,494	27,294	(A)	(A)
	379	90	72	90	---	---	(9)	---	(A)	(G)(A)
	---	90	---	90	---	---	---	---	(H)	(G)(A)
	863,654	90	861,675	90	6,317	---	3,998	---	(A)	(G)(A)
	2,500,623	90	1,770,832	90	243,357	---	95,297	---	(A)	(G)(A)
	419,130	106,475	177,411	55,920	312,849	105,321	22,383	11,607	(A)	(A)
	5,255	4,819	4,211	4,212	39	3,226	89	(304)	(A)	(A)
	60,493	22,586	54,359	19,858	22,657	22,286	773	2,405	(A)	(A)
	---	459,274	---	94,873	---	226,985	---	48,824	(H)	(A)
	1,703	2,348	1,654	2,216	291	383	(392)	(18)	(A)	(A)
	58,258	123,603	45,778	123,592	18	39	(4)	(448)	(A)	(A)
	1,001,343	1,181,068	95,228	255,892	458,163	618,992	(847)	31,598	(A)	(A)

NAME	REGISTERED ADDRESS	EFFECTIVE TAX RATE	LINE OF BUSINESS	EQUITY INTEREST		
				HOLDER	PERCENTAGE	
					2011	2010
MAPFRE DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIARIOS, S.A.	Avd.Nações Unidas, 11711 16. Andar Brooklin Sao Paulo (Brazil)	40.00%	Distributor of negotiable securities	<ul style="list-style-type: none"> MAPFRE VERA CRUZ VIDA E PREVIDENCIA MAPFRE INVESTIMENTOS E PARTICIPAÇÕES, S.A. 	--- 100.0000	100.0000 ---
MAPFRE SEGURODORA DE GARANTÍA E CRÉDITO S.A.	Avda.Mª Coelho Aguiar 215 Sao Paulo (Brazil)	40.00%	Insurance	<ul style="list-style-type: none"> MAPFRE VERA CRUZ VIDA E PREVIDENCIA MAPFRE BRASIL PARTICIPACOES, S.A. 	--- 100.0000	100.0000 ---
MAPFRE SEGURODORA DE CRÉDITO A LA EXPORTACIÓN S.A.	Avda.Mª Coelho Aguiar 215 Sao Paulo (Brazil)	40.00%	Insurance	<ul style="list-style-type: none"> MAPFRE SEGURODORA DE GARANTÍA E CRÉDITO MAPFRE BRASIL PARTICIPACOES, S.A. 	--- 100.0000	100.0000 ---
MAPFRE INVESTIMENTOS E PARTICIPAÇÕES, S.A.	Avd.Nações Unidas, 11711 17. Andar Brooklin Sao Paulo (Brazil)	40.00%	Holding Insurance	<ul style="list-style-type: none"> MAPFRE BRASIL PARTICIPACOES, S.A. MAPFRE AMERICA FANCY INVESTIMENT, S.A. 	9.9017 86.3484 3.7499	--- --- ---
BB ALIANÇA REV PARTICIPAÇÕES, S.A	Avd.Nacoes Unidas, 11711 16. Andar Brooklin. Sao Paulo (Brazil)	40.00%	Holding Insurance	<ul style="list-style-type: none"> MAPFRE BB SH2 PARTICIPAÇÕES, S.A. 	100.0000	---
ALIANÇA DO BRASIL SEGUROS, S.A.	R. Manuel da Nobrega, 1280 9. Andar. Sao Paulo (Brazil)	40.00%	Insurance	<ul style="list-style-type: none"> BB ALIANÇA REV PARTICIPAÇÕES, S.A. 	100.0000	---
BRASIL VEICULOS COMPANHIA DE SEGUROS, S.A.	R.Senador Dantas, 105 29 parte, 30 e 31 Andares	40.00%	Insurance	<ul style="list-style-type: none"> BB ALIANÇA REV PARTICIPAÇÕES, S.A. 	100.0000	---
BB ALIANÇA PARTICIPAÇÕES, S.A.	Avd.Nações Unidas, 11711 16. Andar Brooklin. Sao Paulo (Brazil)	40.00%	Holding Insurance	<ul style="list-style-type: none"> BB MAPFRE SH1 PATICIPAÇÕES, S.A. 	100.0000	---
COMPANHIA DE SEGUROS ALIANÇA DO BRASIL, S.A.	R.Senador Dantas, 105 29 parte, 30 e 31 Andares	40.00%	Insurance	<ul style="list-style-type: none"> BB ALIANÇA PARTICIPAÇÕES, S.A. 	100.0000	---
CENTRAL AMERICA						
MAPFRE AMÉRICA CENTRAL	Costa del Este, diagonal al Business Park Panama (Panama)	30.00%	Insurance	<ul style="list-style-type: none"> MAPFRE MUNDIAL HOLDING 	100.0000	100.0000
MAPFRE MUNDIAL HOLDING S.A.	Costa del Este, diagonal al Business Park Panama (Panama)	30.00%	Insurance	<ul style="list-style-type: none"> MAPFRE AMÉRICA 	65.0000	65.0000
MAPFRE HONDURAS	Avenida Berlín y Calle Viena, piso 7 Lomas del Guijarro Sur Edificio Plaza Azul Tegucigalpa, M.D.C. (Honduras)	30.00%	Insurance	<ul style="list-style-type: none"> MAPFRE AMÉRICA CENTRAL MAPFRE MUNDIAL HOLDING 	73.0000 25.0780	73.0000 25.0780
MAPFRE PANAMÁ	Costa del Este, diagonal al Business Park Panama (Panama)	30.00%	Insurance	<ul style="list-style-type: none"> MAPFRE MUNDIAL HOLDING 	99.2800	99.2800
MAPFRE LA CENTRO AMERICANA S.A.	Alameda Roosevelt, 31-07 San Salvador (El Salvador)	14.00%	Insurance	<ul style="list-style-type: none"> MAPFRE MUNDIAL HOLDING 	72.9201	72.9201
INMOBILIARIA AMERICANA S.A.	Alameda Roosevelt, 31-07 San Salvador (El Salvador)	14.00%	Real Estate	<ul style="list-style-type: none"> MAPFRE MUNDIAL HOLDING 	78.8960	78.8559
MAPFRE COSTA RICA	Barrio Tournón, Edificio Alvasa, 2do. Piso Diagonal al Periodico La República en intersección con Ctra de Guapiles (Ruta 32) San José (Costa Rica)	30.00%	Insurance	<ul style="list-style-type: none"> MAPFRE AMÉRICA CENTRAL 	100.0000	100.0000
MAPFRE GUATEMALA	5a Avenida 5-55 Zona 14 Europlaza Europlaza Torre 4 Nivel 16 y PH. Ciudad de Guatemala(Guatemala)	31.00%	Insurance	<ul style="list-style-type: none"> MAPFRE AMÉRICA CENTRAL 	99.9000	99.9000
MAPFRE NICARAGUA	Edificio Invercasa, 1er. Piso. Managua (Nicaragua)	30.00%	Insurance	<ul style="list-style-type: none"> MAPFRE AMÉRICA CENTRAL 	100.0000	100.0000
CHILE						
MAPFRE CHILE SEGUROS S.A.	Isidoro Goyenechea 3520 p 16 Las Condes Santiago de Chile (Chile)	17.00%	Holding	<ul style="list-style-type: none"> MAPFRE AMÉRICA MAPFRE CHILE REASEGUROS INVERSIONES MAPFRE CHILE 	99.9937 --- 0.0042	99.9937 0.0042 ---
EUROAMÉRICA ASESORÍAS GENERALES S.A.	Isidoro Goyenechea 3520 p16 . Las Condes Santiago de Chile (Chile)	17.00%	Investment company	<ul style="list-style-type: none"> MAPFRE CHILE SEGUROS 	100.0000	100.0000
MAPFRE COMPAÑÍA DE SEGUROS GENERALES DE CHILE S.A.	Isidoro Goyenechea 3520 p 16 Las Condes. Santiago de Chile (Chile)	17.00%	Insurance	<ul style="list-style-type: none"> MAPFRE CHILE SEGUROS EUROAMÉRICA ASESORÍAS 	81.4200 18.5800	81.4200 18.5800

FINANCIAL YEAR END FIGURES (thousand euros)										
	ASSETS		EQUITY		REVENUES		EARNINGS AFTER TAX		METHOD OR PROCEDURE	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	23,787	17,409	17,540	12,588	18,643	14,505	6,191	6,422	(A)	(A)
	27,032	47,454	17,882	16,855	13,521	13,421	537	434	(A)	(A)
	8,860	9,258	8,209	8,425	967	875	493	509	(A)	(A)
	11,947	---	11,936	---	---	---	(9)	---	(F)(A)	---
	224,767	---	224,765	---	80	---	3,361	---	(F)(A)	---
	264,754	---	55,668	---	223,418	---	12,675	---	(F)(A)	---
	741,567	---	188,266	---	649,790	---	10,413	---	(F)(A)	---
	508,140	---	496,155	---	235,489	---	261,845	---	(F)(A)	---
	1,491,828	---	307,371	---	1,375,583	---	222,353	---	(F)(A)	---
	41,493	43,091	29,597	33,045	984	1,169	(4,190)	(3,258)	(A)	(A)
	171,628	163,291	171,628	163,291	2,787	---	2,787	---	(A)	(G)(A)
	30,090	24,734	6,840	6,713	28,280	14,070	(55)	(589)	(A)	(A)
	209,740	176,235	50,681	44,923	98,947	63,102	6,262	3,525	(A)	(A)
	53,421	47,612	14,196	13,706	41,049	23,450	1,872	1,849	(A)	(A)
	5,883	5,861	5,725	5,416	506	517	112	102	(A)	(A)
	10,227	6,153	7,171	5,060	6,613	1,921	(1,716)	(2,173)	(A)	(A)
	32,621	31,783	10,944	12,087	29,535	17,534	572	378	(A)	(A)
	11,081	8,189	5,931	3,835	8,599	4,124	710	571	(A)	(A)
	32,173	37,422	32,173	37,418	38	58	(17)	(18)	(A)	(A)
	5,680	6,122	5,680	6,122	---	---	---	(2)	(A)	(A)
	534,632	696,575	36,488	31,670	272,173	75,490	5,939	(4,025)	(A)	(A)

NAME	REGISTERED ADDRESS	EFFECTIVE TAX RATE	LINE OF BUSINESS	EQUITY INTEREST		
				HOLDER	PERCENTAGE	
					2011	2010
MAPFRE CHILE VIDA, S.A.	Isidoro Goyenechea 3520 p 16 Las Condes. Santiago de Chile (Chile)	17.00%	Holding	• MAPFRE AMÉRICA	100.0000	100.0000
MAPFRE COMPAÑÍA DE SEGUROS DE VIDA DE CHILE	Isidoro Goyenechea 3520 p 16. Las Condes Santiago de Chile (Chile)	17.00%	Insurance	• MAPFRE CHILE VIDA	100.0000	100.0000
INVERSIONES MAPFRE CHILE LIMITADA	C/ Teatinos 280 Santiago de Chile (Chile)	--	Real Estate	• MAPFRE AMERICA • MAPFRE CHILE SEGUROS	100.0000 ---	99.9900 0.0100
COLOMBIA						
MAPFRE SEGUROS GENERALES DE COLOMBIA S.A.	Carrera, 14, nº 96-34 Santa Fé de Bogotá (Colombia)	34.00%	Insurance	• MAPFRE AMÉRICA • APOINT	94.2294 5.7623	94.2294 5.7623
CREDIMAPFRE	Carrera, 14, nº 96-34 Santa Fé de Bogotá (Colombia)	34.00%	Real Estate Financial	• GESTIMAP • MAPFRE SEGUROS GENERALES DE COLOMBIA	5.0854 94.9144	5.0854 94.9144
GESTIMAP S.A.	Carrera, 14, nº 96-34 Santa Fé de Bogotá (Colombia)	34.00%	Information about vehicle spare parts	• MAPFRE SEGUROS GENERALES DE COLOMBIA • CREDIMAPFRE • COMPAÑÍA SEGUROS CREDITOS COMERCIALES • MAPFRE COLOMBIA VIDA S.A.	49.7942 3.9855 0.0001 46.2199	92.5888 7.4107 --- ---
AUTOMOTORES CAPITAL LTDA	Carrera, 14, nº 96-34 Santa Fé de Bogotá (Colombia)	34.00%	Vehicle repair, purchase and sale.	• CREDIMAPFRE	100.0000	100.0000
MAPFRE COLOMBIA VIDA S.A.	Carrera, 14, nº 96-34 Santa Fé de Bogotá (Colombia)	34.00%	Insurance	• MAPFRE AMÉRICA • APOINT • MAPFRE SEGUROS GENERALES DE COLOMBIA	94.2853 5.7146 0.0001	94.2853 5.7146 0.0001
CESVI COLOMBIA, S.A.	Carrera 87, Num.15-87 Santa Fé de Bogotá(Colombia)	30.00%	Research, training and advice	• MAPFRE SEGUROS GENERALES DE COLOMBIA • MAPFRE FAMILIAR • MAPFRE COLOMBIA VIDA	3.6400 --- 63.9491	3.6400 63.9491 ---
ECUADOR						
MAPFRE ATLAS COMPAÑÍA DE SEGUROS, S.A.	Kennedy e Norte, Justino Cornejo y Avda, Luis Orrantia. Edificio Torres Atlas Guayaquil (Ecuador)	25.00%	Insurance	• MAPFRE AMÉRICA	60.0000	60.0000
MEXICO						
MAPFRE TEPEYAC S.A.	Av.Magnocentro 5 Col.C.Urbano Intelomas San Fernandp Huixquilucan (Mexico)	28.00%	Insurance	• MAPFRE AMÉRICA • GRUPO CORPORATIVO LML	55.6602 44.3398	55.6602 44.3398
GRUPO CORPORATIVO LML S.A. DE C.V.	Av.Magnocentro 5 Col.C.Urbano Intelomas San Fernandp Huixquilucan (Mexico)	28.00%	Holding	• MAPFRE AMÉRICA	100.0000	100.0000
UNIDAD MÓVIL DE DIAGNÓSTICO S.A.	Av.Magnocentro 5 Col.C.Urbano Intelomas San Fernandp Huixquilucan (Mexico)	28.00%	Medical services	• MAPFRE TEPEYAC	99.9982	99.9982
ASSET DEFENSA LEGAL MEXICANA S.A. DE C.V.	Prado Sur, 230 Col. Lomas Chapultepec Mexico DF(Mexico)	28.00%	Legal Consultancy	• MAPFRE TEPEYAC	78.8145	78.8145
TEPEYAC INC.	109 Este San Ysidro Blud #65 San Isidro-California (USA)	30.00%	Tourist vehicle insurance	• MAPFRE TEPEYAC	100.0000	100.0000
TEPEYAC ASESORES	Av.Magnocentro 5 Col.C.Urbano Intelomas San Fernandp Huixquilucan (Mexico)	30.00%	Fund administration	• MAPFRE AMÉRICA • MAPFRE TEPEYAC	51.0000 16.0000	51.0000 16.0000
MAPFRE SERVICIOS MEXICANOS	Av Magnocentro, 5 Colonia Centro Urbano Interlomas San Fernando Hulxquilucan (Mexico)	28.00%	Services of agents with provisional licence	• MAPFRE TEPEYAC	99.9900	---
CESVI MÉXICO, S.A.	Calle 1 Sur nº 101 Parque Ind. Toluca 2000 Toluca (Mexico)	28.00%	Research Institute	• MAPFRE TEPEYAC	13.9500	13.9500
PARAGUAY						
MAPFRE PARAGUAY COMPAÑÍA DE SEGUROS S.A.	Av.Mariscal López, 910. Asunción (Paraguay)	10.00%	Insurance	• MAPFRE AMÉRICA	89.5400	89.5400

	FINANCIAL YEAR END FIGURES (thousand euros)									
	ASSETS		EQUITY		REVENUES		EARNINGS AFTER TAX		METHOD OR PROCEDURE	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	4,210	1,654	3,183	501	8	---	(20)	(148)	(A)	(A)
	53,576	56,045	5,299	3,312	6,315	4,307	114	(189)	(A)	(A)
	29,170	30,453	28,064	28,401	2,522	2,458	1,676	1,442	(A)	(A)
	318,516	203,817	48,589	41,529	215,359	79,323	3,927	4,695	(A)	(A)
	9,512	6,312	4,783	4,476	819	771	125	(214)	(A)	(A)
	---	---	---	---	---	---	---	---	(B)	(B)
	---	---	---	---	---	---	---	---	(B)	(B)
	523,816	382,982	35,235	25,451	273,527	161,345	7,687	882	(A)	(A)
	4,570	4,915	4,194	4,563	3,473	1,598	309	(13)	(A)	(A)
	23,340	16,616	8,018	7,304	32,892	11,089	797	562	(A)	(A)
	850,665	770,253	163,305	164,791	378,409	366,280	18,724	18,879	(A)	(A)
	28,851	31,661	28,851	31,661	981	7	974	(9)	(A)	(A)
	2,187	2,053	865	579	6,110	6,682	138	127	(A)	(A)
	688	649	498	446	2,351	2,439	60	33	(A)	(A)
	19	9	16	(116)	195	190	136	4	(A)	(A)
	404	435	404	307	127	7	123	---	(A)	(A)
	19	---	15	---	65	---	1	---	(F)(A)	---
	7,256	6,538	7,026	6,333	4,477	4,543	(152)	(58)	(D)	(D)
	71,075	43,625	23,130	16,116	50,310	28,760	5,642	3,516	(A)	(A)

NAME	REGISTERED ADDRESS	EFFECTIVE TAX RATE	LINE OF BUSINESS	EQUITY INTEREST		
				HOLDER	PERCENTAGE 2011	
PERU						
MAPFRE PERÚ COMPAÑÍA DE SEGUROS Y REASEGUROS	Av.Veintiocho de Julio, 873 Miraflores- Lima 18 (Peru)	30.00%	Insurance and reinsurance	• MAPFRE AMÉRICA	99.2376	99.2376
MAPFRE PERÚ ENTIDAD PRESTADORA DE SALUD	Av.Veintiocho de Julio, 873 Miraflores- Lima 18 (Peru)	30.00%	Medical care	• MAPFRE AMÉRICA	98.5900	98.5900
MAPFRE PERÚ VIDA, COMPAÑÍA DE SEGUROS, S.A.	Av.Veintiocho de Julio, 873 Miraflores- Lima 18 (Peru)	30.00%	Insurance	• MAPFRE AMÉRICA	67.2725	67.2725
CORPORACIÓN FINISTERRE, S.A.	Av.Veintiocho de Julio, 873 Miraflores- Lima 18 (Peru)	30.00%	Undertaker services	• MAPFRE PERÚ VIDA	100.0000	100.0000
PUERTO RICO						
MAPFRE PRAICO CORPORATION	Urb. Tres Monjitas Industrial 297 Avda.Carlos Chardón Hato RE.Y. San Juan (Puerto Rico)	0.00%	Insurance	• MAPFRE AMÉRICA	100.0000	100.0000
MAPFRE PRAICO SEGUROS COMPANY	Urb. Tres Monjitas Industrial 297 Avda.Carlos Chardón Hato RE.Y. San Juan (Puerto Rico)	7.83%	Insurance	• MAPFRE PRAICO CORPORATION	100.0000	100.0000
MAPFRE PREFERRED RISK SEGUROS COMPANY	Urb. Tres Monjitas Industrial 297 Avda.Carlos Chardón Hato RE.Y. San Juan (Puerto Rico)	2.81%	Insurance	• MAPFRE PRAICO INSURANCE	100.0000	100.0000
MAPFRE PAN AMERICAN SEGUROS COMPANY	Urb. Tres Monjitas Industrial 297 Avda.Carlos Chardón Hato RE.Y. San Juan (Puerto Rico)	3.85%	Insurance	• MAPFRE PRAICO CORPORATION	100.0000	100.0000
MAPFRE SEGUROS AGENCY OF PUERTO RICO, INC.	Urb. Tres Monjitas Industrial 297 Avda.Carlos Chardón Hato RE.Y. San Juan (Puerto Rico)	20.99%	Insurance brokerage	• MAPFRE PRAICO CORPORATION	100.0000	100.0000
MAPFRE FINANCE OF PUERTO RICO CORP	Urb. Tres Monjitas Industrial 297 Avda.Carlos Chardón Hato RE.Y. San Juan (Puerto Rico)	27.26%	Financial	• MAPFRE PRAICO CORPORATION	100.0000	100.0000
MAPFRE LIFE SEGUROS COMPANY	Urb. Tres Monjitas Industrial 297 Avda.Carlos Chardón Hato RE.Y. San Juan (Puerto Rico)	18.00%	Insurance and reinsurance	• MAPFRE PRAICO CORPORATION	100.0000	100.0000
AUTO GUARD INC.	Urb. Tres Monjitas Industrial 297 Avda.Carlos Chardón Hato RE.Y. San Juan (Puerto Rico)	0.12%	Extended Warranty Contracts	• MAPFRE PRAICO CORPORATION	100.0000	100.0000
CLUB MAPFRE DEL AUTOMOVIL, INC.	Urb. Tres Monjitas Industrial 297 Avda.Carlos Chardón Hato RE.Y. San Juan (Puerto Rico)	0.00%	Theft protection	• MAPFRE PRAICO CORPORATION	100.0000	100.0000
DOMINICAN REPUBLIC						
MAPFRE DOMINICANA S.A.	Avd. Pedro H. Ureña, 150 esq. A. Lincoln. La Esperilla Santo Domingo (Dominican Republic)	25.00%	Securities broker-dealer	• MAPFRE AMÉRICA	99.9991	99.9991
MAPFRE BHD COMPAÑÍA DE SEGUROS, S.A.	Avda. Abraham Lincoln, 952 (Dominican Republic)	25.00%	Insurance	• MAPFRE DOMINICANA	51.0000	51.0000
CREDI PRIMAS, S.A.	(Dominican Republic)	25.00%	Policy financing	• MAPFRE BHD	100.0000	100.0000
URUGUAY						
MAPFRE URUGUAY S.A.	Bulevar Artigas, 459 Montevideo (Uruguay)	25.00%	Insurance	• MAPFRE AMÉRICA	100.0000	100.0000
APOINT S.A.	Col. 993 Piso 3 Montevideo (Uruguay)	--	Financial	• MAPFRE AMÉRICA	100.0000	100.0000
REAL URUGUAYA DE SEGUROS	Avda. 18 de Julio, 988 Montevideo (Uruguay)	25.00%	Insurance	• MAPFRE AMÉRICA	100.0000	100.0000

	FINANCIAL YEAR END FIGURES (thousand euros)								METHOD OR PROCEDURE	
	ASSETS		EQUITY		REVENUES		EARNINGS AFTER TAX			
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	249,830	202,457	49,900	37,422	165,873	91,972	6,000	6,569	(A)	(A)
	5,744	3,008	2,393	1,157	12,568	9,896	1,048	545	(A)	(A)
	207,889	174,994	38,444	33,182	80,443	58,564	2,606	5,377	(A)	(A)
	3,811	3,449	3,637	3,332	5,296	5,219	13	18	(A)	(A)
	244,613	220,923	243,976	218,781	17,741	21,961	13,974	16,604	(A)	(A)
	416,141	399,677	188,650	174,108	189,230	192,675	17,818	18,853	(A)	(A)
	76,970	77,749	22,240	20,913	24,389	28,212	2,071	2,389	(A)	(A)
	16,462	17,459	8,419	7,568	3,780	4,852	344	475	(A)	(A)
	2,410	2,072	302	125	---	4	159	90	(A)	(A)
	3,199	3,959	2,542	2,295	474	530	159	198	(A)	(A)
	71,001	67,159	20,970	21,477	124,996	120,220	(345)	2,565	(A)	(A)
	14,635	13,388	(257)	(642)	2,972	4,031	269	(142)	(A)	(A)
	9,573	9,352	1,459	1,275	31	---	(939)	(90)	(A)	(A)
	17,387	18,359	17,384	18,354	8	2,268	2	2,262	(A)	(A)
	95,139	81,131	25,845	21,593	85,676	50,691	6,231	---	(A)	(A)
	1,261	822	235	171	139	81	62	29	(A)	(A)
	27,290	27,113	6,334	5,704	31,646	15,462	126	304	(A)	(A)
	4,784	4,624	4,080	3,972	1	---	(20)	(33)	(A)	(A)
	36,405	31,797	3,406	2,624	23,029	17,766	559	1,754	(A)	(A)

NAME	REGISTERED ADDRESS	EFFECTIVE TAX RATE	LINE OF BUSINESS	EQUITY INTEREST		
				HOLDER	PERCENTAGE	
					2011	2010
VENEZUELA						
MAPFRE LA SEGURIDAD S.A.	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas(Venezuela)	3.00%	Insurance and reinsurance	• MAPFRE AMÉRICA	99.5159	99.5159
CEFOPROSEG C.A.	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas(Venezuela)	3.00%	Education	• MAPFRE LA SEGURIDAD	100.0000	100.0000
INVERSORA SEGURIDAD C.A.	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas(Venezuela)	3.00%	Policy financing	• MAPFRE LA SEGURIDAD	100.0000	100.0000
CLUB MAPFRE S.A.	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas(Venezuela)	3.00%	Services rendered	• MAPFRE LA SEGURIDAD	100.0000	100.0000
AUTOMOTRIZ MULTISERVICAR, C.A.	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas(Venezuela)	3.00%	Vehicle repair workshop	• MAPFRE LA SEGURIDAD	99.7000	99.7000
INTERNATIONAL						
MAPFRE INTERNACIONAL S.A	Paseo de Recoletos, 25 (Madrid) Spain	30.00% [1][2]	Holding	• MAPFRE SA	100.0000	87.5000
TÜRKİYE GENEL SIGORTA, A.S.	Mectisi Mebusan CAD.25, 34433 Salipazari Istambul (Turkey)	20.00%	Insurance	• MAPFRE INTERNACIONAL	99.7450	99.7450
GENEL YASAM SIGORTA, A.S.	Mectisi Mebusan CAD.23, 34433 Salipazari Istambul (Turkey)	20.00%	Insurance	• GENEL SIGORTA	100.0000	100.0000
MAPFRE SEGUROS GERAIS S.A.	Rua Castillo, 52 Lisbon (Portugal)	25.00%	Insurance and reinsurance	• MAPFRE INTERNACIONAL • MAPFRE CAUCIÓN Y CRÉDITO • MAPFRE GLOBAL RISKS • MAPFRE FAMILIAR	99.9991 0.0003 0.0003 0.0003	99.9991 0.0003 0.0003 0.0003
MAPFRE SEGUROS DE VIDA S.A.	Rua Castillo, 52 Lisbon (Portugal)	25.00%	Insurance	• MAPFRE SEGUROS GERAIS	100.0000	100.0000
FINIBANCO VIDA	Rua Julio Dinis, 166 Oporto (Portugal)	25.00%	Insurance	• MAPFRE SEGUROS GERAIS	50.0000	50.0000
MIDDLESEA SEGUROS P.L.C.	Middle Sea House Floriana JTL, 16 (Malta)	35.00%	Insurance	• MAPFRE INTERNACIONAL	54.5627	31.0773
MAPFRE INSULAR SEGUROS CORPORATION	Acacia Ave Mandrigal Business Park Ayala Alabarg, MuntinlupaCity (Philippines)	30.00%	Insurance	• MAPFRE INTERNACIONAL	74.9384	74.9384
MAPFRE SEGUROS COMPANY OF FLORIDA	5959 Blue Lagoon Drive, Suite 400, Miami (USA)	40.00%	Insurance	• COMMERCE INSURANCE	100.0000	100.0000
MAPFRE SEGUROS COMPANY	100 Campus Drive New Jersey 07932-2007 (USA)	40.00%	Insurance and reinsurance	• COMMERCE INSURANCE	100.0000	100.0000
MAPFRE INTERMEDIARIES	5959 Blue Lagoon Drive, Suite 400, Miami (USA)	40.00%	Services	• COMMERCE INSURANCE	100.0000	100.0000
MAPFRE USA CORPORATION INC	211 Main Street, Webster, MA 01570 (USA)	40.00%	Insurance	• MAPFRE INTERNACIONAL	100.0000	100.0000
THE COMMERCE SEGUROS COMPANY	211 Main Street, Webster, MA 01570 (USA)	40.00%	Insurance	• MAPFRE USA CORPORATION	100.0000	100.0000
THE CITATION SEGUROS COMPANY	211 Main Street, Webster, MA 01570 (USA)	40.00%	Insurance	• MAPFRE USA CORPORATION	100.0000	100.0000
ACIC HOLDINGS COMPANY, INC.	215 Main Street, Webster, MA 01570 (USA)	40.00%	Holding	• MAPFRE USA CORPORATION	95.0000	95.0000
AMERICAN COMMERCE SEGUROS COMPANY	3590 Twin Creeks Drive, Columbus, OH 43204 (USA)	40.00%	Insurance	• ACIC HOLDINGS	100.0000	100.0000
MM REAL ESTATE, LLC	Blue Lagoon, Drive Suite, 200 Miami (USA)	40.00%	Real Estate	• COMMERCE INSURANCE	100.0000	100.0000
THE COMMERCE WEST SEGUROS COMPANY	4301 Hacienda Drive, Suite 200, Pleasanton, CA 94588 (USA)	40.00%	Insurance	• ACIC HOLDINGS	100.0000	100.0000

FINANCIAL YEAR END FIGURES (thousand euros)										
ASSETS		EQUITY		REVENUES		EARNINGS AFTER TAX		METHOD OR PROCEDURE		
2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	
683,215	518,064	281,540	213,893	685,200	632,520	24,586	61,106	(A)		(A)
47	35	11	(199)	316	(92)	254	(92)	(A)		(A)
128,999	97,995	120,297	96,222	44,045	42,142	(3,738)	(4,268)	(A)		(A)
219	194	207	188	18	(43)	(37)	(43)	(A)		(A)
1,576	1,502	1,450	1,309	1,625	1,402	(254)	(161)	(A)		(A)
2,153,257	2,211,206	2,106,446	2,140,644	80,313	99,258	(19,831)	68,764	(A)		(A)
453,368	439,906	197,077	235,833	262,625	178,486	12,922	24,143	(A)		(A)
49,960	74,233	18,350	18,777	61,408	57,613	2,839	(890)	(A)		(A)
216,331	218,113	57,993	54,946	113,523	89,904	6,495	2,702	(A)		(A)
177,664	182,300	(5,817)	5,655	46,095	50,468	1,192	1,606	(A)		(G)(A)
83,805	95,941	1,446	6,613	13,240	28,819	1,258	1,519	(A)		(G)(A)
85,755	136,812	17,462	50,262	32,711	15,385	345	5,616	(A)		(C)
68,873	58,838	28,829	25,348	33,340	21,132	3,857	3,595	(A)		(A)
56,667	53,737	28,138	26,063	28,416	28,133	39	1,023	(A)		(A)
27,740	27,610	20,145	21,847	5,625	2,964	(829)	(369)	(A)		(A)
192	138	175	138	---	---	30	47	(A)		(A)
1,333,338	1,247,453	1,151,474	1,047,919	92,386	91,534	84,690	84,388	(A)		(A)
2,109,780	1,954,243	899,903	780,975	1,191,393	1,097,834	42,256	83,706	(A)		(A)
210,505	209,323	93,234	93,255	124,053	122,975	1,436	8,323	(A)		(A)
281,152	256,013	281,151	256,013	16,949	19,595	16,947	19,596	(A)		(A)
238,784	234,196	112,270	112,078	119,228	118,255	3,765	8,451	(A)		(A)
8,396	8,241	8,178	8,012	671	728	(89)	(86)	(A)		(A)
113,000	111,325	56,630	55,646	54,331	54,561	2,820	5,355	(A)		(A)

NAME	REGISTERED ADDRESS	EFFECTIVE TAX RATE	LINE OF BUSINESS	EQUITY INTEREST		
				HOLDER	PERCENTAGE	
					2011	2010
STATE-WIDE SEGUROS COMPANY	20 Main Street Hempstead, NY 11550 (USA)	40.00%	Insurance	• ACIC HOLDINGS	100.0000	100.0000
M.S.V. LIFE P.L.C.	Middle Sea House Floriana FRN 9010 (Malta)		Insurance	• MIDDLESEA INSURANCE P.L.C.	50.0000	---
BEE SEGUROS MENAGEMENT LTD	4th Floor Developement House st. Anne Street Floriana FRN 9010 (Malta)		Insurance	• MIDDLESEA INSURANCE P.L.C.	100.0000	---
GLOBAL BUSINESS						
GLOBAL RISKS						
MAPFRE GLOBAL RISKS	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	2.93% (1)(2)	Insurance	• MAPFRE SA • MAPFRE FAMILIAR	99.9976 0.0006	99.9976 0.0006
ITSEMAP SERVICIOS TECNOLÓGICOS MAPFRE, S.A.	Paseo de Recoletos, 25 (Madrid) Spain	25.00% (1)	Technology services	• MAPFRE GLOBAL RISKS • MAPFRE RE • MAPFRE SA	60.0000 39.9752 0.0248	60.0000 39.9752 0.0248
ITSEMAP MÉXICO, S.A.	Porfirio Diaz, 102 Col.Nochebuena Mexico D.F. (Mexico)	28.00%	Technology services	• ITSEMAP <i>Services</i> TECNOLÓGICOS	99.9998	99.9998
ITSEMAP PORTUGAL, LTDA	Rua Castillo, 52 Lisbon (Portugal)	10.00%	Technology services	• ITSEMAP <i>Services</i> TECNOLÓGICOS	99.9857	99.9857
ITSEMAP CHILE, S.A.	Apoquindo, 4499 Santiago (Chile)	--	Technology services	• ITSEMAP <i>Services</i> TECNOLÓGICOS • INVERSIONES IBÉRICAS	75.0000 25.0000	75.0000 25.0000
ITSEMAP BRASIL, LTDA	Rua Sao Carlos do Pinhal, 696 Sao Paulo (Brazil)	31.00%	Technology services	• ITSEMAP <i>Services</i> TECNOLÓGICOS • MAPFRE RE DO BRASIL	99.9792 0.0208	99.9792 0.0208
SERVIFINANZAS, S.A. SOCIEDAD UNIPERSONAL	Avda.General Perón,40 (Madrid) Spain	30.00% (1)	Financial	• MAPFRE GLOBAL RISKS	100.0000	100.0000
INDUSTRIAL RE MUSINI S.A.	6B Route de Trèves, Senningerberg (Luxembourg)	30.00%	Reinsurance	• MAPFRE GLOBAL RISKS	100.0000	100.0000
MAPFRE CAUCIÓN Y CRÉDITO COMPAÑÍA INTERNACIONAL DE SEGUROS Y REASEGUROS S.A.	Avda.General Perón,40 (Madrid) Spain	3.54% (1)	Insurance and reinsurance	• MAPFRE GLOBAL RISKS • MAPFRE <i>Services</i> MARÍTIMOS	99.9960 0.0040	99.9960 0.0040
MAPFRE AMÉRICA CAUCIÓN S.A.	Avda.General Perón,40 (Madrid) Spain	1.56% (1)	Holding	• MAPFRE CAUCIÓN Y CRÉDITO • MAPFRE GLOBAL RISKS	99.9947 0.0053	99.9947 0.0053
MAPFRE FIANZAS S.A.	Avda. Magnocentro, 5 Col. Centro Urbano Interlomas San Fernando Huixquilucan (Mexico)	--	Insurance	• MAPFRE AMÉRICA CAUCIÓN Y CRÉDITO • MAPFRE TEPEYAC	99.9800 0.0200	99.9800 0.0200
MAPFRE SERVICIOS DE CAUCIÓN S.A.	Avda.General Perón,40 (Madrid) Spain	-- (1)	Services	• MAPFRE CAUCIÓN Y CRÉDITO • MAPFRE SA • MAPFRE GLOBAL RISKS	--- 0.3200 99.6800	99.6800 0.3200 ---
MAPFRE GARANTÍAS Y CRÉDITO CIA DE SEGUROS, S.A.	Teatinos, 280 Santiago de Chile (Chile)	14.89%	Insurance	• MAPFRE AMÉRICA CAUCIÓN Y CRÉDITO • INVERSIONES IBÉRICAS • MAPFRE CHILE REASEGUROS	99.9923 --- 0.0077	99.9923 0.0077 ---
COMPAÑÍA DE SEGUROS DE CRÉDITOS COMERCIALES S.A.	Carrera 64 nº149 A-30 Medellín (Colombia)	44.20%	Insurance	• MAPFRE AMÉRICA CAUCIÓN Y CRÉDITO • MAPFRE SA • MAPFRE COLOMBIA • MAPFRE COLOMBIA VIDA	94.8937 4.7872 0.1064 0.1064	94.8937 4.7872 0.1064 0.1064
MAPFRE SEGUROS DE CRÉDITO S.A.	Avda. Magnocentro, 5 Col. Centro Urbano Interlomas San Fernando Huixquilucan (Mexico)	10.85%	Insurance	• MAPFRE AMÉRICA CAUCIÓN Y CRÉDITO • MAPFRE TEPEYAC	99.9800 0.0200	99.9800 0.0200
REINSURANCE						
MAPFRE RE COMPAÑÍA DE REASEGUROS, S.A.	Paseo de Recoletos, 25 (Madrid) Spain	35.00% (1)(2)	Reinsurance	• MAPFRE SA • MAPFRE FAMILIAR	91.5288 0.0003	91.5288 0.0003
CIAR INVESTMENT (EN 2010 COMPAGNIE INTERNATIONALE D'ASSURANCES ET REASSURANCES (C.I.A.R.) SOCIÉTÉ)	45, Rue de Treves Brussels (Belgique)	34.00%	Insurance and reinsurance	• MAPFRE RE • MAPLUX REINSURANCE	99.9900 0.0100	99.9900 0.0100

	FINANCIAL YEAR END FIGURES (thousand euros)									
	ASSETS		EQUITY		REVENUES		EARNINGS AFTER TAX		METHOD OR PROCEDURE	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	86,720	84,552	49,057	47,189	40,453	41,710	1,573	4,276	(A)	(A)
	1,169,054	---	111,607	---	161,780	---	2,131	---	(F)(A)	---
	2,558	---	2,475	---	649	---	(199)	---	(F)(A)	---
	2,628,292	2,840,609	418,740	397,216	1,009,827	412,132	73,554	119,241	(A)	(A)
	3,647	3,677	3,063	3,059	2,698	3,224	5	3	(A)	(A)
	667	707	538	566	826	868	32	33	(A)	(A)
	943	855	388	388	749	825	---	17	(A)	(A)
	39	41	41	42	2	---	---	(1)	(A)	(A)
	1,547	1,646	1,291	1,332	2,729	3,441	95	94	(A)	(A)
	482	481	482	478	5	32	3	18	(A)	(A)
	37,611	38,029	20,215	21,297	2,228	2,281	(1,913)	1,901	(A)	(A)
	167,332	195,199	29,036	27,516	88,622	79,919	1,939	10,421	(A)	(A)
	16,005	15,923	15,969	16,224	3,015	4,585	(256)	5,745	(A)	(A)
	8,775	6,908	3,503	3,519	5,326	3,839	231	184	(A)	(A)
	137	171	133	171	9	1	(37)	(1)	(A)	(A)
	23,271	23,837	5,801	6,330	8,455	10,230	288	337	(A)	(A)
	21,235	17,791	9,863	8,168	8,712	8,461	1,191	674	(A)	(A)
	3,942	4,493	2,485	2,795	737	994	(83)	156	(A)	(A)
	4,063,638	3,799,183	792,575	792,907	2,946,114	1,884,024	71,362	119,425	(A)	(A)
	11,051	12,528	9,635	9,088	1,150	929	1,088	567	(A)	(A)

NAME	REGISTERED ADDRESS	EFFECTIVE TAX RATE	LINE OF BUSINESS	HOLDER	EQUITY INTEREST		
					PERCENTAGE		
					2011	2010	
MAPFRE CHILE REASEGUROS, S.A.	Avda.Apoquindo, 4499 Santiago de Chile (Chile)	20.00%	Reinsurance	• MAPFRE RE • INVERSIONES IBÉRICAS	99.9932 0.0068	99.9932 0.0068	
INVERSIONES IBÉRICAS, L.T.D.A.	Avda.Apoquindo, 4499 Santiago de Chile (Chile)	20.00%	Financial and Real estate	• MAPFRE RE • MAPFRE CHILE REASEGUROS	99.9899 0.0101	99.9899 0.0101	
CAJA REASEGURADORA DE CHILE S.A.	Avda.Apoquindo, 4499 Santiago de Chile (Chile)	20.00%	Reinsurance	• MAPFRE CHILE REASEGUROS	99.8467	99.8467	
INMOBILIARIA OSTA DE MONTEMAR, S.A.	Avda.Apoquindo, 4499 Santiago de Chile (Chile)	20.00%	Real Estate	• INVERSIONES IBÉRICAS • MAPFRE CHILE REASEGUROS	--- 31.4400	31.4400	
C R ARGENTINA, S.A. (En 2010 CAJA RE ARGENTINA, S.A.)	Bouchard 547 piso 14 Buenos Aires (Argentina)	35.00%	Consultancy services	• INVERSIONES IBÉRICAS • MAPFRE CHILE REASEGUROS	--- 99.9960	99.9960 ---	
MAPFRE RE DO BRASIL COMPANHIA DE REASEGUROS	Rua Olimpíadas ,242,5º andar,conjunto 52 Vila Olimpia; Sao Paulo (Brazil)	15.00%	Consultancy	• MAPFRE RE • ITSEMAP DO BRASIL • BRASIL ASSISTENCIA	99.9999 --- 0.0001	99.9999 0.0001 ---	
MAPFRE RE COMPANHIA DE REASEGUROS	Rua Olimpíadas ,242,5º andar,conjunto 52 Vila Olimpia; Sao Paulo (Brazil)	15.00%	Reinsurance	• MAPFRE RE • MAPFRE RE DO BRASIL	99.9999 0.0001	99.9999 0.0001	
ADMINISTRADORA DE PROPIEDADES S.A.	Napoleón 3096 Santiago (Chile)	20.00%	Real Estate	• INVERSIONES IBÉRICAS • MAPFRE CHILE REASEGUROS	--- 31.2900	31.2900 ---	
COMERCIAL Y TURISMO S.A.	Napoleón 3096 Santiago (Chile)	20.00%	Real Estate	• INVERSIONES IBÉRICAS • MAPFRE CHILE REASEGUROS	--- 31.2000	31.2000 ---	
INMOBILIARIA PRESIDENTE FIGUEROA ALCORTA, S.A.	Bouchard 547 piso 14 B. Aires (Argentina)	35.00%	Real Estate	• MAPFRE RE	99.9985	99.9985	
INMOBILIARIA TIRILLUCA S.A.	Avda. Apoquindo, 4499 Santiago de Chile (Chile)	20.00%	Real Estate	• MAPFRE CHILE REASEGUROS	43.7500	43.7500	
MAPFRE MANDATOS Y SERVICIOS, S.A.	Bouchard 547 piso 14 B. Aires (Argentina)	35.00%	Services	• MAPFRE RE • CAJA REASEGURADORA DE ARGENTINA • MAPFRE ARGENTINA HOLDING	95.0000 --- 5.0000	95.0000 5.0000 ---	
RESEGUROS MANAGMENT INC.	100 Campus Drive New Jersey 07932-2007 (USA))	35.00%	Services	• MAPFRE RE	100.0000	100.0000	
MAPLUX RESEGUROS COMPANY LTD	E Building Immeuble C6,Parc d' Activile Syrdall Munsbanch (Luxembourg)	--	Reinsurance	• MAPFRE SA	100.0000	100.0000	
ASSISTANCE							
MAPFRE ASISTENCIA COMPANHIA INTERNACIONAL DE SEGUROS Y REASEGUROS, S.A.	Sor Ángela de la Cruz, 6 (Madrid) Spain	30.00% (1)(2)	Insurance and reinsurance	• MAPFRE SA • MAPFRE FAMILIAR	99.9970 0.0030	99.9970 0.0030	
IBERO ASISTENCIA, S.A.	Avda. Liberdade, 40 Lisbon (Portugal)	27.50%	Travel Assistance	• MAPFRE ASISTENCIA	100.0000	100.0000	
BRASIL ASSISTENCIA S.A.	Ed.Crystal Tower, Alameda Mamore 989. Alphaville Sao Paulo (Brazil)	34.00%	Travel Assistance	• MAPFRE ASISTENCIA	99.9990	99.9990	
MAPFRE WARRANTY BRASIL LTDA	Ed.Crystal Tower, Alameda Mamore 989. Alphaville Sao Paulo (Brazil)	34.00%	Travel Assistance	• BRASIL ASSISTENCIA	99.9900	99.9900	
AFRIQUE ASSISTANCE, S.A.	16, Rue Dr.Alphonse Laverning, 1002 (Tunisia)	35.00%	Travel Assistance	• MAPFRE ASISTENCIA	49.0000	49.0000	
VENEASISTENCIA, S.A.	Avda.del Libertador Torre Maracaibo Caracas (Venezuela)	34.00%	Travel Assistance	• MAPFRE ASISTENCIA • MAPFRE RE	99.9980 0.0020	99.9980 0.0020	
ANDIASISTENCIA COMPANHIA DE ASISTENCIA DE LOS ANDES, S.A.	Carrera, 11, Nº 93 - B – 09 Bogotá (Colombia)	38.50%	Travel Assistance	• MAPFRE ASISTENCIA • IBEROASISTENCIA	94.8999 5.0977	94.8999 5.0977	
FEDERAL ASSIST Co.	7300 Corporate Center Drive, Suite 601 Miami Florida 33126 (USA)	37.60%	Travel Assistance	• MAPFRE ASISTENCIA	100.0000	100.0000	

	FINANCIAL YEAR END FIGURES (thousand euros)									
	ASSETS		EQUITY		REVENUES		EARNINGS AFTER TAX		METHOD OR PROCEDURE	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	137,230	124,296	54,614	55,068	8,800	7,084	2,615	979	(A)	(A)
	15,291	17,158	15,210	15,790	624	954	(31)	(115)	(A)	(A)
	76,518	103,832	15,171	40,124	3,568	5,908	86	1,724	(A)	(A)
	25,064	25,357	25,061	25,347	372	1,800	2,123	816	(C)	(C)
	132	128	100	102	11	6	6	5	(A)	(A)
	202,186	198,978	42,333	40,503	38,422	40,446	5,757	3,290	(A)	(A)
	47	---	47	---	---	---	---	---	(A)	(G)(A)
	344	564	138	238	1,539	1,639	(18)	97	(C)	(C)
	529	560	327	159	1,088	1,148	182	168	(C)	(C)
	7	7	7	---	---	---	---	---	(B)	(B)
	2,733	---	1,600	---	12,867	---	3,048	---	(C)	(C)
	144	197	8	98	1,180	1,039	(67)	5	(B)	(B)
	807	748	16	16	---	---	---	---	(A)	(A)
	3,530	29,803	3,515	3,584	2,522	1,652	---	(151)	(A)	(A)
	500,013	395,427	161,468	144,070	424,648	217,280	18,565	18,892	(A)	(A)
	682	527	345	311	1,030	1,018	51	19	(A)	(A)
	18,212	20,263	9,136	9,264	58,358	4,555	3,884	3,418	(A)	(A)
	1,181	680	(822)	4	214	21	(595)	(323)	(B)	(G)(B)
	3,268	2,841	2,017	1,845	2,171	2,118	603	440	(A)	(A)
	3,873	3,911	2,571	2,269	3,036	3,656	(407)	898	(A)	(A)
	4,604	3,937	1,527	1,285	10,651	9,530	155	(271)	(A)	(A)
	5,398	3,754	1,171	1,415	14,237	10,947	(270)	(78)	(A)	(A)

NAME	REGISTERED ADDRESS	EFFECTIVE TAX RATE	LINE OF BUSINESS	EQUITY INTEREST		
				HOLDER	PERCENTAGE	
					2011	2010
IBEROASISTENCIA, S.A.	Tucuman, 744 B. Aires (Argentina)	35.00%	Travel Assistance	<ul style="list-style-type: none"> MAPFRE ASISTENCIA IBEROASISTENCIA 	99.9999 0.0001	99.9999 0.0001
SUR ASISTENCIA, S.A.	Av.Apoquindo 4499 Santiago de Chile (Chile)	17.50%	Travel Assistance	<ul style="list-style-type: none"> MAPFRE ASISTENCIA IBEROASISTENCIA 	99.0000 1.0000	99.0000 1.0000
IBEROASISTENCIA, S.A.	Sor Ángela de la Cruz, 6 (Madrid) Spain	35.00% (1)	Travel Assistance	<ul style="list-style-type: none"> MAPFRE ASISTENCIA MAPFRE FAMILIAR 	99.9300 0.0700	99.9300 0.0700
IRELAND ASSIST, LTD	22-26 Prospect Hill Galway (Irlanda)	12.50%	Travel Assistance	<ul style="list-style-type: none"> MAPFRE ASISTENCIA 	100.0000	100.0000
GULF ASSIST, B.S.C.	Manama Centre Building Manama (Barhrain)	--	Travel Assistance	<ul style="list-style-type: none"> MAPFRE ASISTENCIA 	74.6250	74.6250
INSURE AND GO	Maitland House, Warrior Square, Southend-on-Sea, Essex SS1 2JY, (UK)	28.00%	Travel Assistance	<ul style="list-style-type: none"> MAPFRE ASISTENCIA 	100.0000	100.0000
INSURE AND GO AUSTRALIA	SWAAB Attorneys, Level 1, 20 Hunter Street, Sydney, NSW 2000 (Australia)	28.00%	Travel Assistance	<ul style="list-style-type: none"> INSURANCE AND GO MAPFRE ASISTENCIA 	--- 100.0000	100.0000 ---
TRAVEL CLAIMS SERVICIOS LIMITED	Maitland House, Warrior Square, Southend-on-Sea, Essex SS1 2JY, (UK)	28.00%	Travel Assistance	<ul style="list-style-type: none"> INSURANCE AND GO 	100.0000	100.0000
INSURE AND GO AUSTRALASIA	Maitland House, Warrior Square, Southend-on-Sea, Essex SS1 2JY, (UK)	28.00%	Travel Assistance	<ul style="list-style-type: none"> INSURANCE AND GO 	100.0000	100.0000
CIG SERVICIOS LIMITES	Maitland House, Warrior Square, Southend-on-Sea, Essex SS1 2JY, (UK)	28.00%	Travel Assistance	<ul style="list-style-type: none"> INSURANCE AND GO 	100.0000	100.0000
FRANCE ASSIST	55, Rue Raspail Levallois Perret (France)	34.33%	Travel Assistance	<ul style="list-style-type: none"> MAPFRE WARRANTY 	100.0000	100.0000
EUROSOS ASSISTANCE, S.A.	282 Messogion Avenue 155,62 Neo Psychico. Atenas (Greece)	35.00%	Travel Assistance	<ul style="list-style-type: none"> IBEROASISTENCIA MAPFRE ASISTENCIA 	0.5000 99.5000	0.5000 99.5000
CARIBE ASISTENCIA, S.A.	Avda. Tiradentes Esq.Pres. Gonzalez. Edif.La Cumbre. Ens. Naco.Domingo (Dominican Republic)	25.00%	Travel Assistance	<ul style="list-style-type: none"> MAPFRE ASISTENCIA 	72.7130	72.7130
ECUASISTENCIA, S.A.	Avda.Doce de Octubre, 1942 Quito (Ecuador)	25.00%	Travel Assistance	<ul style="list-style-type: none"> MAPFRE ASISTENCIA ANDIASISTENCIA 	94.5400 5.4600	94.5400 5.4600
CONSULTING DE SOLUCIONES Y TECNOLOGÍAS SIAM, S.A.	Sor Ángela de la Cruz, 6 (Madrid) Spain	30.00% (1)	Consultancy	<ul style="list-style-type: none"> MAPFRE ASISTENCIA IBEROASISTENCIA 	99.9259 0.0741	99.9259 0.0741
PERÚ ASISTENCIA, S.A.	Tarata 160-9ª -Miraflores Lima (Peru)	30.00%	Travel Assistance	<ul style="list-style-type: none"> MAPFRE ASISTENCIA IBEROASISTENCIA 	99.8639 0.1361	99.8639 0.1361
IBEROASISTECIA INTERNACIONAL	Sor Ángela de la Cruz, 6 (Madrid) Spain	30.00% (1)	Travel Agency	<ul style="list-style-type: none"> MAPFRE ASISTENCIA IBEROASISTENCIA 	99.7600 0.2400	99.7600 0.2400
VIAJES MAPFRE CCI, S.L.	Sor Ángela de la Cruz, 6 (Madrid) Spain	30.00%	Travel wholesaler	<ul style="list-style-type: none"> MAPFRE ASISTENCIA 	100.0000	100.0000
MÉXICO ASISTENCIA, S.A.	Porfirio Díaz, 100 Col.Nochebuena Mexico D.F. (Mexico)	30.00%	Travel Assistance	<ul style="list-style-type: none"> MAPFRE ASISTENCIA 	99.9998	99.9998
ALLMAP ASSIST GESELLSCHAFT FUR BEISTANDSLEISTUNGEN MBH	Im Rosengarten, 256 61118 Bal Vilbel (Germany)	30.00%	Travel Assistance	<ul style="list-style-type: none"> MAPFRE ASISTENCIA IBEROASISTENCIA 	99.9500 0.0500	99.9500 0.0500
PANAMÁ ASISTENCIA, S.A.	Calle 50 local 9 D, piso 9 Panama, Bella Vista (Panama)	30.00%	Travel Assistance	<ul style="list-style-type: none"> MAPFRE ASISTENCIA 	58.0000	58.0000
TUR ASSIST, LTD.	Hakki Yeten Caddesi Dogu is Merkezi 17/2 (Turkey)	30.00%	Travel Assistance	<ul style="list-style-type: none"> MAPFRE ASISTENCIA IBEROASISTENCIA 	91.6667 8.3333	91.6667 8.3333
URUGUAY ASISTENCIA,S.A.	Rincón, 487 of.610 Montevideo (Uruguay)	30.00%	Travel Assistance	<ul style="list-style-type: none"> MAPFRE ASISTENCIA IBEROASISTENCIA 	94.8165 5.1835	94.8165 5.1835

	FINANCIAL YEAR END FIGURES (thousand euros)									
	ASSETS		EQUITY		REVENUES		EARNINGS AFTER TAX		METHOD OR PROCEDURE	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	8,437	8,041	4,679	3,514	20,967	19,091	384	193	(A)	(A)
	9,842	8,154	3,259	3,520	22,047	15,613	877	243	(A)	(A)
	10,457	7,920	2,088	1,964	5,525	5,704	295	90	(A)	(A)
	2,545	5,792	1,500	1,495	2,644	1,597	145	110	(A)	(A)
	5,927	6,129	2,991	3,301	3,952	4,216	756	1,361	(A)	(A)
	7,164	3,436	3,644	(4,143)	28,543	4,743	1,924	429	(A)	(G)(A)
	1,199	65	192	(26)	987	98	339	(15)	(A)	(G)(A)
	1,116	688	226	448	1,848	329	50	(39)	(A)	(G)(A)
	860	---	(675)	---	518	---	(421)	---	(A)	(G)(A)
	---	---	---	---	---	---	---	---	(A)	(G)(A)
	538	587	261	311	301	277	99	77	(A)	(A)
	1,597	1,644	(348)	(353)	1,237	2,193	160	260	(A)	(A)
	1,901	1,590	1,203	1,199	1,690	1,623	255	259	(A)	(A)
	2,241	1,813	560	778	5,719	4,922	(26)	60	(A)	(A)
	6,374	6,140	6,374	6,140	---	55	112	350	(B)	(B)
	1,295	822	750	547	1,336	1,182	157	167	(A)	(A)
	4,624	4,615	4,607	4,524	---	---	83	276	(A)	(A)
	17	19	(225)	(222)	---	---	(3)	(2)	(A)	(A)
	13,314	12,134	4,728	4,995	28,266	28,643	1,464	1,745	(A)	(A)
	44	53	44	53	---	---	(1)	(15)	(B)	(B)
	1,390	1,126	466	568	2,893	1,855	(25)	32	(A)	(A)
	4,677	4,107	1,017	644	41,381	36,132	326	117	(A)	(A)
	2,636	1,738	1,206	862	6,406	5,188	622	391	(A)	(A)

NAME	REGISTERED ADDRESS	EFFECTIVE TAX RATE	LINE OF BUSINESS	EQUITY INTEREST		
				HOLDER	PERCENTAGE	
					2011	2010
ASISTENCIA BOLIVIANA, S.A.	Celso Castedo Barba, 39 Centro Santa Cruz (Bolivia)	25.00%	Travel Assistance	• MAPFRE ASISTENCIA	99.4600	99.4600
COSTA RICA ASISTENCIA	Sabana Norte rest Chicote 100 mN 25 E 200 N 25 E San José (Costa Rica)	30.00%	Travel Assistance	• MAPFRE ASISTENCIA	100.0000	100.0000
QUETZAL ASISTENCIA, S.A.	Diagonal 6, zona 10 Ed.internaciones, Of. 301 (Guatemala)	--	Travel Assistance	• MAPFRE ASISTENCIA	99.9920	99.9920
EL SALVADOR ASISTENCIA, S.A.	Centro Finarc Gigarte Torre B 3º nivel sobre Alameda Roosevelt San Salvador (El Salvador)	25.00%	Travel Assistance	• MAPFRE ASISTENCIA • IBEROASISTENCIA	99.9900 0.0100	99.9900 0.0100
LLC MAPFRE WARRANTY	Denisovskiy Pereulok 26 105005, Moscu (Rusia)	20.00%	Travel Assistance	• MAPFRE ASISTENCIA	100.0000	100.0000
NICASSIT, S.A.	Colonial Los Robles, Managua, (Nicaragua)	30.00%	Travel Assistance	• MAPFRE ASISTENCIA	100.0000	100.0000
BENELUX ASSIST, S.A.	Rue de Treves, 45 Bruxelles, (Belgique)	34.00%	Travel Assistance	• MAPFRE ASISTENCIA	70.0000	70.0000
MAPFRE WARRANTY S.P.A.	Strada Trossi 10/A 13030 Verone (Italia)	37.25%	Coverage Extension	• MAPFRE ASISTENCIA • IBEROASISTENCIA	99.9900 0.0100	99.9900 0.0100
ALLIANCE OPTIMALE, S.L.R.	Zac de la Donniere, 8 69970 Marennes (France)	33.00%	Vehicle warranty	• MAPFRE WARRANTY	100.0000	100.0000
MAPFRE WARRANTIES	Route des Trois Cantons 11 l-18399 Windhoj (Luxembourg)	--	Vehicle warranty	• MAPFRE WARRANTY	100.0000	100.0000
NORASIST, INC D.B.A. ROAD CANADA	1930 Yonge S.T. Suite 1028 Toronto, Ontario M4S 1Z4 (Canadá)	30.00%	Travel Assistance	• MAPFRE ASISTENCIA	100.0000	100.0000
BRICKELL FINANCIAL SERVICIOS MOTOR CLUB INC.	7300 Corporate Center Drive, Suite 601 Miami Florida 33126 (USA)	37.30%	Travel Assistance	• MAPFRE ASISTENCIA	100.0000	100.0000
ROAD CHINA ASSISTANCE Co, LTD	Jianguolu Chaoyang District, Beijing, PR (China)	30.00%	Travel Assistance	• MAPFRE ASISTENCIA	100.0000	100.0000
MAPFRE ABRAXAS SOFTWARE, LTD	9, Blenheim Court Beaufort Park Almondsbury, Bristol BS32 4NE (UK)	28.00%	Pecuniary losses	• MAPFRE ASISTENCIA	100.0000	100.0000
ABRAXAS SEGUROS	9, Blenheim Court Beaufort Park Almondsbury, Bristol BS32 4NE (UK)	28.00%	Pecuniary losses	• MAPFRE ABRAXAS	100.0000	100.0000
MAPFRE WARRANTY UK LIMITED (En 2010 MAPFRE ABRAXAS UK)	9, Blenheim Court Beaufort Park Almondsbury, Bristol BS32 4NE (UK)	28.00%	Pecuniary losses	• MAPFRE ABRAXAS	100.0000	100.0000
HOME 3	(UK)	0.00%		• MAPFRE ABRAXAS	50.0000	50.0000
CENTRO INTERNACIONAL DE SERVICIOS Y ASISTENCIA, S.A.	Edificio Biotec Plaza Local 010 Ruta 8 Km 17,500 Montevideo (Uruguay)	30.00%	Call Center	• MAPFRE ASISTENCIA	100.0000	100.0000
INDIA ROADSIDE ASSISTANCE PRIVATE LIMITED	4th Floor Dynasty Business Park Building Andheri Kurla Road Mumbai Maharashtra (India)	34.00%	Travel Assistance	• MAPFRE ASISTENCIA • IBEROASISTENCIA	99.6300 0.3700	99.6300 0.3700
ARABA ASSIST FOR LOGISTIC SERVICIOS	Wafi Al-Tal Street; Al-Otoum Commercial complex, Bldg no. 98. 4th floor, office no. (405) Amman (Jordan)	25.00%	Travel Assistance	• MAPFRE ASISTENCIA	100.0000	100.0000
ROADSIDE ASSIST ALGERIE SPA	57, Rue des Freres Adessalami 3eme étage. Vieux Kouba. Alger (Algeria)	40.00%	Travel Assistance	• MAPFRE ASISTENCIA • IBEROASISTENCIA • IBEROCONSULTING	60.3000 0.4000 0.3000	60.3000 0.4000 0.3000

	FINANCIAL YEAR END FIGURES (thousand euros)									
	ASSETS		EQUITY		REVENUES		EARNINGS AFTER TAX		METHOD OR PROCEDURE	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	(140)	(135)	(140)	(135)	---	---	---	18	(B)	(B)
	---	---	---	---	---	---	---	13	(B)	(B)
	525	366	217	155	1,650	1,459	49	(19)	(A)	(A)
	557	274	67	(167)	321	366	(47)	(92)	(A)	(A)
	1,135	388	424	359	343	114	74	(429)	(A)	(A)
	293	140	(63)	4	264	262	(61)	(24)	(A)	(A)
	3,947	4,467	3,069	2,997	9,230	9,714	409	693	(A)	(A)
	22,987	26,276	6,197	6,564	19,930	29,877	2,735	3,516	(A)	(A)
	619	695	136	216	710	505	98	127	(A)	(A)
	13	31	(17)	(9)	5	13	(8)	(4)	(A)	(A)
	1,106	1,076	504	462	3,344	2,946	37	50	(A)	(A)
	15,149	12,607	7,473	7,065	39,265	45,205	218	752	(A)	(A)
	4,361	2,107	1,219	(878)	6,620	2,697	974	(89)	(A)	(A)
	4,427	2,903	2,808	2,129	---	---	15	---	(A)	(A)
	9,537	5,346	1,814	887	13,128	12,399	1,125	888	(A)	(G)(A)
	556	844	194	142	220	150	83	(24)	(A)	(G)(A)
	996	595	(742)	239	1,016	391	(1,297)	(980)	(B)	(B)
	424	540	352	336	1,672	1,470	25	22	(A)	(A)
	3,620	2,268	1,106	698	1,464	571	513	(660)	(A)	(A)
	484	615	307	424	399	226	(31)	(74)	(A)	(A)
	2,863	1,572	1,372	821	1,796	710	519	235	(A)	(A)

NAME	REGISTERED ADDRESS	EFFECTIVE TAX RATE	LINE OF BUSINESS	EQUITY INTEREST		
				HOLDER	PERCENTAGE	
					2011	2010
NILE ASSIT	19713 26 July St. Mohandseen 2º Floor Giza (Egypt)	20.00%	Travel Assistance	<ul style="list-style-type: none"> MAPFRE ASISTENCIA IBEROASISTENCIA IBEROCONSULTING 	98.0000 1.0000 1.0000	98.0000 1.0000 1.0000
LIB ASSIT	Shohadaa El-Sahtt, Nuffleyeen P.o. Box 72166 Tripoli. (Libya)	35.00%	Travel Assistance	<ul style="list-style-type: none"> MAPFRE ASISTENCIA 	51.0000	51.0000
MAPFRE ASISTENCIA LIMITED	RM 1101-02 8 Jordan RD	35.00%	Assistance and special hazards	<ul style="list-style-type: none"> MAPFRE ASISTENCIA 	100.0000	---
MAPFRE ASISTENCIA COMPANY LIMITED	4F, Nº69, Jilin RD - Zhongshan Dist. Taipei City 104 - Taiwan	40.69%	Assistance and special hazards	<ul style="list-style-type: none"> MAPFRE ASISTENCIA 	100.0000	---
MIDDLESEA ASSIST LIMITED	18ª, Europa Centre Floriana FRN 1400, Malta	16.50%	Assistance and special hazards	<ul style="list-style-type: none"> MIDDLESEA INSURANCE P.L.C MAPFRE ASISTENCIA 	51.0000 49.0000	---
MAPFRE WARRANTY JAPAN KABUSHIKI KAISHA	1-6-1 Roppongi Minato-ku, (Tokyo)	17.00%	Travel Assistance	<ul style="list-style-type: none"> MAPFRE ASISTENCIA 	100.0000	---
INSURE & GO SEGUROS SERVICIOS USA CORP.	7300 Corporate Center Drive, Ste 601 Miami, FL 33126	37.60%	Travel Assistance	<ul style="list-style-type: none"> MAPFRE ASISTENCIA 	100.0000	---
OTHER ACTIVITIES						
REAL ESTATE						
MAPFRE INMUEBLES, S.G.A.	Avda. General Perón, 38 (Madrid) Spain	30.00% (1)	Real Estate	<ul style="list-style-type: none"> MAPFRE FAMILIAR MAPFRE SEGUROS DE EMPRESAS MAPFRE SA MAPFRE VIDA MAPFRE GLOBAL RISKS MAPFRE CAUCIÓN Y CRÉDITO 	50.1544 26.6876 9.9977 7.0279 6.1302 ---	47.0254 25.0227 9.8696 6.5894 5.7802 5.7104
INMO Germany GESTIÓN DE ACTIVOS INMOBILIARIOS, S.L.	Pso. De la Castellana, 24 (Madrid) Spain	---	Real Estate	<ul style="list-style-type: none"> MAPFRE FAMILIAR MAPFRE GLOBAL RISKS 	10.0000 10.0000	10.0000 10.0000
DESARROLLOS URBANOS CIC. S.A.	Avda. General Perón, 38 (Madrid) Spain	30.00% (1)	Real estate services	<ul style="list-style-type: none"> MAPFRE INMUEBLES MAPFRE SA 	89.9216 0.0784	89.9216 0.0784
SERVICIOS INMOBILIARIOS MAPFRE S.A.	Avda. General Perón, 38 (Madrid) Spain	26.00% (1)	Real Estate	<ul style="list-style-type: none"> MAPFRE INMUEBLES DESARROLLOS URBANOS 	99.9000 0.1000	99.9000 0.1000
INMOBILIARIA MAPINVER S.A.	Avda. General Perón, 38. (Madrid) Spain	30.00%	Real Estate	<ul style="list-style-type: none"> MAPFRE INMUEBLES 	50.0000	50.0000
MAQUAVIT INMUEBLES, S.L.	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	---	Real Estate	<ul style="list-style-type: none"> MAPFRE SA 	56.8400	100.0000
SENIOR CITIZEN'S SERVICES						
MAPFRE QUAVITAE S.A.	C/ Francisco de Rojas, 8 (Madrid) Spain	30.00%	Assistance services	<ul style="list-style-type: none"> MAPFRE SA MAPFRE FAMILIAR 	--- ---	46.0733 10.7651
QUAVITAE BIZI-KALITATE S.L.	C/ Teodoro González de Zárate,14 (Vitoria) Spain	28.00%	Senior citizens' services	<ul style="list-style-type: none"> MAPFRE QUAVITAE 	---	99.9900
AZUL CENTROS RESIDENCIALES S.A.	C/ Francisco de Rojas, 8 (Madrid) Spain	30.00%	Senior citizens' services	<ul style="list-style-type: none"> MAPFRE QUAVITAE 	---	100.0000
PROVITAE CENTROS ASISTENCIALES S.L.	C/ Fuencarral, 123 (Madrid) Spain	30.00%	Senior citizens' services	<ul style="list-style-type: none"> MAPFRE QUAVITAE MAQUAVIT INMUEBLES, S.L. 	--- 50.0000	50.0000 ---
BIOINGIENERIA ARAGONESA, S.L.	C/ Francisco de Rojas, 8 (Madrid) Spain	30.00%	Technology for senior citizens	<ul style="list-style-type: none"> MAPFRE QUAVITAE MAPFRE FAMILIAR QUAVITAE BIZI-KALIT. MAQUAVIT INMUEBLES, S.L. 	--- 40.0000 --- 60.0000	30.0000 40.0000 30.0000 ---
BANKING AND FINANCE						
BANCO DE SERVICIOS FINANCIEROS CAJA MADRID-MAPFRE, S.A.	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	--	Banking	<ul style="list-style-type: none"> MAPFRE SA 	---	48.9684
FANCY INVESTMENT S.A.	Avda. 18 de Julio, 841 Montevideo (Uruguay)	--	Financial	<ul style="list-style-type: none"> MAPFRE SA 	100.0000	100.0000

FINANCIAL YEAR END FIGURES (thousand euros)										
ASSETS		EQUITY		REVENUES		EARNINGS AFTER TAX		METHOD OR PROCEDURE		
2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	
333	180	(85)	(24)	941	180	(17)	(102)	(A)	(A)	
84	143	(56)	125	---	97	(58)	(135)	(A)	(A)	
416	---	233	---	564	---	80	---	(F)(A)	---	
214	---	214	---	---	---	(2)	---	(F)(A)	---	
300	---	300	---	---	---	---	---	(F)(A)	---	
---	---	---	---	---	---	---	---	(F)(A)	---	
773	---	773	---	---	---	---	---	(F)(A)	---	
967,613	1,037,124	650,205	713,375	36,212	66,326	13,682	(22,233)	(A)	(A)	
94,324	99,328	94,324	99,328	---	5	---	5	(C)	(C)	
121,487	120,241	(1,041)	623	21	49	(1,664)	34	(A)	(A)	
592	622	371	364	1,514	1,629	11	4	(A)	(A)	
13,815	21,127	(4,276)	3,620	---	---	(7,896)	(461)	(E)	(E)	
70,886	4	45,210	4	6,939	---	3,145	---	(A)	(G)(A)	
---	97,248	---	45,400	---	131,327	---	3,522	(H)	(A)	
---	24,527	---	6,470	---	13,487	---	(869)	(H)	(A)	
---	4,450	---	556	---	2,403	---	(70)	(H)	(A)	
8,200	8,205	6,536	6,568	---	---	(26)	(21)	(E)	(E)	
468	1,400	(2,730)	(1,785)	135	789	(705)	(2,369)	(A)	(A)	
---	6,113,353	---	321,502	---	388,705	---	(117,177)	(H)	(C)	
9,043	7,493	8,780	7,320	---	---	---	---	(A)	(A)	

NAME	REGISTERED ADDRESS	EFFECTIVE TAX RATE	LINE OF BUSINESS	EQUITY INTEREST		
				HOLDER	PERCENTAGE	
					2011	2010
OTHERS						
CENTRO INTERNACIONAL DE FORMACIÓN DE DIRECTIVOS S.A.	Ctra. Nacional I, km 32,500 (San Agustín de Guadalix) Spain	-- (1)	Training	• MAPFRE SA	100.0000	100.0000
MAPFRE INTERNET S.A.	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	-- (1)	Informatics	• MAPFRE FAMILIAR	78.5000	78.5000
				• MAPFRE VIDA	15.0000	15.0000
				• MAPFRE ASISTENCIA	2.0000	2.0000
				• MAPFRE CAUCIÓN Y CRÉDITO	1.2500	1.2500
				• MAPFRE RE	1.0000	1.0000
				• MAPFRE SA	1.0000	1.0000
				• MAPFRE GLOBAL RISKS	0.6250	0.6250
				• MAPFRE SEGUROS DE EMPRESAS	0.6250	0.6250
MAPFRE INFORMÁTICA A.I.E.	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	--	Informatics	• MAPFRE FAMILIAR	78.7000	78.7000
				• MAPFRE GLOBAL RISKS	5.2500	5.2500
				• MAPFRE SEGUROS DE EMPRESAS	5.2500	5.2500
				• MAPFRE VIDA	5.0000	5.0000
				• MAPFRE CAUCIÓN Y CRÉDITO	2.5000	2.5000
				• MAPFRE RE	1.0000	1.0000
				• MAPFRE ASISTENCIA	1.0000	1.0000
				• MAPFRE AMÉRICA	0.6000	0.6000
				• MAPFRE INVERSIÓN	0.5000	0.5000
				• MAPFRE SA	0.2000	0.2000
MAPFRE SOFT S.A.	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	30.00% (1)	Informatics.	• MAPFRE AMÉRICA	99.9991	99.9991
				• MAPFRE FAMILIAR	0.0009	0.0009

CONSOLIDATION METHOD OR PROCEDURE

- (A) Fully consolidated subsidiaries
- (B) Subsidiaries excluded from consolidation
- (C) Associated and investee companies by the equity method
- (D) Associated and investee companies excluded from consolidation
- (E) Joint ventures consolidated by proportional integration
- (F) Companies added to the scope of consolidation in 2011
- (G) Companies added to the scope of consolidation in 2010
- (H) Companies removed from the scope of consolidation in 2011

TAX GROUP

- (1) Company that forms part of Tax Group 9/85
- (2) Company that forms part of the VAT 87/10 corporate group

	FINANCIAL YEAR END FIGURES (thousand euros)									
	ASSETS		EQUITY		REVENUES		EARNINGS AFTER TAX		METHOD OR PROCEDURE	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	---	---	---	---	---	---	---	---	(A)	(A)
	15,656	18,866	3,436	3,312	29,125	23,968	117	108	(A)	(A)
	31,046	40,724	1,000	1,000	205,605	194,966	---	---	(A)	(A)
	4,525	4,744	2,440	2,918	248	7,625	(478)	894	(A)	(A)

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Audit report for the Annual Consolidated Financial Statements



Translation of the audit report and consolidated annual accounts originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails (See Note 9)

AUDIT REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

To the Shareholders of
 MAPFRE, S.A.:

We have audited the consolidated annual accounts of MAPFRE, S.A. (the Parent Company) and its subsidiaries (the Group), which comprise the consolidated balance sheet at December 31, 2011, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement, and the notes thereto for the year then ended. As indicated in Note 2.1 to the accompanying consolidated annual accounts, the Parent Company's directors are responsible for the preparation of the Group's annual accounts in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, and other provisions in the regulatory framework applicable to the Group. Our responsibility is to express an opinion on the aforementioned consolidated annual accounts taken as a whole, based upon work performed in accordance with prevailing audit regulations in Spain, which require the examination, through the performance of selective tests, of the evidence supporting the consolidated annual accounts, and the evaluation of whether their presentation, the accounting principles and criteria applied and the estimates made are in agreement with the applicable regulatory framework for financial information.

In our opinion, the accompanying 2011 consolidated annual accounts give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of MAPFRE, S.A. and its subsidiaries at December 31, 2011, and the consolidated results of operations and consolidated cash flow for the year then ended, in conformity with IFRS, as adopted by the EU, and other applicable provisions in the regulatory framework for financial information.

While it does not affect our opinion, we would like to draw attention to the matters described in accompanying notes 6.4 and 6.15 to the consolidated financial statements, which provide a breakdown of Sovereign Debt exposures at December 31, 2011 and the provision allocated in financial year 2011 to cover possible loss ensuing from the current instability of the financial markets, respectively.

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The accompanying 2011 consolidated management report contains such explanations as the Parent Company's directors consider appropriate concerning the situation of MAPFRE, S.A. and its subsidiaries, the evolution of its business and other matters; however, it is not an integral part of the consolidated annual accounts. We have checked that the accounting information included in the aforementioned consolidated management report agrees with the 2011 consolidated annual accounts. Our work as auditors is limited to verifying the consolidated management report in accordance with the scope mentioned in this paragraph, and does not include the review of information other than that obtained from the accounting records of the consolidated companies.

ERNST & YOUNG, S.L.

(signed in the original issued in spanish language)

Alfredo Martínez Cabra

February 9, 2012

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Subsidiary companies

MAPFRE conducts its business activities through various Operating Units with spheres of operation defined on a specialisation or regional basis; as displayed in the organizational chart included in this report, which are structured into three Operating Divisions (Domestic Direct Insurance, International Direct Insurance and Global Businesses).

Each Division has its own Management Committee in order to manage, co-ordinate and supervise the businesses.

Domestic Direct Insurance

International Direct Insurance

Global Businesses

The following pages includes summary information of the activities and results obtained during 2011 by the Operating Divisions and the Units and Companies that comprise them.



DOMESTIC DIRECT INSURANCE DIVISION

MANAGEMENT COMMITTEE	
CHAIRMAN	Mr. Antonio Huertas Mejías
FIRST VICE-CHAIRMAN	Mr. Ignacio Baeza Gómez
SECOND VICE-CHAIRMAN	Mr. Esteban Pedrayes Larrauri
THIRD VICE-CHAIRMAN	Mr. Francisco Marco Orenes
MEMBERS	Mr. Miguel Ángel Almazán Manzano
	Mr. Aristóbulo Bausela Sánchez
	Mr. Rafael Casas Gutiérrez
	Mr. Ángel Luis Dávila Bermejo
	Mr. Juan Fernández Palacios
	Mr. José Manuel Inchausti Pérez
	Mr. Jesús Martínez Castellanos
	Mr. Antonio Núñez Tovar
	Mr. Esteban Tejera Montalvo
SECRETARY	Mr. Rafael Estévez Comas

Members on the date of issue of the Annual Report.



The Division handles the direct insurance business in Spain, and includes MAPFRE FAMILIAR, MAPFRE VIDA and MAPFRE SEGUROS DE EMPRESAS.

The commercial offering includes insurance products and all-round advisory services for the motor, homeowner, health, life and savings segments, and has a Regional Structure in Spain formed by 39 geographical divisions which, from 1st January 2012, will consist of 9 Regional Head Offices and 31 Regional Offices.

It distributes its products through 3,155 own branches, 4,336 bancassurance branches and 22,071 intermediaries.

Key figures

ITEM	2011	2010	Chg. % 11/10
EQUITY			
MAPFRE FAMILIAR	1,405.5	1,407.9	(0.2%)
MAPFRE VIDA	1,612.0	1,228.6	31.2%
MAPFRE SEGUROS DE EMPRESAS	259.8	249.2	4.3%
PREMIUMS	7,858.9	7,404.9	6.1%
MAPFRE FAMILIAR	3,994.2	4,005.4	(0.3%)
MAPFRE VIDA	3,197.6	2,716.9	17.7%
MAPFRE SEGUROS DE EMPRESAS	667.1	682.6	(2.3%)
TOTAL REVENUES	10,020.2	9,483.2	5.7%
MAPFRE FAMILIAR	4,588.9	4,668.8	(1.7%)
MAPFRE VIDA	4,663.9	4,020.6	16.0%
MAPFRE SEGUROS DE EMPRESAS	767.4	793.8	(3.3%)
EARNINGS AFTER TAX AND MINORITIES	594.6	42.4	(7.4%)
MAPFRE FAMILIAR	371.3	412.8	(10.1%)
MAPFRE VIDA	133.1	135.1	(1.5%)
MAPFRE SEGUROS DE EMPRESAS	90.2	94.5	(4.6%)
AVERAGE NUMBER OF EMPLOYEES	9,536	9,855	(3.2%)
MAPFRE FAMILIAR	8,096	8,149	(0.7%)
MAPFRE VIDA	872	851	2.5%
MAPFRE SEGUROS DE EMPRESAS	568	855	(33.6%)

(MILLION EUROS)

Meeting of the Strategic Plan for the Domestic Direct Insurance Division





DOMESTIC DIRECT INSURANCE DIVISION

MAPFRE FAMILIAR and its dependent companies

BOARD OF DIRECTORS		Steering Committee	Compliance Committee
CHAIRMAN	Mr. Ignacio Baeza Gómez	Chairman	
FIRST VICE-CHAIRMAN	Mr. Francisco Marco Orenes	First Vice-Chairman	
SECOND VICE-CHAIRMAN	Mr. Francisco Ruiz Risueño	Second Vice-Chairman	Chairman
MEMBERS	Mr. Juan José Almagro García		
	Mr. Pedro Bedia Pérez ⁽¹⁾		
	Mr. Miguel Blesa de la Parra		
	Ms. M ^a Jesús Fernández Antón		Member
	Mr. José Manuel Inchausti Pérez	Member	
	Mr. Andrés Jiménez Herradón		
	Mr. Alberto Manzano Martos		
	Mr. Jesús Martínez Castellanos		
	Mr. Antonio Núñez Tovar	Member	
	Mr. Esteban Pedrayes Larrauri	Member	
	Mr. Matías Salvá Bennasar		Member
	Mr. Fernando Sobrini Aburto ⁽²⁾		
	Mr. Domingo Sugranyes Bickel		Member
	Mr. Esteban Tejera Montalvo	Member	
	Mr. Francisco Vallejo Vallejo	Member	Member
	Mr. Virgilio Zapatero Gómez ⁽³⁾		
SECRETARY	Mr. Rafael Estévez Comas	Secretary	

Composition of governing body on the date of preparation of this annual report

[1] In representation of MEDIACIÓN Y DIAGNÓSTICOS, S.A.

[2] In representation of VALORACIÓN Y CONTROL, S.L.

[3] In representation of PACÍN, S.L.

MAPFRE FAMILIAR's activities have continued focusing on the three major strategic goals: profitability and growth, customer loyalty and innovation and efficiency.



MAPFRE stand at the Barcelona Motor Show



Mr. Nico Terol became the 2011 World Motorcycling Champion in the 125cc category

The Spanish insurance industry, and MAPFRE in particular as the industry leader, has been hit significantly by the economic recession, especially in the automotive and construction industries, and the destruction of the business fabric.

In this context, MAPFRE FAMILIAR ended the year with premiums totalling €3,994.2 million, a decline of 0.3% compared to 2010 and a net result of €371.3 million, with a combined ratio of 90.7%.

This downturn, which led to the non-renewal of the civil servants' business, was offset by the start of new businesses such as VERTI and by new bancassurance distribution agreements with CATALUNYACAIXA.

Main activities

MAPFRE FAMILIAR's activities have continued focusing on the three major strategic goals (profitability and growth, customer loyalty and innovation as key factors in customer focus, and efficiency by taking advantage of synergies), without relinquishing the principle of specialisation that has always been one of MAPFRE'S features.

In 2011, VERTI commenced successfully its insurance activity by achieving its targets and becoming one of the most active direct marketing operators.

During 2011 further progress has been made in integrating the management of CATALUNYACAIXA Seguros Generales' business into MAPFRE within the plans and agreements drawn up for the year. In particular, MAPFRE has taken full control of the processing of Homeowner claims, which had previously been outsourced, resulting in improved customer service quality and KPIs. And in the Motor business, the technology platforms required to issue policies are now up and running.

With regard to other activities carried out during 2011, the following are worth highlighting:

Motor

In a strongly competitive environment, with a significant decline in average premiums in the sector, MAPFRE FAMILIAR has maintained its leadership position in the market with a share of 21%, 1.1 million new policies and over 5.9 million insured vehicles. The technical profit obtained in 2011 was €207.3 million, with a combined ratio of 96%.

The goals set in terms of technical variables in claims management were also attained, particularly with regard to the good performance of average costs, settlement speed, reduction in legal costs, a decline in the number of complaints, while maintaining an excellent result in fraud prevention.

During the year, a total of 2,906,426 claims for Property Damages were processed, of which 92.1% were resolved, and 24,824 cases of fraud were rejected, providing savings of €45.5 million; 385,733 claims for Bodily Injuries, of which 71.1% were resolved, with 95.3% of friendly settlements designed to speed up indemnity payments; 273,336 claims for Legal Defence, of which 80.5% were resolved and 2,085,865 for Assistance services.

Property Risk

Growth rates above those of the market were achieved in this segment, thus maintaining the leading position within the Multirisk class, with a share of 13% and over 2.9 million of homes insured. The technical profit increased to €189.9 million (a 64% increase over the previous year) with a combined ratio of net earned premiums of 80.9%, representing an 8.9 percentage points improvement versus 2010.

During 2011, 1,478,556 claims for damages were reported, a drop of 2.2% on the previous year. This lower volume of claims is justified mostly by weather conditions in 2011, which were much better than those in 2010. In particular, the number of adverse weather-related claims dropped 59.4%. Climatological were particularly adverse in the previous year, when claims arising from these kinds of damages peaked, in particular due to the effects of tropical storms Floora and Xynthia.

There was also a strong takeup among our customers of the home repairs and refurbishment services, which was added to our homeowner insurance policies throughout 2010, and which in 2011 the recorded 71,845 transactions.

All in all, 1,714,868 claims were handled in the Property line, 2.9% less than in 2010.

Special attention has continued to be paid to improving the technical management of claims, which has enabled the average cost per claim to be contained, and greater activity in fraud prevention. MAPFRE reported better results in the global amounts recovered, and in this regard, the Company adhered to the SGR, the industry's specific agreement for handing claim recoveries in various lines of business. At the same time, MAPFRE maintained the specific initiatives designed to improve the level of quality perceived by customers, achieving its goals of speeding up claims settlements, reducing the number of complaints, and reducing the time that suppliers take to provide services.

Health, Accident and Burial

Excluding the business arising from the non-renewal of policies with MUFACE and ISFAS, the premiums for this line also rose (1.2%); the number of insured families amounted to 414,537, the combined ratio reached 85.9%, with a technical profit of €154.1 million, 51% higher than the previous year.



MAPFRE was the first insurance company to receive a prize at the Telva Motor Awards

With regard to claims, over 12 million healthcare claims have been processed – 1% more than in 2010 – mainly due to the increase in group policy customers.

Also a new service for texting and emailing medical authorisations and referral notes to improve customer service was launched.

The main service technical variables (average costs, fraud, complaints, speed of settlement) were kept at similar or better-than-budgeted ratios, meaning that performance goals were reached.

Customer Assistance

The C@C24, a customer service centre that caters for customer of MAPFRE FAMILIAR, MAPFRE EMPRESAS and MAPFRE VIDA, handled during 2011 almost 11 million incoming calls and 5.5 million outgoing calls, 316,000 contacts via the Internet, while 3.8 million transactions were carried out. Furthermore, the ISO 9001:2008 Quality Management System certification was renewed.

The C@C24 has received the “Innovation in Multichannel Services” award from the magazine CONTACT CENTER. This award recognizes the diversity of communication channels in place in the MAPFRE Call Centre (email, texting, videocalls, web, fax, chat, telephone, smartphone and call me back) to ensure that MAPFRE FAMILIAR’s customers can contact the Centre whichever way best suits their needs.

During 2011, the “teCuidamos” loyalty scheme continued reaping positive results in terms of the lower attrition rate and increased premiums paid by customers who have signed up for the scheme. By the end of the year, more than 1.3 million customers had joined the scheme.

Extensive efforts have been devoted to developing two key points of the scheme:

- Differentiation: there are 8 different loyalty schemes, for customers, employees, agents and representatives and the Alquimia group.
- Multichannel: in 2011 the scheme has generated over 30 million customer contacts, using all possible communication channels (emails, texts, television, payment reminders, Internet, CAC24, SGC and MAPFRE branches).

Information and technology systems

During 2011 Mapfre launched the “Customer Relationship Model” initiative, a set of projects that will transform and improve customer orientation. Work also continued on consolidating and expanding the “teCuidamos” project with new features for the web and the inclusion of new groups of customers.



*Presentation
of the
MAPFRE
Aspar team*



*Presentation both in Madrid and Barcelona of the novelties
of the YCAR insurance product for young drivers*

In bancassurance, all the necessary adjustments have been made to the MAPFRE systems (Autemis, Tron) so that they can issue and handle the CatalunyaCaixa Seguros Generales. Other developments made have widened this channel's product range, such as burial or health insurance.

In claims processing, further work went into developing and implementing the unified claims management project. Mapfre also launched efficiency-improvement initiatives such as the climatological phenomena dashboard, MULTIMAP order automation, the implementation of the motor SDM (Spanish for Property Damage Claims) agreement or delegated appraisal, among others.

Several technology projects are also underway to improve the policyholder service, in particular the implementation of external fraud detection systems, improved claims-notification information-capturing systems and solutions for claims adjuster activities.

As regards the portfolio issuance and management systems, work went ahead on the new issuance platform project and various new products have been launched, such as MAPFRE Lex, burial cover with semi-natural premium, in addition to tariff adaptations, renewals and technical adjustment supplements.

The supplier management areas has launched a health supplier portal that will improve and simplify the channels of communication with authorised health service suppliers, and work is underway on a project to offer suppliers better document management.

In Business Intelligence (BI), Mapfre has implemented the benefit balanced scorecard and the first complete information solution for the technical area.

Non-insurance subsidiaries and associated companies

The structure of MAPFRE FAMILIAR's non-insurance subsidiaries and business interests reflects its strategy of optimising the provision of services to customers by adding complementary services other than those of a strictly insurance nature. In total, these companies have obtained revenues of €688 million.

Motor

MAPFRE's road safety centre (CESVIMAP) managed to achieve many of its goals in 2011. Its activities include appraisal and after-sales training courses, boosting distance training and e-learning, as well as further study, research and dissemination of repair methodologies and times. The scrapped vehicle processing centre, CESVI RECAMBIOS, decontaminated and recycled over 2,400 vehicles. In 2011 CESVIMAP generated revenues of €13.3 million, and a pre-tax profit of €1.5 million.

2011 saw the start-up of the Breakdown and Maintenance Management programme, as well as the first uses of the "teCuidamos" Virtual Customer Advisor. The MULTISERVICAR workshop management system management model has been consolidated, with all the workshops reporting positive management results.



Convention celebrated in London

Property

The sale of the home repairs and refurbishment service has continued via the MULTIMAP and AGRADA subsidiaries, most noteworthy being the agreements signed with financial institutions for the maintenance of their real estate assets.

Health, Accident and Burial

2011 saw a start to the building of the new Hospital Centres in Barcelona, Malaga, Valencia and Gijón, and the purchase of a new site for the Seville Hospital Centre. A new management tool has been purchased to ensure that services are provided more efficiently.

In the last quarter of 2011, GESMAP was taken over by FUNESPAÑA in a merger, and MAPFRE FAMILIAR now owns 45.1% of the share capital of FUNESPAÑA. As it holds more than 30% of the company's voting rights and pursuant to current legislation, in late 2011 MAPFRE FAMILIAR began taking the steps to launch a tender offer for the outstanding shares. This process is expected to conclude during the first half of 2012.

Outlook

MAPFRE FAMILIAR will contribute to achieve the Group's strategic objectives on the basis of growth and profitability, customer focus and loyalty-building, multichannel distribution and efficiency. The initiatives rolled out in previous years will be consolidated during 2012, and new actions will be launched to bolster MAPFRE's leadership:

- Improve results and maintain profitability levels, in order to pay dividends to the parent company and finance the development of VERTI.
- Increase new business, above all in Homeowner, Health and Burial, while lowering the number of cancellations in Motor and Condominiums, reinforcing policy renewals.
- Raise MAPFRE's position on the retail market, promoting current services and launching new ones like Reto Salud (Health Challenge).
- Encourage cross-selling activities and work to raise the level of customer loyalty. Further policy cancellation preventive actions will be taken through the "teCuidamos" scheme. Work will continue to develop the single customer interface model.
- In multichannel distribution, efforts will focus on implementing a global bancassurance strategy, and on further developing other channels.
- Work will continue on streamlining costs and on integrating, enhancing and simplifying processes to increase service quality and obtain synergies.
- The Sales Directorate will optimise the commercial structure and distribution costs.



INCOME STATEMENT IFRS	2011	2010	Var. % 11/10
DIRECT INSURANCE AND ACCEPTED REINSURANCE			
Gross written and accepted premiums	3,994.2	4,005.4	(0.3%)
Gross earned premiums	4,038.7	4,026.4	0.3%
Claims (includes claims related expenses)	(2,893.0)	(2,931.9)	(1.3%)
Operating expenses and other technical expenses	(756.2)	(728.7)	3.8%
RESULT OF DIRECT INSURANCE AND ACCEPTED REINSURANCE	389.5	365.8	6.5%
CEDED AND RETROCEDED REINSURANCE			
Premiums and variation in unearned premium reserve	(48.8)	(74.5)	(34.5%)
Claims paid and variation in provision for claims	30.5	38.9	(21.6%)
Comissions and participation in reinsurance	17.5	18.0	(2.8%)
RESULT OF CEDED AND RETROCEDED REINSURANCE	(0.8)	(17.6)	(95.5%)
Other technical revenues and expenses	(20.1)	(11.3)	77.9%
LIFE AND NON-LIFE TECHNICAL RESULT	368.6	336.9	9.4%
Net income from investments	203.2	256.2	(20.7%)
Unrealised gains and losses on investments			
Other non-technical revenues and expenses	(43.3)	(36.6)	18.3%
Result of minority interests	(16.2)	(5.9)	174.6%
LIFE AND NON-LIFE RESULT	512.3	550.6	(7.0%)
OTHER ACTIVITIES			
Operating revenues	198.7	212.4	(6.5%)
Operating expenses	(171.1)	(207.6)	(17.6%)
Net income from investments and other income	(20.0)	2.2	
Result of minority interests			
RESULT OF OTHER ACTIVITIES	7.6	7.0	8.6%
RESULT BEFORE TAX AND MINORITIES	519.9	557.6	(6.8%)
Tax on profits	(145.0)	(140.8)	3.0%
Result after tax from ongoing operations	(0.1)	(2.3)	(95.7%)
RESULT AFTER TAX	374.8	414.5	(9.6%)
Attributable to minority shareholders	(3.5)	(1.7)	105.9%
RESULT AFTER TAX AND MINORITY SHAREHOLDERS	371.3	412.8	(10.1%)

MILLION EUROS

NON-LIFE RATIOS	2011	2010
Claims ratio of direct insurance	71.7%	73.1%
Expense ratio of direct insurance	19.0%	18.3%
Combined ratio, net of reinsurance	90.7%	91.4%

GROSS WRITTEN AND ACCEPTED PREMIUMS	2011	2010	Var. % 11/10
Homeowner	624.0	578.8	7.8%
Burial	266.2	257.4	3.4%
Motor	2,366.8	2,367.4	0.0%
Condominium	153.2	151.6	1.1%
Shop premises	72.7	120.5	(39.7%)
Accident	81.2	90.1	(9.9%)
Pecuniary losses	5.2	4.7	10.6%
Other	424.9	434.9	(2.3%)
TOTAL	3,994.2	4,005.4	(0.3%)

MILLION EUROS

BALANCE SHEET KEY FIGURES (IFRS)	2011	2010	Var. % 11/10
Investments and cash	3,642.6	3,761.1	(3.2%)
Total assets	5,915.5	6,117.4	(3.3%)
Shareholders equity	1,405.5	1,407.9	(0.2%)
ROE	27.4%	30.7%	(10.9%)

MILLION EUROS

SOLVENCY AND COVERAGE OF TECHNICAL RESERVES	2011	2010	Var. % 11/10
Technical reserves requiring coverage	3,362.1	3,407.3	(1.3%)
Excess of eligible assets over reserves	915.3	923.5	(0.9%)
Minimum solvency margin	666.6	670.9	(0.6%)
Solvency margin	1,396.2	1,431.8	(2.5%)

MILLION EUROS

OTHER INFORMATION	2011	2010	Var. % 11/10
Average number of employees	8,096	8,149	(0.7%)
Policies in force at year end (thousands)	10,949	10,822	1.2%
Claims handled during the year (thousands)	4,858	4,943.1	(1.7%)
Claims settled during the year (thousands)	4,320	4,347.3	(0.6%)



Left: new loss adjustment centre in Logroño

Right: GESVIMAR, the first company in Spain to investigate an electric vehicle

DOMESTIC DIRECT INSURANCE DIVISION

MAPFRE VIDA and its dependent companies, CCM VIDA Y PENSIONES, UNIÓN DUERO VIDA and DUERO PENSIONES

BOARD OF DIRECTORS		Steering Committee	Compliance Committee
CHAIRMAN	Mr. Ignacio Baeza Gómez	Chairman	
FIRST VICE-CHAIRMAN	Mr. Esteban Tejera Montalvo	First Vice-Chairman	
SECOND VICE-CHAIRMAN	Mr. Luis Hernando de Larramendi y Martínez	Second Vice-Chairman	Chairman
CHIEF EXECUTIVE OFFICER	Mr. Juan Fernández Palacios	Member	
MEMBERS	Mr. Miguel Ángel Almazán Manzano	Member	
	Mr. José Barbosa Hernández		
	Mr. Rafael Fontoira Suris		Member
	Mr. Santiago Gayarre Bermejo		
	Ms. Francisca Martín Tabernero		Member
	Mr. Antonio Miguel-Romero de Olano		
	Mr. Filomeno Mira Candel		
	Mr. Fernando Moreno Marcos		
	Mr. Manuel Lagares Gómez-Abascal ¹		
	Mr. Gorka Barrondo Agudín		
	Mr. Francisco Ruiz Risueño	Member	Member
	Mr. Aristóbulo Bausela Sánchez	Member	
	Mr. Andrés Jiménez Herradón		
SECRETARY	Mr. Luis María Polo Rodríguez	Secretary	
	Ms. M ^a Luisa Linares Palacios		Secretary

Composition of governing body on the date of preparation of this annual report.

[1] In representation of PARTICIPACIONES Y CARTERA DE INVERSIÓN, S.L.

In 2011 the situation is still marked by high levels of instability in the markets.

The crisis that began in 2007 took a significant turn for the worse in 2011. The situation is still marked by high levels of instability on the fixed income and equity markets alike. The higher sovereign risk premium of several countries, including Spain, has again pushed the differential between our country and German debt to record highs. The stock markets did not perform better, with the IBEX 35 index losing 13.1% in 2011. In this economic and financial context, the markets for the products sold by the Life and Savings unit fared quite differently:

- The volume of savings managed in the life assurance business, represented by technical provisions, rose 5.1%, to €154,114 million, with a 9.4% rise in the volume of premiums.
- Mutual fund and money market fund assets amounted to €127,772 million, a year-on-year decline of €10,230 million, representing a decline of 7.4%.
- Pension fund assets totalled €82,992 million, the volume having fallen €1,758 million over the last twelve months, representing a decline of 2.1%.

Once again this year, MAPFRE's Life and Savings Unit managed to overcome the problems facing most financial institutions in our economic environment, achieving higher growth rates in issuance volumes than in Life for the Spanish insurance sector. The volume of mutual fund assets fell slightly more than the sector average, while pension fund assets fared better.

Main activities

New products

As usual, 2011 saw high levels of activity in innovation and new product launches for the Agents' Network. This included, in risk insurance, "*CoverVida*", whose key feature is that it is very competitively priced; and in savings products, a highly innovative new product (*Dividendo Vida*), based on a basket of shares which form part of the IBEX 35 index, with annual payment of dividends; the number of subscribers to the 4-year *Millón Vida* scheme has been boosted, by improving the yield investors are guaranteed. Three new guaranteed equity mutual funds have been launched (*FondMapfre Garantizado 1104, 1107, 1111*), along with one guaranteed fixed income fund (*FondMapfre Puente Garantía*).

New unit-linked policies have been launched for the Bancassurance Network with innovative profitability schemes. In this regard it is worth highlighting the products launched through CATALUNYACAIXA (*Seguro Rendimiento and Seguro Disponibilidad*), and the *SeguroInverplus 20/10*, marketed through the BANKINTER network.

Sales initiatives

During 2011 and in line with the Unit's strategy, sales efforts again focused on boosting sales of protection products, especially non-mortgage related products, due to the downturn in lending by financial institutions.

In savings insurance, efforts have focused on guaranteed return products, both in terms of medium and long-term savings and retirement-related schemes (guaranteed pension plans). Additionally, work has been focused on selling life annuity products to Senior Citizens segment.

1st international symposium on financial investments, held in Barcelona



MAPFRE VIDA celebrated the Gala of Bridges, coinciding with its annual convention, held in Miami





*Left: presentation of a study about pensions, in Madrid
Right: conference about pensions held in Vigo*



The various initiatives resulted in premiums totalling €3,197.6 million, with a 17.7% increase over the previous year, while the volume of technical provisions amounted to €17,810.9 million, similar to the previous year-end figure.

In mutual funds, the strategy was based on the promotion of guaranteed funds, reaching a total of assets under management of €1,732.4 million, a decline of 10.3%. In pension funds, efforts were oriented to encouraging external fund transfers and promoting guaranteed funds in bancassurance channels. Assets under management totalled €5,081.3 million at the end of the year, down 2.2%.

Technical management

This area of activity has focused on the development of a broad spectrum of new products launched in 2011, on the ongoing progress of integration processes, the technical management of the new business interests and on driving the technological renovation processes already under way.

Work is underway on determining all the changes necessary to conform to the new Solvency II regulations.

Information and technology systems

During 2011, the company has carried out the developments required to support the operation and release of the new products, both in the Agents' Network and in the Banking Network, making inroads in the efficient support of the management of the companies where it has a shareholding.

The Agents' Network staff now has a new tool on the Mapfre intranet: the "MAPFRE VIDA Site", where they can check on incentives available for the Specific Life Network, as well as the commercial information and details of marketed products; and the "Pension Supplement Calculation" tool has been adapted to the future pension legislation.

With a view to boosting customer focus in the Life unit, tailoring communication and value propositions to its life cycle and needs, progress has been made in the "Analysis of the LIFE Customer" project, with the first stage having been completed. The Unit has also set up the "Retirement Channel", a new MAPFRE thematic Internet site devoted exclusively to Retirement and Pensions, with two key goals: to enable public opinion to find out more about this issue and encourage prospective customers interested in their retirement to contact us, and then approach them through sales initiatives via the Agents' Network.

So as to develop the management information analysis models and support the strategic initiative of developing MAPFRE's Information Systems, the unit has put forward the "MAPFRE VIDA BI Master Plan" proposal, based on a strategy of rolling out Business Intelligence solutions that meet each business' identified needs.

As for the "Plan Evolucionaria", designed to revamp the technological platform underpinning the management of the business, the "HP3000 Migration Plan" has been completed, with this environment having been eliminated; and work is being concluded on the developments of new issuance and management systems of the "Individual Saving Plan" for traditional savings products, and during 2012 various phases of this project will be tackled.

Subsidiaries and other business interests

MAPFRE INVERSIÓN and its subsidiaries contributed significantly to the Unit's excellent figures, with a volume of funds under management at the end of 2011 of €4,194.8 million and a contribution to the Unit's net result of €40 million.

Premiums written by the bancassurance entities totalled €1,905.3 million, 19.4% higher than the previous year and accounting for 59.6% of the Unit's total issuance volume. Their total funds under management in insurance products and pension funds totalled €12,180.9 million euros, and they contributed €74.8 million to the Unit's net income.

Outlook

In view of the 2012 forecasts that financial institutions are set to face a shortage of credit transactions and liquidity problems, and therefore will take a more aggressive approach to attracting savings, the Unit's strategy will be to keep on giving priority to selling protection products through all the distribution channels, incorporating the marketing of accident insurance in the Agents' Network.

The priority in savings products will remain the uptake of end customer savings via pension plans. Likewise unit-linked insurance products and guaranteed mutual funds will be launched, while the sale of life annuity products to the senior citizen segment, will be promoted.

INCOME STATEMENT IFRS	2011	2010	Var. % 11/10
DIRECT INSURANCE AND ACCEPTED REINSURANCE			
Gross written and accepted premiums	3,197.6	2,716.9	17.7%
Gross earned premiums	3,185.9	2,709.4	17.6%
Claims (includes claims related expenses)	(3,271.8)	(2,990.7)	9.4%
Operating expenses and other technical expenses	(478.9)	(258.3)	85.4%
RESULT OF DIRECT INSURANCE AND ACCEPTED REINSURANCE	(564.8)	(539.6)	4.7%
CEDED AND RETROCEDED REINSURANCE			
Premiums and variation in unearned premium reserve	(100.2)	(88.1)	13.8%
Claims paid and variation in provision for claims	39.0	41.7	(6.6%)
Comissions and participation in reinsurance	48.8	35.8	36.3%
RESULT OF CEDED AND RETROCEDED REINSURANCE	(12.5)	(10.6)	18.2%
Other technical revenues and expenses	(6.3)	(6.9)	(7.7%)
LIFE AND NON-LIFE TECHNICAL RESULT	(583.6)	(557.0)	4.8%
Net income from investments	830.4	754.0	10.1%
Unrealised gains and losses on investments	(28.1)	11.7	(339.8%)
Other non-technical revenues and expenses	0.3	(1.9)	115.3%
Result of minority interests	0.0	0.0	
LIFE AND NON-LIFE RESULT	219.0	206.8	5.9%
OTHER ACTIVITIES			
Operating revenues	105.0	103.2	1.7%
Operating expenses	(52.9)	(54.0)	(2.0%)
Net income from investments and other income	5.8	6.7	(14.3%)
Result of minority interests	(0.7)	0.4	(302.8%)
RESULT OF OTHER ACTIVITIES	57.1	56.3	1.3%
RESULT BEFORE TAX AND MINORITIES	276.0	263.1	4.9%
Tax on profits	(79.4)	(75.8)	4.8%
Result after tax from ongoing operations	0.0	0.0	
RESULT AFTER TAX	196.6	187.3	5.0%
Attributable to minority shareholders	(63.5)	(52.2)	21.6%
RESULT AFTER TAX AND MINORITY SHAREHOLDERS	133.1	135.1	(1.5%)

MILLONES DE EUROS

EXPENSE RATIOS	2011	2010
Net operating expenses / average third party funds under management	1.03%	1.07%

GROSS WRITTEN AND ACCEPTED PREMIUMS	2011	2010	Var. % 10/09
Premiums issued by Agents' network	1,146.3	996.9	15.0%
Premiums issued by Bank channel	1,905.3	1,595.8	19.4%
Premiums issued centrally	146.0	124.2	17.5%
TOTAL	3,197.6	2,716.9	17.7%

MILLION EUROS

KEY FIGURES (IFRS)	2011	2010	Var. % 11/10
Funds under management (third party)	25,540.6	25,615.8	(0.3%)
Investments and cash	18,515.4	18,711.8	(1.0%)
Total assets	20,897.0	20,684.4	1.0%
Equity	1,612.7	1,228.6	31.3%
ROE	14.1%	16.2%	(13.4%)

MILLION EUROS

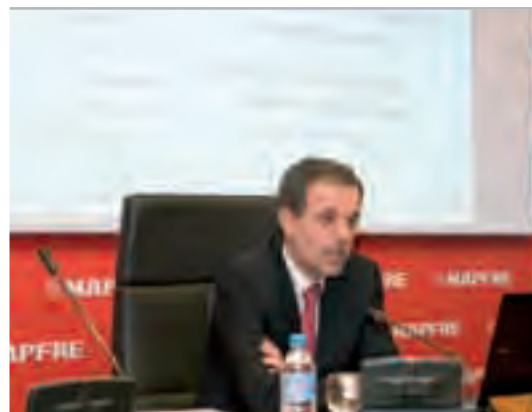
SOLVENCY AND COVERAGE OF TECHNICAL RESERVES	2011	2010	Var. % 11/10
Technical reserves requiring coverage	17,872.3	17,897.7	(0.1%)
Excess of eligible assets over reserves	1,091.3	1,029.5	6.0%
Minimum solvency margin	762.4	764.2	(0.2%)
Solvency margin	1,434.7	1,240.1	15.7%

MILLION EUROS

OTHER INFORMATION	2011	2010	Var. % 10/09
Average number of employees	872	851	2.5%
Policies in force at year end (thousands)	2,475	2,577	(4.0%)
Persons assured at year end (thousands)	3,732	4,324	(13.7%)



Participation in Bolsalia



Presentation of a study about the Spanish society and life assurance



DOMESTIC DIRECT INSURANCE DIVISION

MAPFRE SEGUROS DE EMPRESAS and its dependent companies

BOARD OF DIRECTORS		Steering Committee	Compliance Committee
CHAIRMAN	Mr. Esteban Pedrayes Larrauri	Chairman	
FIRST VICE-CHAIRMAN	Mr. Antonio Núñez Tovar	First Vice-Chairman	
SECOND VICE-CHAIRMAN	Mr. Francisco Vallejo Vallejo	Second Vice-Chairman	Chairman
CHIEF EXECUTIVE OFFICER	Mr. Jesús Martínez Castellanos	Member	
MEMBERS	Mr. Ángel Alonso Batres		
	Mr. Alfredo Castelo Marín		
	Mr. José Luis Catalinas Calleja		
	Mr. Santiago Gayarre Bermejo		
	Mr. Francisco José Marco Orenes	Member	
	Mr. Juan Martín Queralt	Member	
	Mr. Ignacio Miguel-Romero de Olano	Member	Member
	Mr. Tomás Pérez Ruiz		
	Mr. Eduardo Rodríguez Piedrabuena		Member
	MEDIACIÓN Y DIAGNÓSTICOS, S.A. (represented by Mr. Guillermo Marcos Guerrero)		
	PARTICIPACIONES Y CARTERA DE INVERSIÓN, S.L. (represented by Ms. Mercedes Rojo Izquierdo)		
	VALORACIÓN Y CONTROL, S.L. (represented by Mr. Ignacio Soria Vidal)		
SECRETARY	Mr. Francisco Javier Bergamín Serrano	Secretary	

Composition of governing body on the date of preparation of this annual report.

MAPFRE SEGUROS DE EMPRESAS ended yet another financial year with healthy results, due both to an appropriate risk selection policy and lower claims experience levels.



Convention in Prague



MAPFRE SERVICIOS DE PREVENCIÓN are integrated within Laborsalus

During 2011, the commercial insurance market followed the same trend as previous years, reporting significant falls in volumes of business in the various lines of business.

One effect of the sluggish economy is that, since 2008, there has been a steady downturn in risks related to the construction and associated industries, one of the main driving forces behind the growth seen in years leading up to the crisis, while the volume of insured risks in the market has declined slowly and gradually as companies close down. Those companies that have managed to survive do so with a smaller volume of business and fewer employees, meaning that the insurance market is shrinking even more.

In 2011, there was still far too much capacity available in the market, both from insurance companies operating in direct insurance and from reinsurers, prolonging the "soft" market cycle that began in 2008, bringing industrial risk premium rates down even further, and the strong competition triggered by low claims experience and the good results in recent years.

Despite this, MAPFRE SEGUROS DE EMPRESAS ended yet another financial year with healthy results, due both to an appropriate risk selection policy and lower claims experience levels. The required profit levels objectives have been met, in line with in the Unit's Strategic Plan.

Main activities

New products

Throughout 2011, the Company continued developing new products and tailoring existing products to current needs, the key goals being to gear technical and commercial efforts towards the economic sectors and activities with the biggest growth potential. In this regard, MAPFRE has extended the range of products marketed with the insurance policy specifically designed for the Food

Industry, which now feature specific types of cover especially tailored to its lines of business; a new comprehensive insurance policy for Local Authorities that features a broad range of types of Material Damages, Civil Liability and Assistance cover; and a policy for wind energy facilities, in accordance with this industry's insurance needs.

In the field of Combined Agricultural Insurance, the Unit has launched its Seguro Creciente (Increasing Security) schemes, which reduce the number of lines, permits comparisons of the various options or modules for each crop and tailors the policies more closely to each insured party's historical performance.

Sales initiatives

MAPFRE continued with the courses of action embarked upon in previous years, promoting the Company Business Management Centres; providing a more comprehensive offering to business customers; the development of the Broker relationship model; and furthering and improving products and sales activities in the bancassurance channel.

Specific cross-selling actions have been pursued to foster customer integrity, and further efforts were devoted to the "Plan Polígonos", devised to sell and offer our products in industrial estates.

MAPFRE has created "Territorio Empresas" for its Agency Network, which is a club for its best business insurance brokers.



Technical management and customer services

After consolidating the new customer orientation-based structure, further work went into reproducing the same structure in the regional organization. This has been given more decision-making power both in underwriting and claims processing, resulting in more flexible management processes and offering a more customer-oriented service through MAPFRE SEGUROS DE EMPRESAS.

The Regional Management Centres have been given new powers for payment-collection purposes, significant improvements being reported in the company's levels of outstanding payments; and a managed supply analysis and evaluation model has been consolidated, permitting improvements in the operating efficiency and technical skill-building of the regional teams.

Information and technology systems

Efforts in 2011 focused mainly on developing tariff calculators to simplify and facilitate the range of covers and products on offer; re-orienting processes and applications by types of customer; adapting the Combined Agricultural Insurance software to the "Seguro Creciente" policies; developing information systems for tracking and supervising business in line with the business area structure; and systemising tracking of sales campaigns and commercial activity.

Subsidiaries and other business interests

MAPFRE SERVICIOS DE PERITACIÓN (SERMAP) has fared satisfactorily, as a value-added service for our customers and to supplement our insurance products, and progress is being made in studying several scenarios that will permit us to offer in the future new services in the fields of risk prevention and management.

During 2011, the company sold its 100% interest in MAPFRE SERVICIOS DE PREVENCIÓN to the LABORSALUS Group.

Outlook

Despite the predictable "soft" market in the business risk segment, 2012 is likely to be conditioned by the following circumstances:

- Claim experience could worsen due to the steady fall in rates and premiums. This exceptionally good claim experience may worsen at any time if companies' volumes of business pick up again.
- Continuing soft market, with stiff competition and falling premiums. However, the current economic climate and decline in financial income may trigger a need to obtain solid technical results and the start of a new trend of sustained premiums.

MAPFRE SEGUROS DE EMPRESAS is moderately optimistic about the coming years, and expects to obtain increases higher than the sector as a whole, winning market share, maintaining its claims ratio and reporting larger profits. In addition it also aims to consolidate its leadership of the business insurance segment on account of the company's marked customer focus, both in its structure and in new products and sales initiatives.

INCOME STATEMENT IFRS	2011	2010	Var. % 11/10
DIRECT INSURANCE AND ACCEPTED REINSURANCE			
Gross written and accepted premiums	667.1	682.6	[2.3%]
Gross earned premiums	695.9	701.9	[0.9%]
Claims (includes claims related expenses)	(366.0)	(396.9)	[7.8%]
Operating expenses and other technical expenses	(160.6)	(152.8)	5.1%
RESULT OF DIRECT INSURANCE AND ACCEPTED REINSURANCE	169.3	152.2	11.2%
CEDED AND RETROCEDED REINSURANCE			
Premiums and variation in unearned premium reserve	(171.5)	(182.2)	[5.9%]
Claims paid and variation in provision for claims	54.7	65.5	[16.4%]
Comissions and participation in reinsurance	45.5	48.1	[5.4%]
RESULT OF CEDED AND RETROCEDED REINSURANCE	(71.3)	(68.6)	3.9%
Other technical revenues and expenses	(12.6)	(14.6)	[14.0%]
LIFE AND NON-LIFE TECHNICAL RESULT	85.4	68.9	23.9%
Net income from investments	52.2	63.9	[18.3%]
Unrealised gains and losses on investments	0.0	0.0	--
Other non-technical revenues and expenses	(6.3)	1.8	[450.0%]
Result of minority interests	(4.0)	0.0	--
LIFE AND NON-LIFE RESULT	127.3	134.6	[5.4%]
OTHER ACTIVITIES			
Operating revenues	13.3	16.0	[16.9%]
Operating expenses	(12.5)	(18.7)	[33.0%]
Net income from investments and other income	0.1	0.0	--
Result of minority interests	0.0	0.0	--
RESULT OF OTHER ACTIVITIES	0.9	(2.7)	133.3%
RESULT BEFORE TAX AND MINORITIES	128.2	131.9	[2.8%]
Tax on profits	(38.0)	(37.4)	1.6%
Result after tax from ongoing operations	0.0	0.0	--
RESULT AFTER TAX	90.2	94.5	[4.6%]
Attributable to minority shareholders	0.0	0.0	--
RESULT AFTER TAX AND MINORITY SHAREHOLDERS	90.2	94.5	[4.6%]

MILLONES DE EUROS

NON-LIFE RATIOS	2011	2010
Claims ratio of direct insurance	59.4%	63.8%
Expense ratio of direct insurance	24.3%	23.0%
Combined ratio, net of reinsurance	83.7%	86.8%

GROSS WRITTEN AND ACCEPTED PREMIUMS	2011	2010	Var. % 11/10
Agricultural	122.3	128.6	[4.9%]
Fire - Property damage	207.0	169.8	21.9%
Third party liability	233.1	258.1	[9.7%]
Engineering	48.2	66.0	[27.0%]
Transport	56.5	60.1	[6.0%]
TOTAL	667.1	682.6	[2.3%]

MILLION EUROS

BALANCE SHEET KEY FIGURES (IFRS)	2011	2010	Var. % 11/10
Investments and cash	1,115.0	1,215.3	[8.3%]
Total assets	1,797.7	2,033.6	[11.6%]
Shareholders equity	259.8	249.2	4.3%
ROE	35.4%	32.9%	7.7%

MILLION EUROS

SOLVENCY AND COVERAGE OF TECHNICAL RESERVES	2011	2010	Var. % 11/10
Technical reserves requiring coverage	1,187.4	1,223.6	[3.0%]
Excess of eligible assets over reserves	33.5	13.3	151.9%
Minimum solvency margin	109.2	108.1	1.0%
Solvency margin	276.1	235.5	17.2%

MILLION EUROS

OTHER INFORMATION	2011	2010	Var. % 11/10
Average number of employees	568	855	[33.6%]
Claims handled during the year	171,073	166,113	3.0%
Speed of settlement of claims	69.6%	71.7%	[2.9%]
Contribution of Agricultural insurance to co-insurance (€ million)	158.1	148.7	6.3%



INTERNATIONAL DIRECT INSURANCE DIVISION

MANAGEMENT COMMITTEE	
CHAIRMAN	Mr. Andrés Jiménez Herradón
FIRST VICE-CHAIRMAN	Mr. Rafael Casas Gutiérrez
SECOND VICE-CHAIRMAN	Mr. Javier Fernández-Cid Plañiol
MEMBERS	Mr. Ignacio Baeza Gómez
	Mr. Ángel Luis Dávila Bermejo
	Mr. Pedro de Macedo Coutinho de Almeida
	Mr. José Manuel Inchausti Pérez
	Mr. Antonio Núñez Tovar
	Mr. Jaime Tamayo Ibáñez
	Mr. Wilson Toncto
	Mr. Esteban Tejera Montalvo
MEMBER AND SECRETARY	Mr. Claudio Ramos Rodríguez

Members on the date of issue of the Annual Report.



MAPFRE
ARGENTINA's
25th anniversary



Opening of
MAPFRE
PANAMA's
new headquarters



MAPFRE INTERNACIONAL received a group
of Senators and Congressmen from the USA

Key figures

ITEM	2011	2010	Var. % 11/10
TOTAL EQUITY			
MAPFRE AMÉRICA	3,945.8	1,740.9	126.7%
MAPFRE INTERNACIONAL	2,439.4	2,306.3	5.8%
PREMIUMS	8,788.1	7,039.1	24.8%
MAPFRE AMÉRICA	6,874.0	5,155.6	33.3%
MAPFRE INTERNACIONAL	1,914.1	1,883.5	1.6%
TOTAL REVENUES	10,025.8	7,834.4	28.0%
MAPFRE AMÉRICA	7,841.3	5,696.3	37.7%
MAPFRE INTERNACIONAL	2,184.5	2,138.1	2.2%
RESULT AFTER TAX AND MINORITIES	390.7	317.6	23.0%
MAPFRE AMÉRICA	304.5	214.6	41.9%
MAPFRE INTERNACIONAL	86.2	103.0	(16.3%)
AVERAGE NUMBER OF EMPLOYEES	17,067	15,103	13%
MAPFRE AMÉRICA	13,310	11,705	13.7%
MAPFRE INTERNACIONAL	3,757	3,398	10.6%

(MILLION EUROS)

The Division is formed by MAPFRE AMÉRICA and MAPFRE INTERNACIONAL, which handle the direct insurance business in geographical areas other than Spain, and operate in 22 countries.

They market and sell insurance products and comprehensive advisory services in the motor, household, health, life and retirement planning lines, and distribute their products through 2,098 own offices, 5,334 bancassurance branches and 48,598 brokers.



INTERNATIONAL DIRECT INSURANCE DIVISION

MAPFRE AMÉRICA and its dependent companies

BOARD OF DIRECTORS		Steering Committee	Compliance Committee
CHAIRMAN	Mr. Rafael Casas Gutiérrez	Chairman	
FIRST VICE-CHAIRMAN	Mr. Rafael Beca Borrego	First Vice-Chairman	Chairman
MEMBERS	Mr. Juan José Almagro García		
	Mr. Ángel Alonso Batres		
	Mr. Javier Fernández-Cid Plañiol		
	Mr. José Manuel Fernández Norniella ¹		
	Mr. José M ^a García Alonso		Member
	Mr. Luis M ^a González Llano		
	Mr. Sebastián Homet Duprá		
	Mr. Alberto Manzano Martos		
	Mr. Rafael Márquez Osorio		
	Mr. José Antonio Moral Santín ²		
	Mr. Antonio Núñez Tovar	Member	
	Mr. Alfonso Rebuelta Badías	Member	Member
	Mr. Esteban Tejera Montalvo		
	Mr. Francesco Vanni d'Archirafi		
SECRETARY	Mr. Claudio Ramos Rodríguez	Secretary	

Composition of governing bodies resulting from the proposals which shall be submitted to the AGM.

[1] In representation of Corporación Financiera Caja de Madrid, S.A.
[2] In representation of Mediación y Diagnósticos, S.A.

MAPFRE AMÉRICA and its subsidiaries performed satisfactorily in 2011, enabling it to rank for the sixth year running as the region's leading Non-Life insurance company and to increase its market penetration to 10.5%.



The 6th edition of the MAPFRE AMERICA prizes

In spite of the slowdown in Latin America's regional economy, MAPFRE AMÉRICA and its subsidiaries performed satisfactorily in 2011, enabling it to rank for the sixth year running as the region's leading Non-Life insurance company and to increase its market penetration to 10.5%, compared to 7.9% the previous year.

The Unit's consolidated written premiums totalled €6,874 million in 2011, an increase of 33.3% versus 2010, mainly due to the inclusion of the revenues from those companies that form part of the alliance with BANCO DO BRASIL since 1st June (69.1%) and the excellent levels of growth reported by the other subsidiaries in Chile (29.1%), Colombia (18.3%), Peru (12.2%), and Mexico (11.4%).

Gross results totalled €570.4 million, a 77.3% increase; and result after tax and minorities amounted to €304.5 million, 41.9% higher than the previous year.

These figures are a direct outcome not only of the aforementioned alliance in Brazil, but also of the strength of the branch and agents' networks; the solvency, specialisation and development of the distribution channels; product diversification; the ongoing improvements to the technical management; and the high quality of customer care that policyholders receive.

Main activities

New products and types of cover

2011 was marked by a strong drive to offer customers a wide range of new products, types of cover and services, of which the following are most noteworthy:

— Launch of new Health products (Argentina, Ecuador, Peru, Puerto Rico, Dominican Republic and Uruguay), in addition to promoting their marketing and sale in countries where we do not operate in this sector (Brazil, Chile, Paraguay, Costa Rica and Nicaragua), and of other insurance policies for private customers in the Life protection, Burial and Personal Accident lines that are constantly being developed in nearly all the subsidiaries.

— Consolidation of the cooperation agreement with MAPFRE GLOBAL RISKS for the coverage of global corporate risks in all the subsidiaries. As a result, these operations are generated in the eighteen Latin American countries where MAPFRE operates in direct insurance, having attained in 2011 a total premium volume of over USD 450 million.

— Development, in collaboration with MAPFRE ASISTENCIA, of the Mechanical Breakdown Warranty business in all its various versions (new vehicles, second-hand vehicles and i-warranty), both via distribution agreements with car dealerships and directly with manufacturers. This new product portfolio has broadened the range of insurance products and services for cars.

— New coverage and services in Motor insurance for winning new and retaining existing customers with growth potential (mechanical breakdown warranties for cars, motorcycles, taxicabs, trucks, fleets, etc.).

— Work is underway on reorganising and integrating the Credit and Surety insurance business models in Latin America by developing the strategic alliance with the EULER HERMES group through a joint venture between the two insurance groups.

— Integration and development of MAPFRE's strategic alliance with BANCO DO BRASIL to consolidate this joint position in the Brazilian insurance market, exploiting the identified synergies as far as possible.

— Creation of MAPFRE's regional organisational structure in Central America, and technical and commercial development of the region's companies, special importance being attached to developing the business model, technical operation, technology environment, internal control and risk management model.



*Agreement with Mitsui
Sumitomo Insurance*

Sales initiatives

The main initiatives in 2011 were:

- Strengthening of the multichannel strategy by expanding the Mapfre network with 38 new direct and franchisee branches, the number totalling 2,010 at the year end; increase in the number of distribution agreements with banks and financial institutions, with car dealers and manufacturers and with companies and institutions from miscellaneous sectors (mainly retailing) that represent 38% of the total premiums written at the end of 2011, with a 85% increase on the previous year.
- Improvement in sales efficiency in terms of proper use of sales resources, resulting in the Sales Expense Efficiency Ratio ending the year 30% lower than in 2010. 2011 saw the fourth Sales Efficiency and Innovation Campaign, and significant improvements were achieved in resources in a large number of companies.
- Boost MAPFRE's brand presence through advertising institutional campaigns –fourth year running of the Cable TV Advertising Campaign in the 18 MAPFRE AMÉRICA countries– and countless local campaigns at country / product level (Argentina, Brazil, Costa Rica, Ecuador, Mexico, Nicaragua, Panama, Peru, Puerto Rico and Dominican Republic) as well as sponsorship of sports and social recognition activities.
- Customer orientation through initiatives such as CLUB MAPFRE present in Argentina, Brazil, Costa Rica and Venezuela, benefit cards such as in Peru, web interaction tools, like in Chile, Mexico and Honduras or new Damage Appraisal Centres and Car Workshops in Brazil, Paraguay, Puerto Rico and Venezuela.
- Professionalisation of sales management through the implementation of the Sales Management System (Pivotal Next) for the systematic processing handling of sales leads in Argentina, Colombia and Chile, as well as several customer loyalty-building initiatives in Mexico and Venezuela.

Technical management and customer services

Among the main activities carried out in 2011 in this area, it is worth noting the progress in consolidating the Pretium rating system, now in place in several of the subsidiaries; the constant extension and optimisation of the technical supplier network (repair workshops, loss adjusters, roadside assistance, medical clinics) in most of the countries; the extension of the fraud prevention schemes to the companies in Central America and Ecuador; the extension of policyholder customer services, both in the global car service centres and in the 24-hours SI-24 hotline services; the ongoing improvements to the MAPFRE virtual offices and web portals in each country.

Further steps have been taken to adapt MAPFRE AMÉRICA's risks system to the Solvency II requirements and development of the Internal Control Models.

Information and technology systems

- Progress has been made in bringing into play the corporate technology outsourcing agreement with Telefónica for the management of the Data Processing Centres of the subsidiaries, centralising operations in the Miami and Sao Paulo DPCs; the operations of the subsidiaries in Brazil, Puerto Rico and Peru have already been transferred to these centres and the migration of the other subsidiaries will be completed in 2014.
- In collaboration with the Technologies and Procedures Division, steps have been taken to analyse and model processes in the subsidiaries in based on the corporate meta-model, using the ARIS tool.
- The development of the plan to deploy the “Disaster claims management support solution” in the subsidiaries has been completed.
- In the technology field, the strategy for communicating with subsidiaries has been consolidated, and the methodological and information technology process framework has been rolled out.

Outlook

In 2012, the entire region, especially the Central American and Caribbean countries, are expected to remain in the grips of the economic slowdown; and once again the countries that will spearhead the economic recovery will be the commodity exporters, Argentina, Chile, Paraguay, Peru and Uruguay. Even so, MAPFRE AMÉRICA's estimates for the year envisage significant growth in income, due to the positive contributions made by all subsidiaries to consolidated results; and development will continue in alternative distribution channels, as well as in the implementation of IT solutions and management systems designed to improve the quality of the service to policyholders, their loyalty, operational efficiency and obtaining a recurrent and stable result.

INCOME STATEMENT IFRS	2011	2010	Var. % 11/10
DIRECT INSURANCE AND ACCEPTED REINSURANCE			
Gross written and accepted premiums	6,874.0	5,155.6	33.3%
Gross earned premiums	6,537.4	4,952.0	32.0%
Claims (includes claims related expenses)	(3,852.0)	(3,607.8)	6.8%
Operating expenses and other technical expenses	(2,370.8)	(1,756.3)	35.0%
RESULT OF DIRECT INSURANCE AND ACCEPTED REINSURANCE	314.6	(412.1)	176.3%
CEDED AND RETROCEDED REINSURANCE			
Premiums and variation in unearned premium reserve	(1,254.5)	(961.5)	30.5%
Claims paid and variation in provision for claims	780.3	1,214.7	(35.8%)
Comissions and participation in reinsurance	162.1	124.0	30.7%
RESULT OF CEDED AND RETROCEDED REINSURANCE	(312.1)	377.2	(182.7%)
Other technical revenues and expenses	214.1	(3.2)	
LIFE AND NON-LIFE TECHNICAL RESULT	216.6	(38.1)	668.5%
Net income from investments	343.9	364.2	(5.6%)
Unrealised gains and losses on investments	--	--	--
Other non-technical revenues and expenses	9.9	(4.4)	325.0%
Result of minority interests	--	0	--
LIFE AND NON-LIFE RESULT	570.4	321.7	77.3%
RESULT OF OTHER ACTIVITIES	0.0	(0.2)	
RESULT BEFORE TAX AND MINORITIES	570.4	321.5	77.4%
Tax on profits	(118.7)	(79.2)	49.9%
Result after tax from ongoing operations	--	--	--
RESULT AFTER TAX	451.7	242.3	86.4%
Attributable to minority shareholders	(147.2)	(27.7)	431.4%
RESULT AFTER TAX AND MINORITY SHAREHOLDERS	304.5	214.6	41.9%

MILLION EUROS

NON-LIFE RATIOS	2011	2010
Claims ratio of direct insurance	63.6	67.9
Expense ratio of direct insurance	37.2	33.3
Combined ratio, net of reinsurance	100.8	101.3



*Best Direct Insurance Company
in LATIN AMERICA for the
6th consecutive year*

GROSS WRITTEN AND ACCEPTED PREMIUMS	2011	2010	Var. % 11/10
BRAZIL	3,561.3	2,106.6	69.1%
MEXICO	557.5	500.4	11.4%
PUERTO RICO	307.3	310.7	(1.1%)
VENEZUELA	640.0	619.7	3.3%
ARGENTINA	457.9	458.6	(0.2%)
CHILE	271.9	210.6	29.1%
COLOMBIA	452.0	382.2	18.3%
PERU	212.7	189.6	12.2%
PARAGUAY	46.4	40.4	14.8%
URUGUAY	52.5	43.3	21.2%
DOMINICAN REPUBLIC	78.6	75.5	4.1%
ECUADOR	32.2	30.4	5.7%
EL SALVADOR	39.1	40.7	(4.1%)
PANAMA	95.6	90.0	6.2%
GUATEMALA	28.0	24.3	15.3%
HONDURAS	26.8	25.1	6.6%
COSTA RICA	6.2	0.6	
NICARAGUA	7.9	6.8	16.4%
TOTAL	6,874.0	5,155.6	33.3%

MILLION EUROS

BALANCE SHEET KEY FIGURES (IFRS)	2011	2010	Var. % 11/10
Investments and cash (*)	6,268.3	4,314.7	45.3%
Total assets	13,912.0	8,330.7	67.0%
Shareholders equity	3,945.8	1,740.9	126.7%
ROE	16.8%	14.4%	16.9%

MILLION EUROS

(*) Includes "Investments on account of life assurance policyholders bearing the investment risk" totalling D577.2 million and D689.9 million in 2011 and 2010, respectively.

SOLVENCY AND COVERAGE OF TECHNICAL RESERVES	2011	2010	Var. % 11/10
Technical reserves requiring coverage	6,426.0	4,421.9	45.3%
Excess of eligible assets over reserves	1,103.0	711.1	55.1%
Minimum solvency margin (consolidated)	1,445.0	819.2	76.4%
Solvency margin	2,032.0	1,284.5	58.2%

MILLION EUROS

OTHER INFORMATION	2011	2010	Var. % 11/10
Average number of employees	13,310	11,705	13.7%



INTERNATIONAL DIRECT INSURANCE DIVISION

MAPFRE INTERNACIONAL and its dependent companies

BOARD OF DIRECTORS		Compliance Committee
CHAIRMAN	Mr. Javier Fernández-Cid Plañiol	
VICE-CHAIRMAN	Mr. Gregorio Robles Morchón	Chairman
MEMBERS	Mr. Ignacio Baeza Gómez	
	Mr. Ricardo Blanco Martínez	
	Mr. Victor Bultó Millet	
	Mr. Rafael Casas Gutiérrez	
	Mr. Pedro de Macedo Coutinho de Almeida	
	Mr. Luis Hernando de Larramendi Martínez	Member
	Mr. Alberto Manzano Martos	
	Mr. Filomeno Mira Candel	
	Mr. Alfonso Rebuelta Badías	Member
	Mr. Domingo Sugranyes Bickel	
	Mr. Esteban Tejera Montalvo	
MEMBER AND SECRETARY	Mr. Claudio Ramos Rodríguez	

Composition of governing bodies resulting from the proposals which shall be submitted to the AGM.

2011 has seen the ongoing use of proprietary tools and processes designed to establish the necessary reporting channels and the periodic monitoring of the management of subsidiaries.

In 2011 MAPFRE INTERNACIONAL has carried on implementing the Group's best practices and systems in the newly-acquired subsidiaries according to the objectives outlined in the various Strategic Plans. In each country, measures have been taken to improve profitability levels by increasing business volumes, adjusting prices, controlling costs and revising underwriting terms.

Business has been conducted in a tough economic environment, with fierce competition in the various markets in which the subsidiaries operate. The results have been marked by several adverse weather events in the USA, which was hit by winter snow storms that were exceptionally frequent and occurred outside the normal periods, as well as tornados, hurricanes and hailstorms.

The volume of premiums during the year (€1,914.1 million) represents a 1.6% increase over 2010, and the consolidated result after taxes and minority interests (€86.2 million) declined by 16.3% versus the previous year. Premiums grew moderately due to the depreciation of the main currencies in which the Company operates with respect to the Euro, since expressed in original currency terms, our subsidiaries' growth was very satisfactory. The catastrophe related results reflect the exceptional claims ratio in the USA, which amounted to €115 million. The depreciation of the US Dollar and the Turkish Lira also negatively impacted premiums and the net result by €90 million and €4.7 million, respectively.

Main activities

2011 has seen the ongoing use of proprietary tools and processes designed to establish the necessary reporting channels and the periodic monitoring of the management of subsidiaries. Efforts have likewise focused on the development of software programs to be applied to the new subsidiaries, and on the use of management processes in response to the operating needs detected.

The highlight in terms of corporate development was the purchase of an additional 23.48% interest in the Maltese insurer MIDDLESEA INSURANCE (MSI), raising the total stake to 54.56%, representing a majority shareholding and providing management control.

Throughout the year, analysis has continued of a wide variety of investment opportunities, which have not materialised either because they do not fit in with strategic plans, or the price expectations were not considered justified, or simply as a result of prudence, due to the increased macro and financial markets risks.

Subsidiaries and other business interests

— MAPFRE USA (United States) has kept its leadership position in 2011 in the Motor and Home insurance classes lines in Massachusetts, with market shares of 29% and 11.5%, respectively. Premium volume totalled €1,401 million, down 1.4% in Euro terms, influenced by the dollar's depreciation. In original currency this grew 4.7%, while the pre-tax result of €42.9 million was 32.1% lower. The combined ratio totalled 107.1% (compared to 100.6% in 2010), this increase being due to the claims ratio derived from the aforementioned catastrophic events.

Work on the systems and processes continued according to plan, most efforts being devoted to the technology areas. By coordinating insurance operations at a national level, establishing product and pricing standardisation processes and coordinated marketing, underwriting and claims handling activities, the company has been able to review rates in all the States where it operates.

— MAPFRE GENEL SIGORTA (Turkey) achieved premiums of €279.2 million, a 5% increase over the previous year, and a pre-tax result of €19 million. The company ranks tenth in the market, with a share of 3.4%.

The result was hit by the depreciation of the Turkish lira (by 15.5%) and regulatory changes in the Motor line that pushed up the loss experience.

2011 saw the successful implementation of the Group's IT system, Tronweb, which has been up and running since the second quarter of the year. The company has opened a new regional office in Denizli and will shortly open another in Eskişehir in accordance with its geographical expansion plan.

A corporate restructuring process was carried out in its subsidiary MAPFRE GENEL YASAM, transferring the subsidiary's health portfolio to the parent company MAPFRE GENEL SIGORTA to facilitate future developments.



*Boards of MAPFRE
GENEL SIGORTA
and MAPFRE GENEL
YAZAM*



Change of Chairmanship



*Meeting of the Board
of MAPFRE USA*

— MAPFRE SEGUROS GERAIS (Portugal) reported premiums in 2011 of €147.2 million, down 12.9% on the previous year, especially due to the downturn in the production in the subsidiary FINIBANCO VIDA, as the bancassurance partner was absorbed by another company. Pre-tax profit was €7 million, a 3% increase, and the combined ratio worsened 3.1 p.p. to 99.7%. The entity is the thirteenth largest insurer in the country with a market share of 2.5%. The adverse economic conditions that the country is facing are hampering the insurance sector's growth, thus affecting also MAPFRE SEGUROS GERAIS.

— MAPFRE INSULAR (Philippines) has recorded premiums of €30.3 million, an increase of 8.5%, and €4.7 million of pre-tax income, 11.9% up on the previous financial year.

The company ranks number ten in the Non-life market by gross premiums, and number four by net premiums. The direct insurance portfolio has grown at a rate of 27% while the accepted reinsurance portfolio has been reduced voluntarily, resulting in the rise in the ranking in net premiums.

The company continues to reinforce its position in the Motor and Homeowner insurance lines, further developing its agents' network and signing agreements with local partners.

— MIDDLESEA INSURANCE (Malta), which joined the Group in August when the shareholding rose from 31.08% to 54.56%, reported €157.3 million of consolidated premiums and a result before taxes and minorities of €4.3 million.

The efforts to integrate its management into MAPFRE's standards are making satisfactory headway.

Outlook

In a fiercely competitive environment, operators are likely to realize they need to generate technical returns, all the more so taking into account that returns on financial investments are expected to stay low in the context of the current global economic crisis. The results for 2012 are expected to mirror the efforts being made in operational and management aspects.

The Company will continue to support the operations of its subsidiaries, encouraging the signing agreements with local partners in the various markets, and will continue to study acquisition opportunities in those markets regarded as strategic.



INCOME STATEMENT IFRS	2011	2010	Var. % 11/10
DIRECT INSURANCE AND ACCEPTED REINSURANCE			
Gross written and accepted premiums	1,914.1	1,883.5	1.6%
Gross earned premiums	1,860.6	1,824.0	2.0%
Claims (includes claims related expenses)	(1,435.7)	(1,306.9)	9.9%
Operating expenses and other technical expenses	(472.3)	(455.5)	3.7%
RESULT OF DIRECT INSURANCE AND ACCEPTED REINSURANCE	(47.5)	61.6	(177.1%)
CEDED AND RETROCEDED REINSURANCE			
Premiums and variation in unearned premium reserve	(161.4)	(160.8)	0.4%
Claims paid and variation in provision for claims	63.7	53.6	18.9%
Comissions and participation in reinsurance	27.2	25.4	7.4%
RESULT OF CEDED AND RETROCEDED REINSURANCE	(70.5)	(81.8)	(13.8%)
Other technical revenues and expenses	10.9	9.4	15.8%
LIFE AND NON-LIFE TECHNICAL RESULT	(107.1)	(10.8)	890.7%
Net income from investments	196.4	177.5	10.6%
Unrealised gains and losses on investments	(2.6)	(0.5)	386.8%
Other non-technical revenues and expenses	5.6	(4.9)	214.5%
Result of minority interests	0.6	(0.4)	250.0%
LIFE AND NON-LIFE RESULT	92.9	160.8	(42.2%)
OTHER ACTIVITIES			
Operating revenues	0.3	0.0	602.7%
Operating expenses	(7.1)	(7.4)	(3.7%)
Net income from investments and other income	4.1	(35.2)	111.8%
Result of minority interests	0.0	0.0	
RESULT OF OTHER ACTIVITIES	(2.7)	(42.6)	(93.6%)
RESULT BEFORE TAX AND MINORITIES	90.2	118.3	(23.7%)
Tax on profits	(2.2)	(11.4)	(80.4%)
Result after tax from ongoing operations	0.0	0.0	
RESULT AFTER TAX	88.0	106.9	(17.7%)
Attributable to minority shareholders	(1.8)	(3.9)	(54.4%)
RESULT AFTER TAX AND MINORITY SHAREHOLDERS	86.2	103.0	(16.3%)

MILLION EUROS

NON-LIFE RATIOS	2011	2010
Claims ratio of direct insurance	79.8%	74.4%
Expense ratio of direct insurance	26.4%	26.1%
Combined ratio, net of reinsurance	106.2%	100.5%

GROSS WRITTEN AND ACCEPTED PREMIUMS	2011	2010	Var. % 11/10
PORTUGAL	147.2	168.9	(12.9%)
TURKEY	279.2	266.0	5.0%
USA	1,401.0	1,420.7	(1.4%)
MALTA	56.4	--	N. A.
PHILIPPINES	30.3	27.9	8.5%
TOTAL	1,914.1	1,883.5	1.6%

MILLION EUROS

Includes MAPFRE INTERNACIONAL, MAPFRE USA CORP., MAPFRE GENEL SIGORTA, MAPFRE SEGUROS GERAIS, MIDDLESEA INSURANCE and MAPFRE INSULAR.

BALANCE SHEET KEY FIGURES (IFRS)	2011	2010	Var. % 11/10
Investments and cash	3,801.3	2,773.0	37.1%
Total assets	6,123.1	4,823.3	26.9%
Shareholders equity	2,439.4	2,306.3	5.8%
ROE	3.7%	4.8%	(22.1%)

MILLION EUROS

SOLVENCY AND COVERAGE OF TECHNICAL RESERVES	2011	2010	Var. % 11/10
Technical reserves requiring coverage	3,015.6	1,929.8	56.3%
Excess of eligible assets over reserves	883.9	731.0	20.9%
Minimum solvency margin (consolidated)	345.7	284.2	21.6%
Solvency margin	2,454.6	2,329.2	5.4%

MILLONES DE EUROS

OTHER INFORMATION	2011	2010	Var. % 11/10
Average number of employees	3,757	3,398	10.6%

Branch in California





GLOBAL BUSINESS DIVISION

MANAGEMENT COMMITTEE	
CHAIRMAN	Mr. Andrés Jiménez Herradón
FIRST VICE-CHAIRMAN	Mr. Pedro de Macedo Coutinho de Almeida
SECOND VICE-CHAIRMAN	Mr. Rafael Senén García
THIRD VICE-CHAIRMAN	Mr. Alfredo Castelo Marín
MEMBERS	Mr. Ángel Luis Dávila Bermejo
	Mr. Javier Fernández-Cid Plañiol
	Mr. José Manuel Inchausti Pérez
	Mr. Antonio Núñez Tovar
	Mr. Esteban Pedrayes Larrauri
	Mr. Javier San Basilio Pardo
	Mr. Esteban Tejera Montalvo
MEMBER AND SECRETARY	Mr. Claudio Ramos Rodríguez

Members on the date of issue of the Annual Report.



*25th Anniversary
of MAPFRE RE
in the Philippines*



*MAPFRE
ASISTENCIA opens
its second call centre
in China*



*22nd MAPFRE
GLOBAL RISK
International
Symposium, celebrated
in Toledo*

The Division is formed by MAPFRE RE, MAPFRE ASISTENCIA and MAPFRE GLOBAL RISKS, which includes lines of business that, by their very nature, are handled on a centralised basis, with presence in 44 countries.

It offers reinsurance capabilities in all its segments; it comprises assistance and claims management, speciality risks, travel insurance, and the travel assistance programmes, among others; it specialises in providing insurance solutions to multinationals, and distributes its products through 45 own offices and 19 representative offices, as well as other sales forces depending on each case.

Key figures

ITEM	2011	2010	Var. % 11/10
TOTAL EQUITY			
MAPFRE RE	847.7	848.4	[0.1%]
MAPFRE ASISTENCIA	179.9	159.7	12.7%
MAPFRE GLOBAL RISKS	223.0	422.6	[47.2%]
PREMIUMS	4,201.3	3,693.0	13.8%
MAPFRE RE	2,630.7	2,371.6	10.9%
MAPFRE ASISTENCIA	563.2	411.0	37.0%
MAPFRE GLOBAL RISKS	1,007.4	910.4	10.7%
TOTAL REVENUES	4,858.7	4,413.8	10.1%
MAPFRE RE	3,046.0	2,825.2	7.8%
MAPFRE ASISTENCIA	730.0	570.1	28.0%
MAPFRE GLOBAL RISKS	1,082.6	1,018.5	6.3%
RESULT AFTER TAX AND MINORITIES	131.4	166.3	[21.0%]
MAPFRE RE	78.6	124.2	[36.7%]
MAPFRE ASISTENCIA	25.8	20.6	25.2%
MAPFRE GLOBAL RISKS	27.0	21.5	25.6%
AVERAGE NUMBER OF EMPLOYEES	5,701	5,254	8.5%
MAPFRE RE	290	283	2.5%
MAPFRE ASISTENCIA	4,835	4,361	10.9%
MAPFRE GLOBAL RISKS	576	610	[5.6%]

MILLION EUROS

GLOBAL BUSINESS DIVISION

MAPFRE RE and its dependent companies

BOARD OF DIRECTORS		Steering Committee	Compliance Committee
CHAIRMAN	Mr. Pedro de Macedo Coutinho de Almeida	Chairman	
VICE-CHAIRMAN	Mr. Matías Salvá Bennasar	Vice-Chairman	Chairman
MEMBERS	Mr. Ángel Alonso Batres		
	Mr. Ricardo Blanco Martínez		
	Mr. Rafael Casas Gutiérrez		
	Mr. José Carlos Contreras Gómez ¹		
	Mr. Arturo Fernández Álvarez ²		
	Mr. Javier Fernández-Cid Plañol	Member	
	Mr. Lorenzo Garagorri Olavarrieta		
	Mr. Philippe Hebeisen (Vaudoise Assurances Holding)		
	Mr. Pedro López Solanes	Member	
	Mr. J. David Moore (Shelter Mutual Insurance Company)		
	Mr. Juan Antonio Pardo Ortiz		
	Mr. Claudio Ramos Rodríguez	Member	
	Mr. Ermanno Rho (Società Cattolica di Assicurazione)		
	Mr. Gregorio Robles Morchón		Member
	Mr. Francisco Ruiz Risueño		Member
	Mr. Rafael Senén García		
	Mr. Domingo Sugranyes Bickel	Member	
	Mr. Michael H. Tripp (Ecclesiastical Insurance Office)		
SECRETARY	Mr. Miguel Gómez Bermúdez	Secretary	

Composition of governing body resulting from the proposals which shall be submitted to the AGM.

[1] In representation of PARTICIPACIONES Y CARTERA DE INVERSIÓN, S.L.

[2] In representation of MEDIACIÓN Y DIAGNÓSTICOS, S.A.



MAPFRE RE DO BRASIL, awarded the Asegador Brasil prize



MAPFRE RE's 4th International Seminar

MAPFRE RE further developed its business and consolidated its market position, achieving positive results, as well as a significant upturn in written premiums, in a year marked by an extraordinary catastrophic claims ratio and still highly volatile financial markets.

During the first half of the year, the earthquakes in Japan and then in New Zealand put the first half results of nearly all reinsurers in the red, with partial improvements in the second half of the year, despite losses due to several tornadoes in the USA and hurricane Irene, as well as other catastrophes. To this must be added the losses caused by floods in Thailand in the last quarter, which are yet to be fully evaluated. Overall 2011 can be considered a bad year for the industry, although due to its financial strength it was possible to withstand poor results and the impairment of equity resulting from investments in sovereign debt.

Main activities

— The new Paris office, located in an emblematic area opposite the Louvre museum, opened its doors during the year. The now fully operational office specialises in the Life and Personal lines and is notably meeting all expectations; the Buenos Aires office has been turned into a branch office so that it can attend to the commercial customers in that market, complying with Argentina's new regulatory requirements; and the Milan office has also been turned into a branch office for various reasons.

— MAPFRE RE carried on boosting its team by recruiting new staff both to cover retirements and to handle new business activities, both at the head office and its offices abroad. Likewise, staff from the head office and branch offices alike have taken part in training schemes such as the "Avanza" scheme and the Management Development Programme.

— A wide range of training courses remains on offer to preferential clients, with special mention to the agricultural insurance course held in Madrid, which was attended by 13 Latin American specialists; six Life reinsurance courses; the MARESEL tool course held in Brazil, Argentina, Chile, Ecuador, Hungary and Spain; together with FUNDACIÓN MAPFRE, the Advanced Specialisation in

Life Assurance and Health course was attended by a total of 208 people from 15 countries, and a reinsurance course, divided into e-learning and classroom modules, with 50 people from ceding companies in Chile, Argentina and Colombia enrolled. In addition the company continued to collaborate closely with ITSEMAP, offering a total of 7 courses to corporate clients in 6 European countries and America, in which 181 people have taken part.

— The company has continued to prepare itself for the future introduction of Solvency II, bringing its IT, accounting, statistical and actuarial systems into line with the new requirements. The company has also submitted a preliminary request to the Directorate General for Insurance and Pension Funds to assess and approve its Internal Capital Model, and the first steps have already been taken in this regard.

— At the end of the year, the company was assigned A and AA- ratings by AM Best and Standard & Poor's respectively, both under review with negative implications.

These ratings are among the best in the market, ranking 15th by gross premiums and 16th by net premiums, according to the data published by the aforementioned rating agencies.

— The string of catastrophic events that mainly hit Japan (the Japanese earthquake alone represents the second largest catastrophic event after hurricane Katrina), the earthquakes in New Zealand, the floods in Australia and Thailand and the tornados in the USA, have represented a net reinsurance cost of €297.5 million, including reinstatement cover.

Subsidiaries and other business interests

The Chilean subsidiaries INVERSIONES IBÉRICAS and MAPFRE CHILE REASEGUROS have obtained revenues of €9.4 million, and a result before taxes of €2.7 million, while their equity amounted to €69.8 million at year end.

MAPFRE RE DO BRASIL, which performed well again, reported of revenues €97.7 million, and a result before taxes of €9.9 million, while their equity amounted to €42.3 million at year end.

Outlook

MAPFRE RE faces 2012 with a very strong financial position, which will permit the company to carry on prudently expanding in a market which is forecast to remain highly competitive in several areas, despite the poor results reported in 2011.

The economic variables affecting investments, such as interest rates, inflation and sovereign risk, will remain volatile, making it hard to produce forecasts. Less developed markets will continue supporting growth, whereas more developed markets, owing to the widespread crisis, will remain stagnant or will worsen. As a result, it is expected that reinsurance operators will focus on attaining sufficiently good technical results to allow them to cover the negative effects of the catastrophes that may befall them during the year, in a context of financial uncertainty.

Due to its solvency and professionalism, attributes which are recognised by its clients and brokers alike, renders MAPFRE RE in a good position to successfully face the challenges that lie ahead.

INCOME STATEMENT IFRS	2011	2010	Var. % 11/10
DIRECT INSURANCE AND ACCEPTED REINSURANCE			
Gross written and accepted premiums	2,630.7	2,371.6	10.9%
Gross earned premiums	2,614.8	2,252.7	16.1%
Claims (includes claims related expenses)	(1,801.9)	(1,854.5)	(2.8%)
Operating expenses and other technical expenses	(654.0)	(564.5)	15.9%
RESULT OF DIRECT INSURANCE AND ACCEPTED REINSURANCE	158.9	(166.3)	195.6%
CEDED AND RETROCEDED REINSURANCE			
Premiums and variation in unearned premium reserve	(866.2)	(772.8)	12.1%
Claims paid and variation in provision for claims	543.4	869.1	(37.5%)
Comissions and participation in reinsurance	159.5	138.7	15.0%
RESULT OF CEDED AND RETROCEDED REINSURANCE	(163.2)	234.9	(169.5%)
Other technical revenues and expenses	(0.6)	(0.8)	(19.2%)
LIFE AND NON-LIFE TECHNICAL RESULT	(4.9)	67.9	(107.3%)
Net income from investments	111.1	103.0	7.9%
Unrealised gains and losses on investments	0.0	0.0	--
Other non-technical revenues and expenses	(0.7)	2.4	(129.8%)
Result of minority interests	2.2	0.2	--
LIFE AND NON-LIFE RESULT	107.7	173.5	(37.9%)
RESULT OF OTHER ACTIVITIES	0.0	0.0	--
RESULT BEFORE TAX AND MINORITIES	107.7	173.5	(37.9%)
Tax on profits	(29.1)	(49.3)	(40.9%)
Result after tax from ongoing operations	0.0	0.0	--
RESULT AFTER TAX	78.6	124.2	(36.7%)
Attributable to minority shareholders	0.0	0.0	0.0%
RESULT AFTER TAX AND MINORITY SHAREHOLDERS	78.6	124.2	(36.7%)

MILLION EUROS

NON-LIFE RATIOS	2011	2010
Claims ratio of direct insurance	72.0%	66.5%
Expense ratio of direct insurance	28.6%	29.2%
Combined ratio, net of reinsurance	100.6%	95.7%

GROSS WRITTEN AND ACCEPTED PREMIUMS	2011	2010	Var. % 11/10
Non-life	2,261.4	2,086.9	8.4%
Life	369.3	284.7	29.7%
TOTAL	2,630.7	2,371.6	10.9%

MILLION EUROS

BALANCE SHEET KEY FIGURES (IFRS)	2011	2010	Var. % 11/10
Investments and cash	2,544.5	2,267.7	12.2%
Total assets	4,363.5	4,087.9	6.7%
Shareholders equity	847.7	848.4	(0.1%)
ROE	9.3%	14.7%	(36.7%)

MILLION EUROS

SOLVENCY AND COVERAGE OF TECHNICAL RESERVES	2011	2010	Var. % 11/10
Technical reserves requiring coverage	3,013.8	2,712.3	11.1%
Excess of eligible assets over reserves	507.3	535.7	(5.3%)
Minimum solvency margin	368.7	347.9	6.0%
Solvency margin	847.4	841.7	0.7%

MILLION EUROS

OTHER INFORMATION	2011	2010	Var. % 11/10
Average number of employees	290	283	2.5%
% commissions / gross accepted reinsurance premiums	26.4%	26.3%	0.4%
% internal expenses / gross accepted premiums	1.4%	1.4%	0.0%



New offices in Paris



GLOBAL BUSINESS DIVISION

MAPFRE ASISTENCIA and its dependent companies

BOARD OF DIRECTORS		Steering Committee	Compliance Committee
EXECUTIVE CHAIRMAN	Mr. Rafael Senén García	Chairman	
VICE-CHAIRMAN	Mr. Antonio Miguel-Romero de Olano	Vice-Chairman	Chairman
MEMBERS	Mr. Javier Álvarez Oblanca	Member	Member
	Mr. Nikos Antimissaris	Member	
	Mr. Rafael Casas Gutiérrez		
	Mr. Javier Fernández-Cid Plañol	Member	
	Mr. Sebastián Homet Duprá		
	Mr. Augusto Huéscar Martínez	Member	Member
	Mr. Pedro de Macedo Coutinho de Almeida		
	Mr. Ignacio Mier Padilla		
	Mr. Antonio Núñez Tovar	Member	
	Mr. Juan Antonio Pardo Ortiz		
	Mr. Esteban Tejera Montalvo		
	PARTICIPACIONES Y CARTERA DE INVERSIÓN, S.L. (Represented by Ms. Enedina Álvarez Gayol)		
	VALORACIÓN Y CONTROL, S.L. (Represented by Ms. Mercedes de la Merced Monge)		
SECRETARY	Mr. Félix Mansilla Arcos	Secretary	
	Ms. M ^a Luisa Linares Palacios		Secretary

Composition of governing body on the date of preparation of this annual report.



Left: MAPFRE ASISTENCIA's 19th annual Convention, celebrated in Zambia, Botswana and South Africa

Right: MAPFRE WARRANTY's 6th Pan European Convention

This Unit has performed very well in 2011, with revenues of €730.1 million, compared to €570.1 million in 2010, up 28%; a result before taxes of €40.6 million, 30% more than the previous year; and net result of €25.8 million, an increase of 25%.

In accordance with the guidelines set forth in the Unit's strategic plan, special attention has been paid to increasing shareholders' returns, having achieved a ROE of 15.5%; to sustainably increase the volume and margin of operations, by developing products; to rebalancing the contribution to the results of the various geographical areas and lines of business; to designing efficient processes that help to improve services and reduce management costs; and to further analysing international expansion opportunities.

Main activities

New products

The Electrical Appliance Warranty is now being marketed in Chile through a major local distributor. This new product covers all kinds of white and brown electrical appliances and allows our company to start offering this type of warranty, completing MAPFRE ASISTENCIA's range of products, along with the Motor Breakdown Warranty schemes.

Payment protection products have been developed for financial institutions in various geographical areas; the roll out of on-line travel insurance sales has moved ahead significantly in selected countries (USA, India, Australia and has already been completed in Ireland).

Sales initiatives

During 2011 the company managed to take a stronger approach to relations with prospective clients, as a result of the redefining its commercial structures and hiring new sales executives in the previous year.

Travel Insurance sales have been boosted through agreements with professional groupings, brokers, travel agencies (wholesale and retail) and airlines, generating increased billing turnover in the Latin American, Middle Eastern and African markets. A new boost has been given to sales of the extended warranty product geared to car manufacturers, with contracts signed in various countries and geographical regions. Deals have been signed in several Latin America countries with motor insurers, for the marketing of mechanical breakdown insurance schemes (iWarranty); further international meetings have been held with car manufacturers to ensure we are included in international roadside assistance-related tenders, as well as warranty extensions. Also the international broker channel has been managed proactively, achieving major travel assistance and extended warranty deals.

Technical management and customer service

It is worth highlighting the steady deployment of a Contact Centre resource planning tool that further optimises operators' shifts by adjusting them on a historic workload basis. The Balanced Scorecard methodology is now in place in over 80% of the subsidiaries, aligning each country's or region's initiatives with the company's strategy. Further headway has been made in rolling out the "Futura" solution, which facilitates supplier cost savings and better customer service by reducing the time required by the assigned means of transport to reach the customer. The ongoing policy of obtaining and renewing ISO 9001 certifications has resulted in these being awarded to seventeen companies. Further work has gone into adapting to the Solvency II requirements, while internal control procedures have been extended to three new units.



*MAPFRE
ASISTENCIA voted
Best Travel Insurance
Company in 2011*



*Receiving the
Personality of the Year
prize in the UK*

Information and technology systems

Among the main IT projects carried out last year were the launch of the new MAPFRE ASISTENCIA's Systems Plan, which redefines both the internal organization and the basic courses of action for tackling the business' needs in the next few years; and the migration of new units to the two corporate data processing centres (Miami and Avila).

International activities

2011 saw the opening of two new business units in the Asia-Pacific region (Australia and Japan), that will help to boost business in this geographical area in the next few years. At the end of year a new business unit was incorporated in Malta, with the participation of the Group's local company, MIDDLESEA INSURANCE. In addition local talks are being held to open new offices in Saudi Arabia and Kuwait.

Outlook

The Unit's plans for 2012 are to carry on with the strategic line established in recent years, with a marked emphasis on boosting unit and client profitability, in tandem with a stronger sales drive and an international expansion preferably in the Asia-Pacific region.

The cornerstones of future growth will be the consolidation of the commercial areas that have been reinforced in 2011, an ambitious marketing plan designed to increase the public awareness of MAPFRE ASISTENCIA and its most emblematic brands within the markets in which it is present, and the ongoing cooperation with other MAPFRE companies abroad, as well as a specific effort in developing the B2B2C distribution channels and the International Brokers channel. Similarly, the training oriented to meeting the needs of the Unit's strategic plan should allow it to bring its capacities in line with market needs.

From a geographical perspective, activity will be increased in the Asia-Pacific region, supported by the new companies established in 2011 (Japan and Australia) focusing mainly on travel assistance and mechanical breakdown warranty products. In North America, the potential of the assistance insurance market will be exploited and additional products with a larger margins, will be introduced, such as the management of vehicles classified as total loss and also Travel Insurance. In the main Latin American markets, special emphasis will be placed on Pecuniary Loss products, with strategic alliances whenever appropriate and optimising the profitability of the more traditional products and especially Travel Insurance. In Europe, the most recent operations focused on the mechanical breakdown will be consolidated warranty, while Travel Insurance will continue to be developed. Furthermore, the aim will be to introduce distribution over the Internet and telemarketing in the largest possible number of markets.

From an in-house perspective, special emphasis will be placed on developing a new working methodology for the IT area, which will permit swifter progress in deploying corporate tools, and also to meet internal customers' demands faster and with better quality; on setting up the strategic planning, processes and service quality area, which will enable the Company to be oriented towards a process-based management model, and facilitate a diagnosis, through a 360 degree analysis, of the level of quality perceived by Customers, Distributors, Consumers, Suppliers and Internal Customers; on Human Resources, providing talent management programmes, and encouraging corporate training schemes; on extending the Balanced Scorecard strategic planning methodology to all the units; in terms of internal control, on the security of the operations and contingency solutions; and on the search for internal synergies that help to improve margins.

INCOME STATEMENT IFRS	2011	2010	Var. % 11/10
DIRECT INSURANCE AND ACCEPTED REINSURANCE			
Gross written and accepted premiums	563.2	411.0	37.1%
Gross earned premiums	509.7	385.6	32.2%
Claims (includes claims related expenses)	(318.1)	(245.6)	29.5%
Operating expenses and other technical expenses	(148.1)	(107.7)	37.5%
RESULT OF DIRECT INSURANCE AND ACCEPTED REINSURANCE	43.4	32.4	34.2%
CEDED AND RETROCEDED REINSURANCE			
Premiums and variation in unearned premium reserve	(30.6)	(33.5)	(8.5%)
Claims paid and variation in provision for claims	13.7	15.8	(13.2%)
Comissions and participation in reinsurance	16.5	17.4	(5.5%)
RESULT OF CEDED AND RETROCEDED REINSURANCE	(0.5)	(0.3)	74.9%
Other technical revenues and expenses	(2.3)	(2.7)	(11.7%)
LIFE AND NON-LIFE TECHNICAL RESULT	40.6	29.5	37.9%
Net income from investments	(0.2)	2.3	(106.6%)
Unrealised gains and losses on investments	0.0	0.0	
Other non-technical revenues and expenses	(0.1)	(0.1)	
Result of minority interests	0.0	0.0	
LIFE AND NON-LIFE RESULT	40.4	31.7	27.4%
OTHER ACTIVITIES			
Operating revenues	155.4	145.7	6.7%
Operating expenses	(153.0)	(146.7)	4.3%
Net income from investments and other income	(2.3)	0.2	
Result of minority interests	0.1	0.3	(66.1%)
RESULT OF OTHER ACTIVITIES	0.2	(0.5)	138.1%
RESULT BEFORE TAX AND MINORITIES	40.6	31.2	30.2%
Tax on profits	(11.7)	(9.4)	24.4%
Result after tax from ongoing operations	(2.2)	(0.2)	
RESULT AFTER TAX	26.6	21.5	23.9%
Attributable to minority shareholders	(0.9)	(0.9)	(3.9%)
RESULT AFTER TAX AND MINORITY SHAREHOLDERS	25.8	20.6	25.1%

MILLION EUROS

NON-LIFE RATIOS	2011	2010
Claims ratio of direct insurance	63.6%	65.3%
Expense ratio of direct insurance	28.0%	26.4%
Combined ratio, net of reinsurance	91.6%	91.6%

DETAILS OF REVENUES BY BUSINESS AREAS	2011	2010	Var. % 11/10
Insurance and services (premiums)	574.7	424.5	35.4%
Insurance and services (other revenues)	155.4	145.7	6.7%
TOTAL	730.1	570.1	28.1%

MILLION EUROS

DETAILS OF REVENUES BY GEOGRAPHICAL AREAS	2011	2010	Var. % 11/10
Spain	34.7	35.9	(3.5%)
Other countries of the EU	369.9	259.9	42.3%
Americas	280.7	243.8	15.1%
Rest of the World	44.8	30.4	47.1%
TOTAL	730.1	570.1	28.1%

MILLION EUROS

BALANCE SHEET KEY FIGURES (IFRS)	2011	2010	Var. % 11/10
Investments and cash	131.8	99.8	32.0%
Total assets	584.8	487.6	19.9%
Shareholders equity	179.9	159.7	12.7%
ROE	15.5%	14.2%	8.8%

MILLION EUROS

SOLVENCY AND COVERAGE OF TECHNICAL RESERVES	2011	2010	Var. % 11/10
Technical reserves requiring coverage	96.1	67.4	42.6%
Excess of eligible assets over reserves	4.2	7.2	(41.7%)
Minimum solvency margin	57.8	37.6	53.6%
Solvency margin	174.1	144.1	20.8%

MILLION EUROS

OTHER INFORMATION	2011	2010	Var. % 11/10
Average number of employees	4,835	4,361	10.9%
Claims handled during the year (thousands)	6,213	5,366	15.8%
Persons assured at year end (million)	87.0	74.7	16.5%



GLOBAL BUSINESS DIVISION

MAPFRE GLOBAL RISKS and its dependent companies

BOARD OF DIRECTORS		Steering Committee	Compliance Committee
CHAIRMAN	Mr. Alfredo Castelo Marín	Chairman	
VICE-CHAIRMAN	Mr. Alfonso Rebuelta Badías	Vice-Chairman	Chairman
MEMBERS	Mr. Rafael Casas Gutiérrez	Member	
	Mr. Pedro de Macedo Coutinho de Almeida	Member	
	Mr. Javier Fernández-Cid Plañiol	Member	
	Mr. Pedro López Solanes		
	Mr. Antonio Miguel-Romero de Olano		Member
	Mr. Esteban Pedrayes Larrauri		
	Mr. Matías Salvá Bennasar		Member
	Mr. Esteban Tejera Montalvo		
SECRETARY	Ms. Rocío Peña Echarri	Secretary	

Composition of governing body on the date of preparation of this annual report.



*Meeting of the International
Advisory Board*

2011 has been the third year of operations at MAPFRE GLOBAL RISKS, which in this period has achieved:

- Good business development, mainly in Latin America and in the offices in Europe, which is enabling it to expand in terms of size and geographical diversification.
- A satisfactory and well-received project implementation on a general level in the markets that have been entered.
- A highly positive degree of collaboration with the various MAPFRE Group taking part in the project.
- An adequate level of return, albeit marked by the volatility inherent in this type of business.

In 2011 the company approved a new organizational structure and a new Strategic Framework in order to bring its structures and systems in line with the project's considerable degree of development, giving us solid foundations to underpin our future performance. Worth mentioning in this respect is the launch of the "Mejor@" project, designed to guarantee that the business needs ensuing from the geographical expansion strategy and global scope of action are met.

Within a market environment characterised by a very deteriorated economic situation and prevailing uncertainty, MAPFRE GLOBAL RISKS has managed to end the year with profits as well as significant growth in premium volumes, thanks to the dynamism of the international operations. From a profitability perspective, the 2011 results pointed to significant growth with respect to the previous year, meaning that the business' historical returns remains at appropriate levels.

Main activities

New products

MAPFRE GLOBAL RISKS actively tailored the types of cover it offers to the needs of customers in the new markets in which it has started operating.

Sales initiatives

Among the initiatives carried out during the year, the following should be highlighted:

- Broadening and consolidation of the geographical scope to include all the countries in which MAPFRE is present, through direct insurance companies (except for the USA). Currently it operates in twenty-five markets.
- Approval of the plan to turn the existing representative offices into branches, and opening of a new office in Italy.
- Drawing up of cross-training plans for the markets.
- Representatives of multinationals of European and Latin American origin joined the internationalisation of the Advisory Board.
- Participation in the international forums for risk managers of large multinational companies.
- Holding of the 22nd MAPFRE GLOBAL RISKS International Seminar, which were an all-round success, both on account of the high quality of the papers presented and the large number of professionals from the sector who attended them, and who acknowledge the interest and prestige of these symposiums.

Technical management and customer services

The Company continued to revise its underwriting policy, achieving a significant reduction in claims frequency. It has improved the structure of its reinsurance treaties to adapt them to the new businesses and markets to which it orients its offering. It has kept on rolling out its new systems for controlling catastrophic accumulations, reinforcing its management structure to further centralise its activities, while adapting to the development needs of the international businesses. The ITSEMAP subsidiary has been further integrated operationally, reorienting its activities towards providing risk analysis and claims management support services.

In 2011 the company approved a new organizational structure and a new Strategic Framework in order to bring its structures and systems in line with the project's considerable degree of development, giving us solid foundations to underpin our future performance.

Information and technology systems

The year's efforts have mainly been geared towards developing the reinsurance management module, adding new and more powerful functionalities; the definition and launching of an Integrated Communication Plan to ensure more efficient information sharing with the MAPFRE companies present in the different markets in which the Company operates; and further improvements in the management reporting systems through developments in "business intelligence" tools. Additionally, an ambitious working plan has been drawn up to stabilise the new applications deployed in the previous financial year in the MAPFRE CAUCIÓN Y CRÉDITO subsidiary, completing the technological development started several years ago.

International activities

Relevant events throughout the year include the excellent development of the underwriting operations with local customers and in the various international markets, in collaboration with the MAPFRE AMERICA and MAPFRE INTERNACIONAL subsidiaries; the significant number of Latin American multinationals that keep visiting MAPFRE GLOBAL RISKS' headquarters while on their "road shows" throughout Europe; and the continued growth of its representative offices in Cologne, London and Paris, and aviation risks through the GLOBAL AEROSPACE pool.

Subsidiaries and other business interests

In a mature and highly competitive market which, in the last few years, has been hit by the biggest crisis seen in decades, the subsidiary MAPFRE CAUCIÓN Y CRÉDITO has attained satisfactory growth both on the Spanish market, where its market share has grown due to the large volume of business attained through the MAPFRE Network, and in its subsidiaries in Chile, Colombia and Mexico, maintaining very satisfactory claims ratios, having ended 2011 with positive results due to the steps taken in previous years to restructure the portfolio and return to a technical equilibrium.

It has also reviewed and updated its product portfolio to boost sales by launching an ambitious sales plan, in liaison with MAPFRE Network and to develop supplementary services (sale of commercial reports and recovery of bad debts). It has adjusted the financial terms of its policies and risks to the new economic scenario; and has given its Regional Management Centres more independence in terms of underwriting, in order to improve efficiency and build closer customer relationships through further decentralisation of decision-making.

Within the framework of the Credit and Surety businesses, an agreement has been signed with the global leader EULER HERMES to set up a joint venture to jointly develop these lines of businesses in the Spanish, Portuguese and Latin American markets.

ITSEMAP kept up its activity in Spain along with significant development of its overseas subsidiaries, and has gradually evolved towards a concentration of



Change of Chairmanship at MAPFRE GLOBAL RISKS

risk verification services and claims handling support tailored to the needs of MAPFRE GLOBAL RISKS, which enables it to offer a spectrum of high value-added prevention and security services that are the perfect partner for the range of activities of its parent company.

Outlook

The economic situation in Spain in 2012 will still be affected by the economic downturn, with all its implications: decreased business activity, lower demand for capital goods, stiffer competition due to market contraction, and lower interest rates which restrict the financial return on investments. Nevertheless, the steady penetration of international markets that is under way should enable us to weather the uncertainties looming over the Spanish market.

All in all, the solid market position of MAPFRE GLOBAL RISKS and its subsidiaries means that it is prudently optimistic about the coming years, when it expects to obtain written premium increases higher than the sector as a whole, with a steadily increasing market share, retain far more of its underwritten business, and boost efficiency levels by lowering management expense ratios. With this, together with the loss experience staying at prudent levels, should lead to improving results.

INCOME STATEMENT IFRS	2011	2010	Var. % 11/10
DIRECT INSURANCE AND ACCEPTED REINSURANCE			
Gross written and accepted premiums	1,007.4	910.4	10.7%
Gross earned premiums	951.1	893.0	6.5%
Claims (includes claims related expenses)	(616.3)	(939.2)	(34.4%)
Operating expenses and other technical expenses	(118.0)	(113.6)	3.8%
RESULT OF DIRECT INSURANCE AND ACCEPTED REINSURANCE	216.9	(159.9)	235.7%
CEDED AND RETROCEDED REINSURANCE			
Premiums and variation in unearned premium reserve	(667.8)	(649.6)	2.8%
Claims paid and variation in provision for claims	420.6	742.5	(43.3%)
Comissions and participation in reinsurance	52.3	59.6	(12.1%)
RESULT OF CEDED AND RETROCEDED REINSURANCE	(194.8)	152.5	(227.7%)
Other technical revenues and expenses	(11.4)	(7.5)	51.6%
LIFE AND NON-LIFE TECHNICAL RESULT	10.7	(14.9)	172.3%
Net income from investments	23.1	40.3	(42.7%)
Unrealised gains and losses on investments	0.0	0.0	
Other non-technical revenues and expenses	3.4	2.4	46.8%
Result of minority interests	1.8	0.0	
LIFE AND NON-LIFE RESULT	39.1	27.8	40.4%
OTHER ACTIVITIES			
Operating revenues	5.9	7.5	(21.5%)
Operating expenses	(6.7)	(8.0)	(16.4%)
Net income from investments and other income	0.1	0.0	
Result of minority interests	0.0	0.0	
RESULT OF OTHER ACTIVITIES	(0.7)	(0.5)	55.3%
RESULT BEFORE TAX AND MINORITIES	38.3	27.3	40.1%
Tax on profits	(11.2)	(5.8)	95.1%
Result after tax from ongoing operations	0.0	0.0	
RESULT AFTER TAX	27.1	21.5	25.5%
Attributable to minority shareholders	(0.1)	0.0	225.6%
RESULT AFTER TAX AND MINORITY SHAREHOLDERS	27.0	21.5	25.1%

MILLION EUROS

NON-LIFE RATIOS	2011	2010
Claims ratio of direct insurance	69.1%	80.8%
Expense ratio of direct insurance	27.1%	25.3%
Combined ratio, net of reinsurance	96.2%	106.1%



GROSS WRITTEN AND ACCEPTED PREMIUMS	2011	2010	Var. % 11/10
Fire - Property damage	581.4	465.4	24.9%
Motor - other guarantees	--	5.2	--
Third party liability	67.2	87.0	(22.8%)
Engineering	74.3	67.0	10.9%
Transport	188.1	196.3	(4.2%)
Credit	77.4	73.8	4.9%
Surety	19.0	15.7	21.2%
TOTAL	1,007.4	910.4	10.7%

MILLION EUROS

BALANCE SHEET KEY FIGURES (IFRS)	2011	2010	Var. % 11/10
Investments and cash	852.7	803.3	6.1
Total assets	2,838.8	3,077.3	(7.8)
Shareholders equity	446.6	422.6	5.7
ROE	12.8	5.3	141.5

MILLION EUROS

SOLVENCY AND COVERAGE OF TECHNICAL RESERVES	2011	2010	Var. % 11/10
Technical reserves requiring coverage	1,925.4	2,011.1	(4.3)
Excess of eligible assets over reserves	100.8	152.4	(33.9)
Minimum solvency margin	86.0	85.1	1.0
Solvency margin	397.8	383.1	3.8

MILLION EUROS

OTHER INFORMATION	2011	2010	Var. % 11/10
Average number of employees	576	610	(5.6)
Policies in force at year end (thousands)	8,509	8,431	0.9
Claims handled during the year	52,710	57,963	(9.1)
Speed of settlement of claims	62.7	54.7	14.6



Cross training
programme
between
MAPFRE
AMERICA
and MAPFRE
GLOBAL RISKS



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Proposed Resolutions

1. Approve the individual and consolidated Financial Statements for financial year 2011.
2. Approve the Board of Directors' management during financial year 2011.
3. Re-elect for another four-year period Mr. Ignacio Baeza Gómez as Director.
4. Re-elect for another four-year period Mr. Luis Iturbe Sanz de Madrid as Director.
5. Re-elect for another four-year period Mr. José Antonio Moral Santín as Director.
6. Re-elect for another four-year period Mr. Esteban Tejera Montalvo as Director.

These proposed re-elections have received the endorsement of the Appointments and Remuneration Committee and shall be understood as approved, where appropriate, without prejudice to the fulfilment of the statutory requirements and the corporate governance rules.

7. Approve the distribution of earnings proposed by the Board of Directors, and accordingly distribute a total dividend of €0.15 gross per share to shares numbers 1 to 3,079,553,273, both inclusive. Part of this dividend, in the sum of €0.07 gross per share, was paid out following a resolution passed by the Board of Directors on 26th October 2011, and the rest, up to the agreed total of €0.08 gross per share, shall be paid on a date to be determined by the Board of Directors, within the period from 1st May 2012 to 30th June 2012.

8. Ratify the web page www.mapfre.com as the Company's corporate web page for the purposes of article 11 bis and similar provisions of the Spanish Companies Act.

9. Modify the first paragraph of article 1 of the Corporate Bylaws, which shall read as follows:

By the name of MAPFRE, S.A. a company is set up that is governed by these Bylaws and by the regulations which apply to limited companies.

10. Modify the first sentence of article 4 of the Corporate Bylaws, which shall read as follows:

The registered office is located in Majadahonda (Madrid), at Carretera de Pozuelo, 52.

11. Modify the last sentence of article 6 of the Corporate Bylaws, which shall read as follows:

Shareholders shall be entitled to receive a minimum annual dividend of 5% and to benefit from all other rights stipulated by the legislation in force.

12. Modify the second sentence of the first paragraph of article 11 of the Corporate Bylaws, which shall read as follows:

Nevertheless, the General Meeting may be held at any other venue nationwide if the Board of Directors sees fit when calling the meeting. Likewise, when the meeting is a General Shareholders' Meeting, it may be held anywhere in the country.

13. Modify article 12 of the Corporate Bylaws, which shall read as follows:

Where no provision is made in these Bylaws or in the Regulations of the General Shareholders' Meeting, the requirements for the valid setting up of the General Meeting, the shareholders' attendance at the meeting, the shareholders' right to information, the majority required to adopt agreements, the submission of shareholders to the agreements of the majority and, in general, everything relating to this administrative order, shall be governed by the provisions of the legislation in force.

14. Modify the first sentence of the third paragraph of article 18 of the Corporate Bylaws, which shall read as follows:

Agreements shall be adopted by an absolute majority of the members of the Board attending the session, except in the cases provided for by the legislation in force.

15. Modify article 24 of the Corporate Bylaws, which shall read as follows:

In any case, there will be an Audit Committee, the majority of whose members, including the Chairman, shall be non-executive members of the Board, who may only be re-elected after one year has elapsed following the expiry of their term of appointment. The Secretary of this Committee will be the Secretary to the Board of Directors. This Committee shall have the following powers:

1. *To report to the General Shareholders' Meeting with regard to questions raised about any matter within its remit.*

2. *To oversee the effectiveness of the company's internal control, internal audit and risk management systems, as well as to discuss with the accounts auditors or audit firms any significant weaknesses detected in the internal control system in the course of an audit.*

3. *To supervise the preparation and reporting of regulated financial information.*



4. To propose to the Board of Directors, for approval by the General Shareholders' Meeting, the appointment of the accounts auditors or audit firms, in keeping with the rules applicable to the Company.

5. To build the necessary relationships with the accounts auditors or audit firms to receive information on those issues that may compromise their independence, for their consideration by the Committee, and any other relationships referring to the development of an accounts audit, as well as those communications envisaged by law with regard to accounts audits and audit rules. Under all circumstances, it shall always receive from the accounts auditors or audit firms a written confirmation of their independence from the entity or entities linked thereto, both directly or indirectly, as well as information on any additional services of whatever nature provided to the said entities by the aforementioned auditors or firms, or by the persons or entities linked to them in accordance with the legislation in force on accounts audits.

6. To draw up an annual report –before the report on the accounts audit is issued– delivering an opinion on the independence of the accounts auditors or audit firms. This report shall address, in any case, the provision of the additional services referred to in the previous section.

16. Modify the last sentence of article 35 of the Corporate Bylaws, which shall read as follows:

In the liquidation of the Company, the provisions of the legislation in force concerning limited companies in relation to the supervision of private insurance as well as all other applicable provisions shall be taken into account.

17. Modify article 36 of the Corporate Bylaws, which shall read as follows:

Any matter that may arise between the shareholders and the Company, or directly between the shareholders in their capacity as such, shall be submitted to equitable arbitration in accordance with the legal provisions regarding this matter, without prejudice to the right of the parties to initiate legal actions, or the provisions of the legislation in force concerning challenges to corporate resolutions.

18. Modify articles 2, 4, 5, 6, 7, 8, 9, 10, 11, 13, 16 and 18 of the Regulations of the Company's General Shareholders' Meeting, which shall be worded as set out in the report submitted to this effect by the Board of Directors.

19. Authorise the Board of Directors so that it may, pursuant to article 297 of the Recast Spanish Companies Act, during the five years following the date of this resolution, increase the share capital once or several times by up to a maximum of €153,977,663.65, equivalent to 50% of the share capital. The Board of Directors shall freely determine the form and conditions of any capital increases pursuant to this authorisation, and may resolve to: issue the shares with or without voting rights, and even with a share premium; exclude, either in whole or in part, the pre-emptive right of shareholders and, where necessary, of holders of the Company's convertible bonds, pursuant to article 506 of the Recast Spanish Companies Act and similar provisions; and amend, where necessary, article 5 of the Corporate Bylaws to adapt it to the amount of the resulting share capital. This

authorisation involves the withdrawal of the authority granted on 5th March 2011.

The Board of Directors is likewise authorised to delegate the powers granted by virtue of this resolution to the Steering Committee, pursuant to Article 249.2 of the Recast Spanish Companies Act.

20. Request that the shares that the company issues as a result of the share capital increases carried out by the Board of Directors under the authorisation referred to in the preceding paragraph be listed for trading on the Stock Exchange, pursuant to Article 27 b) of the Stock Exchange Regulations, as worded in Royal Decree 1,536/81, and in the same terms and conditions as provided for under the said Article. It is explicitly agreed that, in the event of a subsequent application to exclude the shares from being listed, such decision will be made with the same formalities, and in this case the interests of the shareholders who did not vote for or opposed the resolution, will be guaranteed. The passing of a decision to officially allow listing will amount to a declaration to abide by any rules that may be in force or that may be laid down in the future relating to Securities and Stock Markets, and especially those referring to trading, listing and delisting.

21. Authorise the Board of Directors so that, pursuant to the provisions of article 146 and similar provisions of the Recast Spanish Companies Act, the Company may proceed, directly or through subsidiaries, to acquire treasury stock, subject to the following limits and requirements:

– Methods: acquisition via contract of purchase, or via any other inter vivos act for a consideration, of shares that are free of any liens or encumbrances.

– Maximum number of shares that may be acquired: shares whose nominal value, added to those already owned by the Company and its subsidiaries, does not exceed 10% of the share capital of MAPFRE, S.A.

– Minimum and maximum acquisition price: 90% and 110%, respectively, of the share's market price on the date of acquisition.

– Term of the authorisation: five years as from the date of the resolution herein.

This authorisation involves the withdrawal of the authority granted on 5th March 2011.

The Board of Directors is likewise authorised to delegate the powers granted by virtue of this resolution to the Steering Committee, pursuant to Article 249.2 of the Recast Spanish Companies Act.

22. Endorse the Report on the Directors' Remuneration Policy that is submitted to the General Shareholders' Meeting for consultation purposes.

Said Report on the Directors' Remuneration Policy has been reported on favourably by the Appointments and Remuneration Committee



23. Extend the appointment of Ernst & Young, S.L. as the Company's Accounts Audit firm, both for the Individual Financial Statements and for the Consolidated Financial Statements for a new one-year period, that is, for financial year 2012, although the appointment may be revoked by the General Shareholders' Meeting before the end of said period if a justifiable reason for doing so exists.

24. Confer the broadest powers on the Board of Directors so that, with regard to the preceding capital increase resolution passed by this General Shareholders' Meeting, it may:

a) Complete, in general terms, the preceding resolutions in any matters necessary for them to be valid and enforceable.

b) Delegate the powers it deems appropriate to the Company's Steering Committee or to members of the Board of Directors.

25. Delegate the broadest powers in favour of the Chairman and Secretary of the Board of Directors, so that they may individually, before a Notary Public, execute the preceding resolutions and record them as a public deed via any public or private document insofar as it is necessary, until their recording at the Registrar of Companies; they are likewise entitled to amend, clarify, rectify and correct these resolutions in accordance with any observations made by the Registrar of Companies when assessing them and thus ensure that they are registered in full, or in part, as set out in Article 63 of the Rules governing the Registrar of Companies.

26. Authorise the Board of Directors to clarify and interpret the preceding resolutions.

27. Thank those involved in the management of the company for their loyal co-operation during this financial year.



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Acknowledgements and Special Mentions

Since the date of the previous annual report, 105 MAPFRE employees have concluded or are about to reach the end of their active working life, as well as the following senior managers:

Mr. José Manuel Martínez Martínez, who joined MAPFRE in 1972, and successively or simultaneously held, among others, the position of Director General and Chairman of MAPFRE REASEGURO, Chairman of MAPFRE INTERNACIONAL, Director General, Chief Executive, the Highest Executive and Executive Vice-Chairman of CORPORACIÓN MAPFRE, Chief Executive, Chairman of the Board of Directors and Chairman of the Steering Committee of MAPFRE XL, Chairman of FUNDACIÓN MAPFRE AMÉRICA, Chairman of FUNDACIÓN MAPFRE, Chairman of MAPFRE VIDA, Chairman of MAPFRE MUTUALIDAD, Chairman of MAPFRE AMÉRICA, Chairman of MAPFRE-CAJAMADRID HOLDING DE ENTIDADES ASEGURADORAS, the Highest Executive of the MAPFRE Group, Chairman of SISTEMA MAPFRE and Chairman of MAPFRE, S.A.

— **Mr. Andrés Jiménez Herradón**, who joined MAPFRE in 1966, and successively or simultaneously held, among others, the position of Technical Director of MAPFRE REASEGURO, Technical Director of CORPORACIÓN MAPFRE, Director General of MAPFRE XL, Director General, Chief Executive and Executive Chairman of MAPFRE RE, Third Vice-Chairman and subsequently First Vice-Chairman of MAPFRE, S.A., Chairman of MAPFRE INTERNACIONAL, Chairman of MAPFRE AMÉRICA, Chairman of MAPFRE AMÉRICA VIDA, the Highest Executive and Chairman of the Management Committees of the International Direct Insurance and Global Businesses Divisions.

— **Mr. José Luis Catalinas Calleja**, who joined MAPFRE in 1962, and held various administrative positions at MAPFRE MUTUALIDAD, COCSA, CRÉDITO Y PREVISIÓN, INMOBILIARIA MAPFRE, MAPFRE INVERSIONES, AUDIMAP, PROURBASA and EDITORIAL MAPFRE; he also held the position of Director of the “Instituto de Estudios Iberoamericanos” and Director of FUNDACIÓN MAPFRE.

Finally, the following have ceased as Board Members of the regional areas: Mr. José Luis Brea Ferrer (East), Mr. Josep Font Fatjo dels Xiprers (Catalonia), Mr. Severino García Vigón (Northeast), Mr. Antonio Gómez Marcos (Extremadura), Mr. Isidro Casimiro González Suárez (Northeast), Mr. Adolfo Herrera Wehbe (North), Mr. Anastasio Herrero Casas (North), Mr. Luis Navarro Fernández (Levante), Mr. Jesús Olivera Chaparro (Extremadura), Mr. Narciso Ruiz López (Centre) and Mr. Josep Ventosa Mañé (Catalonia).

MAPFRE and its governing bodies wish to sincerely thank them for their services to the Group.

In memoriam

Since the preparation of the previous Annual Report, twenty employees have passed away, four in Spain (Ms. Sebastiana Vázquez Cortés, Mr. José Manuel Mateo Reina, Ms. Dolores Sainz García and Ms. Mercedes Alvarez Holguera) and sixteen in other countries (Ms. Carolina del Moral and Ms. Julieta Marta Ferragutti in Argentina; Mr. José Helder Leite, Mr. Anderson Flavio Oliveira Amorim, Mr. Pedro Gil Ribeiro Feitosa, Mr. Rodrigo Siqueira Cleto, Mr. Kivian France Goncalves Silva and Ms. Sandra Alves Dos Santos in Brazil; Mr. Alain Huysveld in Belgium; Ms. Sandra Camilleri in Malta; Ms. Ana Laura Sevilla Soto in Mexico; Mr. Elías López in Panama; Mr. Walter Elías Ulloa Rojas in Peru; Mr. Rafael Martínez Caba in the Dominican Republic; Ms. Dorothy Orsini in the USA and Mr. Manuel Pérez Marichal in Venezuela).

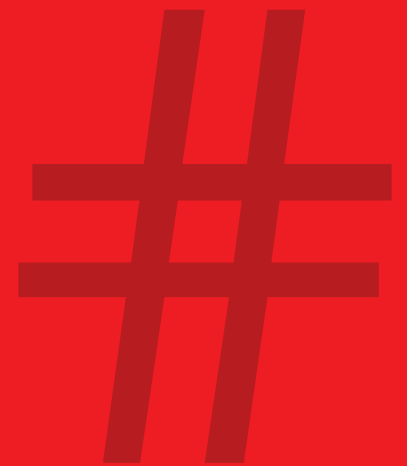
MAPFRE would like to take this opportunity to express its sincerest condolences to the relatives of the deceased

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