MAPFRE ANNUAL REPORT 2012

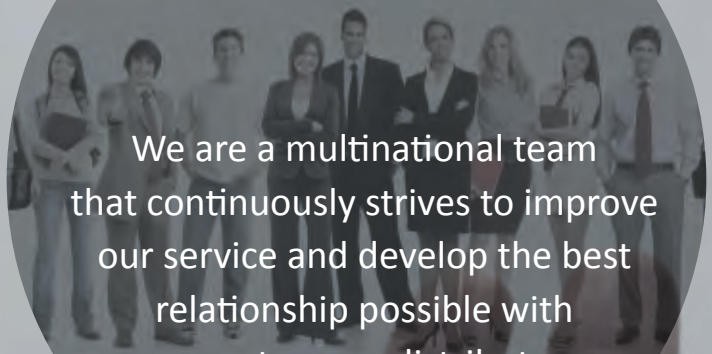
Annual Consolidated Financial Statements and Management Report

Subsidiary Companies

Vision

MAPFRE wants to be the most trusted global insurance company

Mission



We are a multinational team that continuously strives to improve our service and develop the best relationship possible with our customers, distributors, suppliers, shareholders and Society

Values

SOLVENCY

INTEGRITY

SERVICE VOCATION

INNOVATIVE LEADERSHIP

COMMITTED TEAM

Values

SOLVENCY

Financial strength with sustainable results.

International diversification and consolidation in various markets.

INTEGRITY

Ethics govern the behaviour of all personnel.

Socially responsible focus in all of our activities.

SERVICE VOCATION

Constant search for excellence in the development of our activities.

Continuous initiatives focused on minding our relationship with our customers.

INNOVATIVE LEADERSHIP

Willingness to surpass ourselves and to constantly improve.

Useful technology for servicing the businesses and their objectives.

COMMITTED TEAM

Total team commitment with MAPFRE's project.

Constant training and development of the team's capabilities and skills.

MAPFRE ANNUAL REPORT 2012

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Subsidiary Companies

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1
Governing Bodies

HONORARY CHAIRMEN	*Mr. Julio Castelo Matrán*
	Mr. José Manuel Martínez Martínez

BOARD OF DIRECTORS		Steering Committee	Appointments and Remuneration Committee	Audit Committee	Compliance Committee
CHAIRMAN	*Mr. Antonio Huertas Mejías*	Chairman	Chairman		
FIRST VICE-CHAIRMAN	*Mr. Esteban Tejera Montalvo*	First Vice-Chairman			
SECOND VICE-CHAIRMAN	*Mr. Francisco Ruiz Risueño*	Second Vice-Chairman	Second Vice-Chairman		Chairman
THIRD VICE-CHAIRMAN	*Mr. Antonio Núñez Tovar*	Member	First Vice-Chairman		
FOURTH VICE-CHAIRMAN	*Mr. Ignacio Baeza Gómez*	Member			
MEMBERS	*Mr. Rafael Beca Borrego*				Member
	Mrs. Adriana Casademont i Ruhí				
	Mr. Rafael Casas Gutiérrez	Member			
	Mr. Rafael Fontoira Suris				Member
	Mr. José Ignacio Goirigolzarri Tellaeche				
	Mr. Luis Hernando de Larramendi Martínez	Member	Member		
	Mr. Luis Iturbe Sanz de Madrid				Member
	Mr. Andrés Jiménez Herradón				
	Mr. Manuel Lagares Gómez-Abascal				
	Mr. Alberto Manzano Martos				
	Mr. Rafael Márquez Osorio			Member	
	Mrs. Francisca Martín Tabernero			Member	
	Mr. Antonio Miguel-Romero de Olano				Member
	Mr. Filomeno Mira Candel			Vice Chairman	
	Mr. Esteban Pedrayes Larrauri	Member			
	Mr. Alfonso Rebuelta Badías		Member		
	Mr. Matías Salvá Bennasar		Member		
	Mr. Francisco Vallejo Vallejo		Member	Chairman	
SECRETARY AND MEMBER	*Mr. Ángel L. Dávila Bermejo*	Secretary	Secretary	Secretary	

Composition of the governing bodies resulting from the proposals which are foreseen to be adopted on 9th March 2013.

2
Letter to shareholders

Dear shareholder

As with previous years, 2012 was marked by a difficult environment in the Spanish insurance market and the financial markets. In this context, our Group has obtained very positive results, achieving growth in revenues, accompanied by additional strengthening of its equity. We have therefore managed to consolidate our position in the Spanish market, in which our market share is 13.9%; and in Latin America, where we have confirmed our position as the leading non-life insurer, achieving a 10.1% market share.

These brilliant results have been made possible thanks to:

— The growing diversification of our business, due to the activity in international direct insurance and reinsurance, which have contributed approximately 67.4% of the premiums and 61.7% of results to the Group's insurance business.

— Our performance in the Multi-peril and Motor businesses in Spain, VERTI's increasing contribution in its second year of activity, and the excellent performance of the agents' channel in Life Savings products.

— The intensification of the diversification strategy for distribution channels.

— The excellent combined ratio in Spain and major improvement in the underwriting results of the international direct insurance and global businesses.

— The Group's prudent investment and financing strategy, which has translated into high financial income and one of the highest solvency margins in the European insurance industry.

Main activities

Throughout the financial year, the Group has implemented a number of initiatives designed to strengthen its strategic positioning and to increase its growth opportunities. In this respect, the following are worth highlighting:

— On 28th March 2012, BANCO FINANCIERO Y DE AHORROS sold to MAPFRE S.A. the 10.36% interest in the share capital of MAPFRE AMERICA, for the amount of €244 million. After this transaction, MAPFRE S.A. now owns 99.22% of the subsidiary.

— On 23rd May 2012, MAPFRE and EULER HERMES announced they had reached an agreement to jointly develop the credit insurance business in Spain and four Latin American countries.

— On 2nd July 2012 MAPFRE AMERICA became the full owner of MAPFRE MUNDIAL, after acquiring the remaining 35% interest in the company from GRUPO MUNDIAL.

Mr. Antonio Huertas
CHAIRMAN

— On 12th July 2012 it was announced that MAPFRE ASISTENCIA had acquired the US company CENTURY AUTOMOTIVE SERVICE, which specialises in the sale of warranty products for cars.

— On 23rd October 2012 MAPFRE announced it had reached an agreement to transfer its Health and Workers' Compensation business in Argentina to the GALENO group.

MAPFRE devotes a lot of time to implementing actions designed to streamline the Group's structure and promote its management efficiency. In this regard, as a continuation of the restructuring process initiated in 2011, the following operational integrations have been agreed, taking effect 1st January 2013:

— MAPFRE SEGUROS GERAIS and its life insurance subsidiary, companies belonging to the Group in Portugal, are incorporated in the Direct Insurance Division Spain, which will be known as División de Seguros España y Portugal (Spain and Portugal Insurance Division). This integration will take advantage of the synergies between the Group's businesses in both countries, helping to appropriately develop the businesses in Portugal and widen the range of products and services offered there.

— MAPFRE PUERTO RICO will be absorbed by MAPFRE USA to benefit from the synergies between all our companies in this country, within the International Direct Insurance Division, which changes its name to International Insurance Division.

MAPFRE and its subsidiaries have continued to receive in 2012 many awards and acknowledgements of its business performance, the quality of its services and responsibility shown towards its employees and society at large. It is worth mentioning the inclusion of our shares in the Dow Jones Sustainability World, Dow Jones Sustainability Europe, FTSE4Good and FTSE4Good Ibex indices, which evaluate the performance of listed companies in terms of sustainable development and respect for Human Rights. Meanwhile, Reactions magazine –part of the Euromoney group– has chosen MAPFRE for the seventh year running as the best insurer in Latin America. Our company is ranked 378th in the table of the 500 largest companies in the world, published by U.S Fortune magazine, having ranked 395th the year before.

Key figures

The Group's consolidated equity increased in 2012 by 4.2% to €10,136.3 million. This positive performance basically reflects the good results of our subsidiaries, highlighted by the following data:

— Premiums increased 10.6% to €23,064.3 million, while consolidated total revenues rose 7.5% to €25,301.2 million. By lines of business:

• Spanish direct insurance premiums totalled €7,507.6 million, falling 4.5% as a consequence of the downturn in the demand within the Spanish market. In this environment, the highlights were:

– the good performance of the Motor line, where MAPFRE has maintained its market share;

– the increase in the Life assurance market share, to 11.4%, thanks to the excellent performance in Life Savings products by the agents' channel and the winning of large corporate Life & Savings operations worth €354 million;

– the healthy performance in the Multi-peril business, where MAPFRE achieved growth of 1.7%, as compared to a sector-wide growth of 0.6%.

• International direct insurance premiums increased 23.3% to €10,833.9 million, spurred by organic growth and the incorporation of the businesses from BANCO DO BRASIL and MIDDLESEA INSURANCE (Malta). At the end of 2012, these businesses accounted for 55.1% of total aggregate premiums, compared to 49.7% in 2011.

• The global business (Reinsurance, Assistance and Global Risks) reported a premium volume of €4,723.2 million, up 12.4%, most noteworthy being the upturn in MAPFRE ASISTENCIA's business due to organic growth, especially in the United States, China, UK and France.

— Life Insurance, pension fund and mutual fund assets under management increased 5.9%.

— Net income totalled €665.7 million, down 30.9%. In both years, the result attributable to the controlling company includes a series of extraordinary items, not directly attributable to the insurance business. Excluding these, the results would have increased 9.6%.

— Earnings per share declined 31.3%, from €0.32 to €0.22.

Our share price

During 2012 the stock market's performance was marked by volatility. In this context, our share price fell 5.7% to €2.315. During this period, the Spanish stock market index IBEX 35 declined 4.7%, while the Dow Jones Stoxx Insurance index rose 32.9%.

Dividends

In view of the volatile economic and financial environment, the Board of Directors has deemed it appropriate to raise the Group's levels of capitalisation, liquidity and financial flexibility. It has resolved to pay an interim dividend, for 2012, of €0.04 per share, taking the total dividend paid during the year to €0.12 per share. The total amount paid out in dividends during 2012 was €369.6 million.

The Board of Directors proposes to the Annual General Meeting the payment of a 2012 final dividend of €0.07 per share.

Vision, Mission and Values

In order for the Group to continue to adapt itself to the current environment and develop its multinational base, the Board of Directors has approved the strategic bases for our plans for the forthcoming years which form part of the following general framework.

*MAPFRE wants to be the most **trusted global** insurance **company***

*We are a **multinational team** that continuously strives to improve our **service** and develop the best relationship possible with our customers, distributors, suppliers, shareholders and Society.*

With SOLVENCY, INTEGRITY,
SERVICE VOCATION,
INNOVATIVE LEADERSHIP
and a COMMITTED TEAM

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

Sincerely,

Antonio Huertas
PRESIDENT

3
General information

MAPFRE is a multinational group which operates in a total of 45 countries in five continents. The Group's holding company is MAPFRE S.A., whose shares are listed on the Madrid and Barcelona Stock Exchanges. They also form part of the IBEX35, Dow Jones Stoxx Insurance, Dow Jones Sustainability World Index, MSCI Spain, FTSE All-World Development Europe Index, FTSE4Good and FTSE4Good IBEX indices.

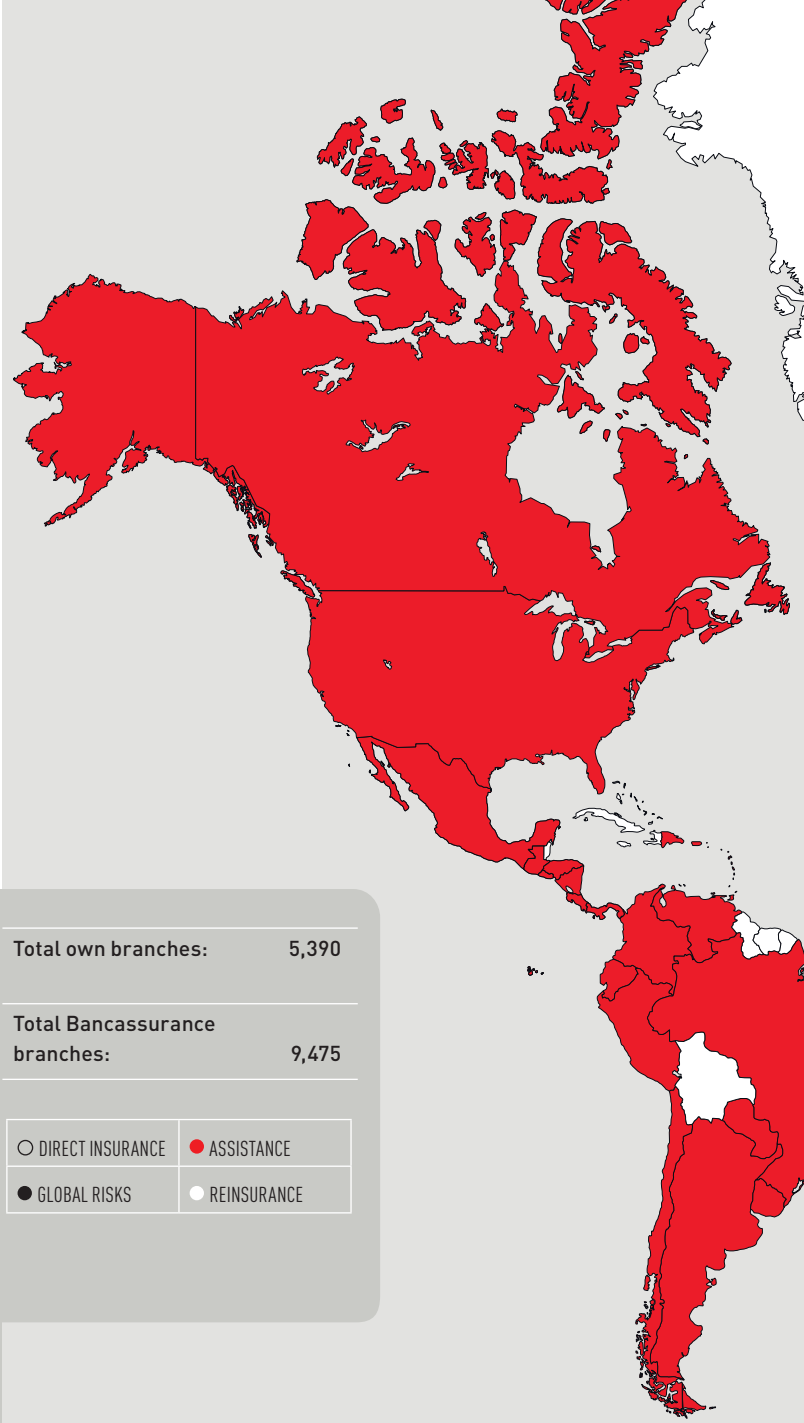
The majority shareholder of MAPFRE S.A. is FUNDACIÓN MAPFRE, which guarantees the Group's independence and its institutional stability. FUNDACIÓN MAPFRE engages in general interest activities in the fields of Social Action, Insurance Sciences, Culture, Road Safety, Health and Safety and the Environment.

The Group's businesses are structured into 3 principle divisions, which since 1st January 2013 are called Spain and Portugal Insurance, International Insurance and Global Businesses. MAPFRE has a solid position in the Spanish insurance market and a significant international presence. At the end of 2012, it ranked sixth in Non-life insurance in Europe, and first in Latin America in this segment of insurance, where overall it is ranked second.

Presence

MAPFRE operates in a total of 46 countries through 281 companies. At the end of 2012, it had 5,390 own offices throughout the world, of which 3,069 were located in Spain, and 2,122 in Latin America; it also distributes its products through 9,475 bank branches and other points of sale that sell the Group's policies under association agreements; and has a network of almost 62,000 agents and brokers, 5,750 of which were based in the United States and more than 17,590 in Brazil.

In insurance activities, MAPFRE leads the Spanish market and is present in all the Latin American markets (a region where it ranks second overall and is the leader in Non-life insurance) and also 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 company (MAPFRE RE) that ranks among the top 20 firms in the world reinsurance league, and which operates worldwide, through its two subsidiaries and 16 offices.



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

OCEANIA			
	●		Australia

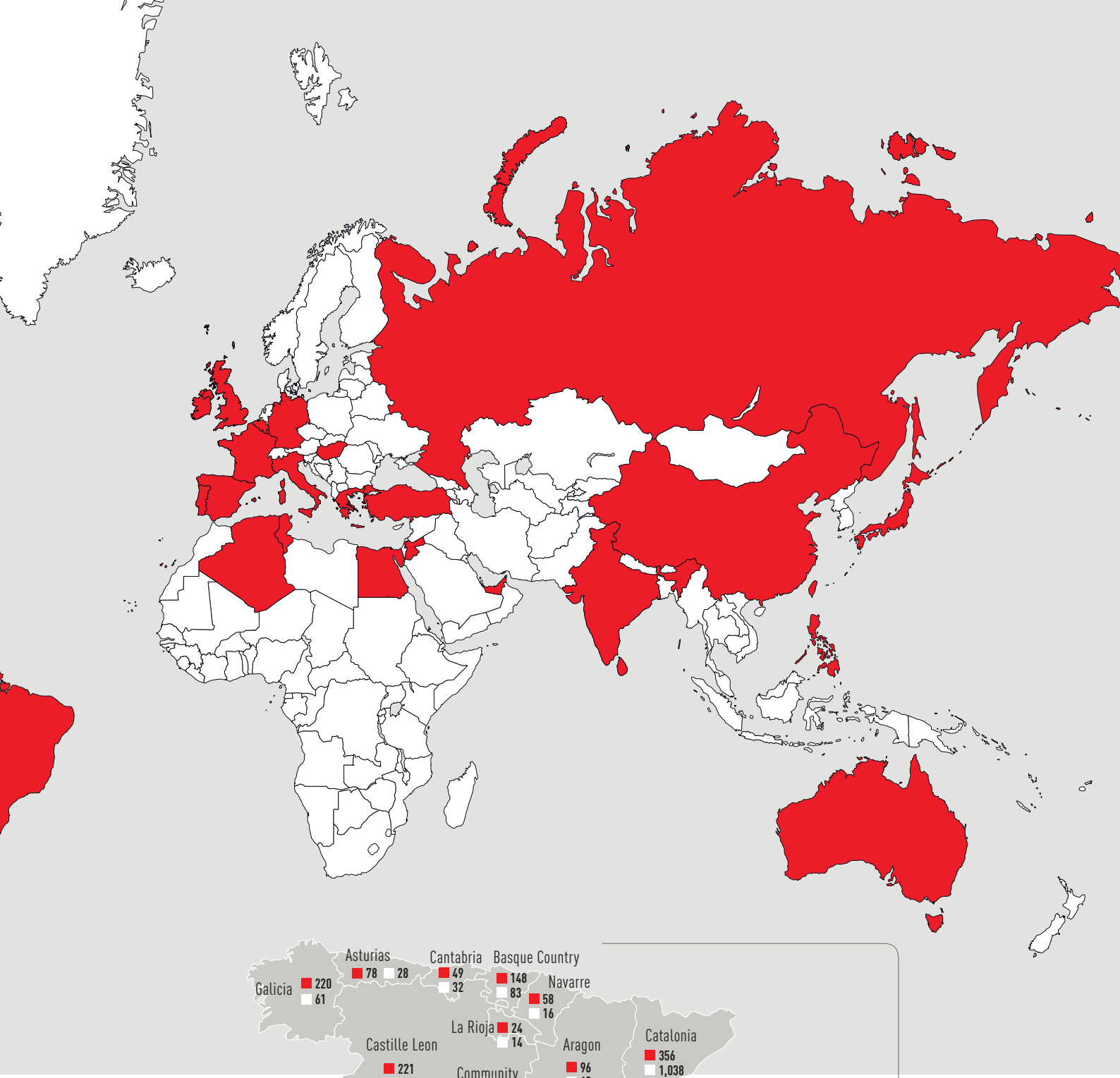
EUROPE				
	●	●	○	Germany
	●		○	Belgium
○		●	○	Spain
	●	●	○	France
	●			Greece
	●			Hungary
	●			Ireland
	●	●	○	Italy
	●			Luxembourg
○	●			Malta
○	●		○	Portugal
	●	●	○	United Kingdom
	●			Russia
○	●			Turkey

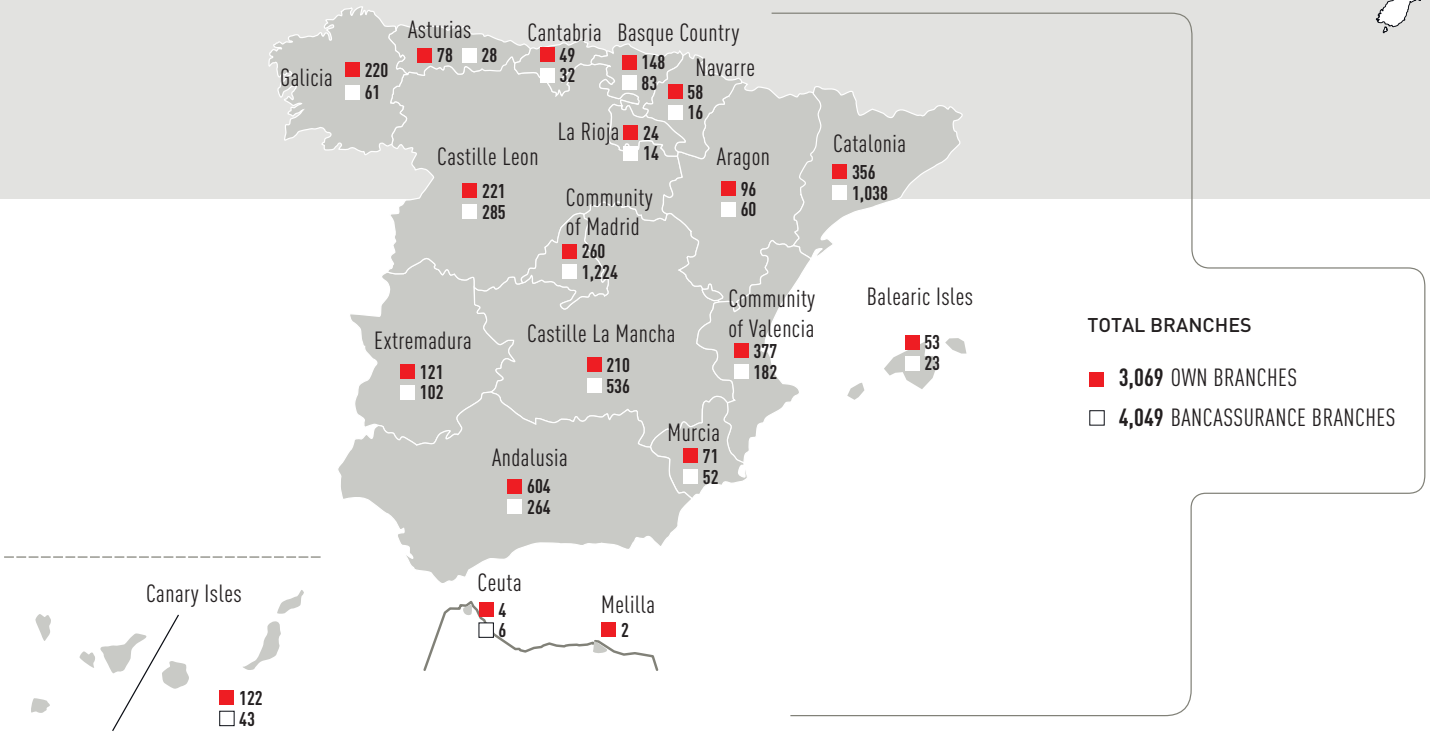
ASIA			
	●		Bahrain
	●		Unit. Arab Emirates
	●		China
○	●		Philippines
	●		India
	●		Japan
	●		Jordan
	●		Taiwan

AFRICA			
	●		Algeria
	●		Egypt
	●		Tunisia

Total own branches:	**5,390**
Total Bancassurance branches:	**9,475**

○ DIRECT INSURANCE	● ASSISTANCE
● GLOBAL RISKS	○ REINSURANCE




Asturias
78
28
Cantabria
49
32
Basque Country
148
83
Navarre
58
16
Galicia
220
61
La Rioja
24
14
Castille Leon
221
285
Aragon
96
60
Catalonia
356
1,038
Community of Madrid
260
1,224
Community of Valencia
377
182
Balearic Isles
53
23
Extremadura
121
102
Castille La Mancha
210
536
Murcia
71
52
Andalusia
604
264
Canary Isles
122
43
Ceuta
4
6
Melilla
2
TOTAL BRANCHES
3,069 OWN BRANCHES
4,049 BANCASSURANCE BRANCHES

Ratings

Standard & Poor's

Entity	2012	2011
MAPFRE S.A. (Debt issuer rating)	**BBB-** Negative outlook	**A** Credit watch with negative implications
MAPFRE S.A. (€700 Mn subordinated debt)	**BB**	**BBB+**
MAPFRE GLOBAL RISKS (Financial strength rating)	**BBB+** Negative outlook	**AA-** Credit watch with negative implications
MAPFRE RE (Financial strength rating)	**BBB+** Negative outlook	**AA-** Credit watch with negative implications

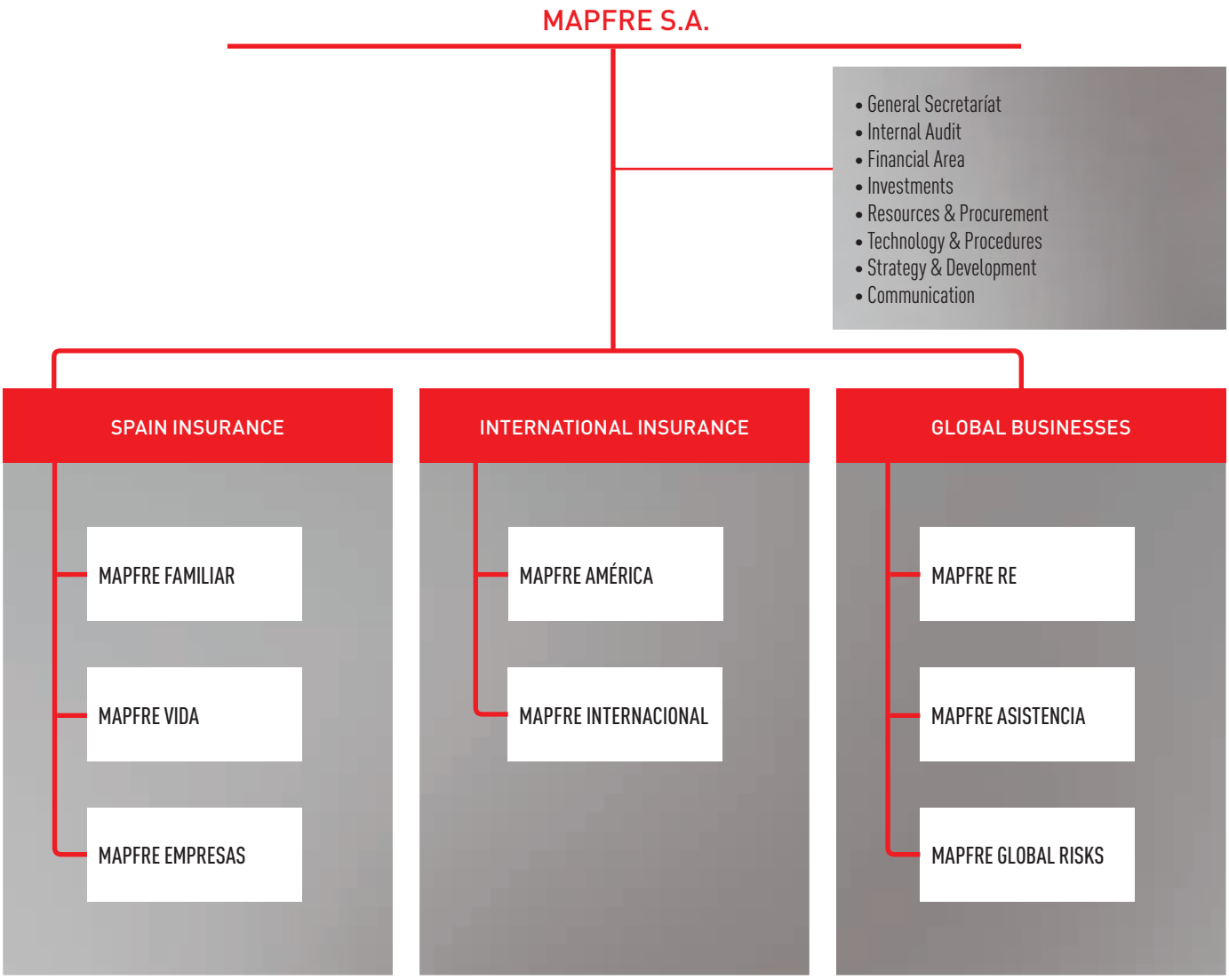
A.M. Best

Entity	2012	2011
MAPFRE RE (Financial strength rating)	**A** Negative outlook	**A** Under review with negative implications
MAPFRE GLOBAL RISKS (Financial strength rating)	**A** Negative outlook	–

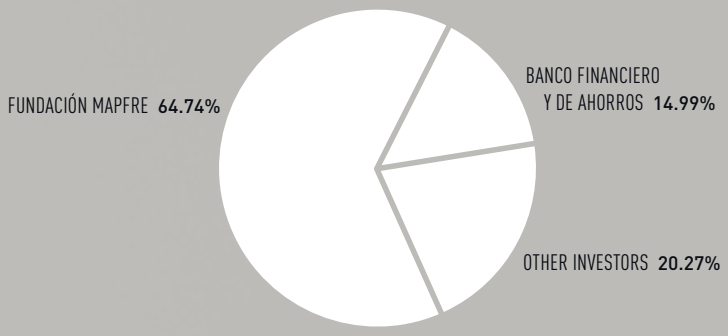
Moody's

Entity	2012	2011
MAPFRE GLOBAL RISKS (Financial strength rating)	**Baa2** Under review with negative implications	**Aa3** Negative outlook
MAPFRE ASISTENCIA (Financial strength rating)	**Baa2** Under review with negative implications	**A1** Negative outlook

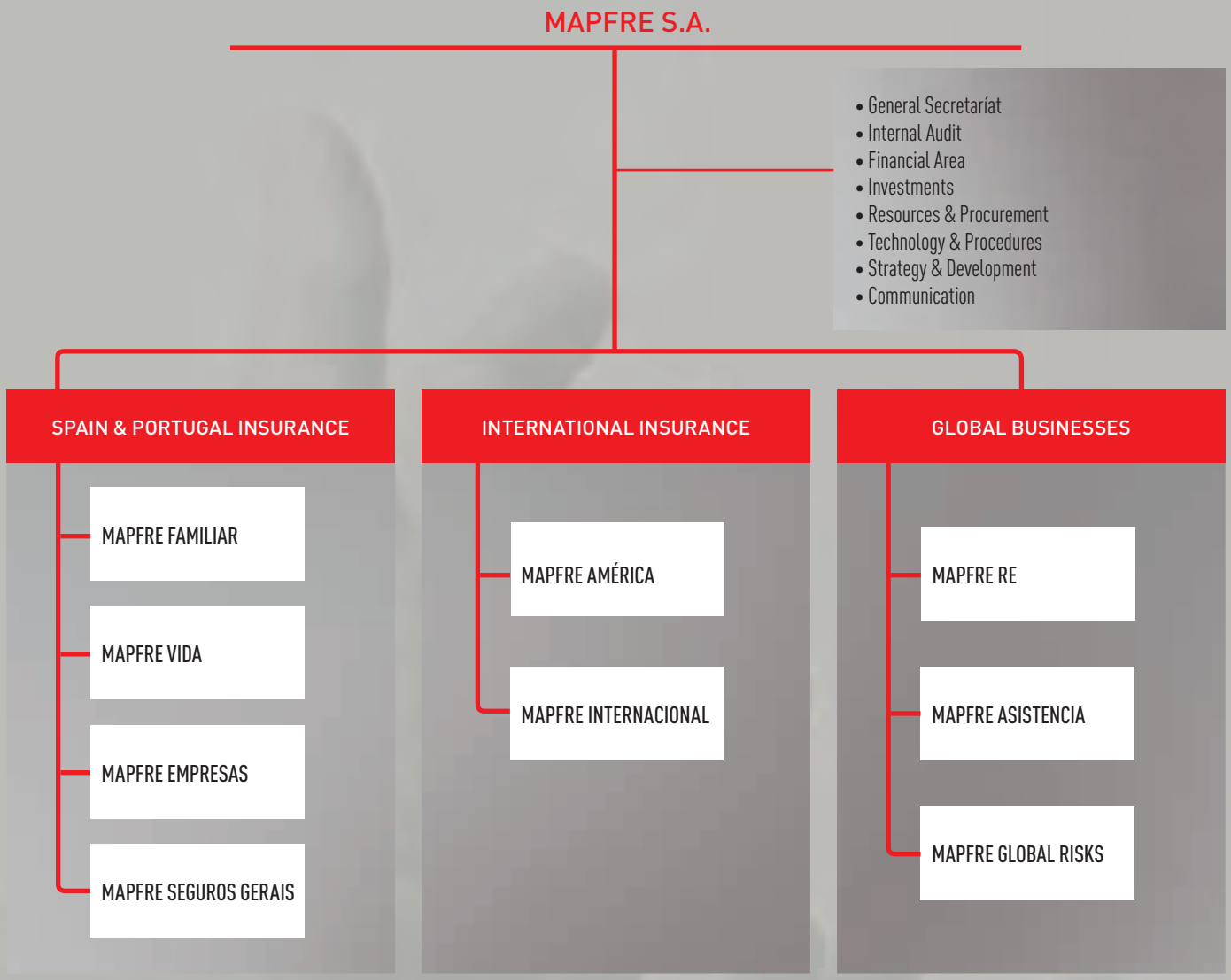
Corporate organisational chart 2012



SHAREHOLDER STRUCTURE



Corporate organisational chart 2013



4
Significant events of the year

JANUARY

2nd January
MAPFRE PUERTO RICO's Life company wins the award for the Best Life Insurance Company given by the Professional Insurance Agents of Puerto Rico & the Caribbean (PIA).

3rd January
MAPFRE COLOMBIA features in the list of the 25 Best Companies to work for, according to the Great Place to Work Institute.

12th January
MAPFRE VIDA launches "Millón Vida", a high-yield, single-premium guaranteed Savings product with a four years duration and a high return.

13th January
MAPFRE moves up one position to 14th in the ranking of the most valued Spanish brands, according to a report by the INTERBRAND consultancy firm.

FEBRUARY

7th February
MAPFRE and BANKINTER announce the creation of a new non-life insurance company to jointly market Commercial, Health, Burial and Payment Protection insurance products.

8th February
MAPFRE presents the Group's earnings for 2011, when its revenues topped €23,500 million (up 15%) and net results amounted to €963 million (up 3.2%).

24th February
MAPFRE ASISTENCIA reaches an agreement with the French company COMPAGNIE EUROPEENNE D'ASSURANCES (CEA) to operate jointly in travel insurance in France.

MARCH

1st March
MAPFRE launches Garantía 16, a single-premium savings insurance product with a guaranteed return, linked to the 3-month Euribor.

6th March
The Group's subsidiary in Honduras moves its head office to Tegucigalpa.

MAPFRE is ranked by FORTUNE Magazine as the world's thirteenth most admired insurance group.

10th March
MAPFRE's Annual General Meeting of Shareholders approves the Group's accounts and dividends for 2011. Mr. Antonio Huertas takes office as Chairman of MAPFRE, taking over from Mr. José Manuel Martínez, who retires.

22nd March
MIDDLESEA ASSIST, MAPFRE ASISTENCIA's new subsidiary, commences operations in Malta.

28th March
MAPFRE pays €244 million for the 10.36% interest that BANCO FINANCIERO Y DE AHORROS (BFA) held in MAPFRE AMERICA.

APRIL

20th April
MAPFRE ranks 357th in the global ranking of the 2,000 largest companies in the World, as publihed by FORBES magazine. Among the Spanish companies present on the list, it has moved up one position and now ranks 8th.

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

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.
- 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.

24th April
MAPFRE again ranks 10th in the report issued by the Spanish Corporate Reputation Business Monitor 2012 (MERCO) and moves up three positions to 17th on MERCO's list of the best companies in Corporate Social Responsibility.

25th April
MAPFRE controls 54.76% of FUNESPAÑA, after the takeover bid it launched.

30th April
The IMAF (Institute for Insurance and Financial Mediation) Index Study considers MAPFRE to be the most visible online insurance company.

MAY

4th May
MAPFRE launches Puente Garantía 3, a mutual fund that guarantees 100% of the capital invested and a cumulative minimum return of 4%.

9th May
MAPFRE's Board of Directors approves the creation of the Directorate General of Strategy and Development as a Corporate Area.

23rd May
MAPFRE signs an agreement with EULER HERMES to develop credit insurance in Argentina, Chile, Colombia, Spain and Mexico.

25th May
MAPFRE ranks 13th in the list of the best multinationals to work for in Latin America, according to The Great Place to Work Institute.

JUNE

20th June
MAPFRE adheres to the Principles for Sustainable Insurance promoted by the UN.

A poll conducted by the Ipsos KAR consultancy firm recognises MAPFRE as the most highly valued insurance firm in the sector.

JULY

2nd July
MAPFRE acquires the remaining 35% interest in MAPFRE MUNDIAL, the holding company for the Group's insurance companies in Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama, and now fully owns the company.

4th July
MAPFRE was Europe's leading company in Non-Life insurance growth terms in 2011, according to the ranking put together by FUNDACIÓN MAPFRE.

12th July
MAPFRE ASISTENCIA acquires 100% of the US company CENTURY AUTOMOTIVE SERVICE CORPORATION, which specialises in the sale of warranty products for cars.

13th July
MAPFRE moves up 17 positions and now ranks 378th among the FORTUNE Global 500 Largest Corporations in the World.

16th July
MAPFRE is the sixth best company to work for, according to the ACTUALIDAD ECONÓMICA magazine.

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 PREVIDÊNCIA, 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.

20th July
MAPFRE's subsidiary in Peru is chosen as the country's sixth most reputable company by REPUTATION INSTITUTE and INMARK PERU.

AUGUST

17th August
The BB MAPFRE Group signs a deal with BANCO INTERMEDIUM in Brazil to market the Group's products through its network.

31st August
MAPFRE launches a new version of Garantía 16, a single-premium savings insurance product with a guaranteed yield.

SEPTEMBER

5th September
MAPFRE RE ranks 13th in the 2012 world classification of reinsurance companies put together by the rating agency AM Best.

10th September
MAPFRE signs a commercial deal with BBVA in Uruguay to market Household and Personal Accident insurance policies.

13th September
MAPFRE ASISTENCIA opens a new Claims Evaluation Centre in Turkey.

14th September
For the third year running, MAPFRE features in the Dow Jones World Sustainability Index and in the Dow Jones Sustainability Index Europe.

18th September
MAPFRE reaches an agreement to become the exclusive distributor in Latin America of GENWORTH's lifestyle protection products.

21st September
The magazine REACTIONS chooses MAPFRE as the Best Direct Insurance Company in Latin America for the seventh year in a row.

26th September
MAPFRE continues in the FTSE4Good index, which measures the performance of companies in upholding and supporting sustainable development and human rights.

OCTOBER

2nd October
MAPFRE CAUCIÓN Y CRÉDITO ranks among the best companies in the Spanish Credit insurance market, according to a study by the PYMES journal.

9th October
MAPFRE launches Puente Garantía 5, a mutual fund with a guaranteed fixed return.

15th October
MAPFRE GLOBAL RISKS opens an office in Milan (Italy).

22nd October
MAPFRE ASISTENCIA opens a new Assistance Centre in Ireland.

23rd October
MAPFRE and GALENO reach a strategic agreement for marketing their products in Argentina that envisages MAPFRE transferring its Health and Workers' Compensation business in the country to the Argentinian company.

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).

24th October
The UN Progress Report classifies MAPFRE as an "Advanced Level" company in Social Responsibility issues.

25th October
MAPFRE COLOMBIA moves up ten positions, to number 2, in the list of Colombian insurance companies with the best corporate reputation, according to the Reputation Institute.

26th October
MAPFRE's Board of Directors of MAPFRE approves the proposal to turn the Communication Area into a Corporate Area.

MAPFRE's Board of Directors resolves to pay a 2012 interim dividend of €0.04 per share.

29th October
MAPFRE ranks among the world's 100 greenest companies, according to the ranking of the 500 companies with best environmental policies published by NEWSWEEK magazine.

NOVEMBER

6th November
MAPFRE INSULAR, the Group's subsidiary in the Philippines, opens the Group's first direct sales office in the country.

MAPFRE successfully places €1,000 million of senior debt.

12th November
MAPFRE GENEL SIGORTA signs an agreement with MEDICAL PARK to market the first supplementary health insurance policy in Turkey.

13th November
MAPFRE ranks 19th in the list of the Best Workplaces in Spain, according to the Corporate Reputation Business Monitor (MERCO).

20th November
MAPFRE launches the Puente Garantía 1 mutual fund, that guarantees capital and returns linked to the performance of the Eurostoxx 50.

30th November
MAPFRE's Steering Committee approves the guidelines for the global development of on-line and telephone sales within the Group, and creates a new Global Direct Insurance Area.

DECEMBER

3rd December
The financial daily newspaper EL ECONOMISTA chooses Mr. Antonio Huertas as one of the best managers of the year.

11th December
MAPFRE has become the most highly rated insurance firm in Spain on account of the quality of its products and services, according to the KAR study conducted by the consultancy firm Ipsos.

21st December
The Board of Directors of MAPFRE appoints Mr. Francisco Vallejo Vallejo as 2nd Vice-Chairman, replacing Mr. Francisco Ruiz Risueño and effective from 8th May 2013, the date on which he will reach the age limit for Board membership, as laid down in the Code of Good Governance.

2010

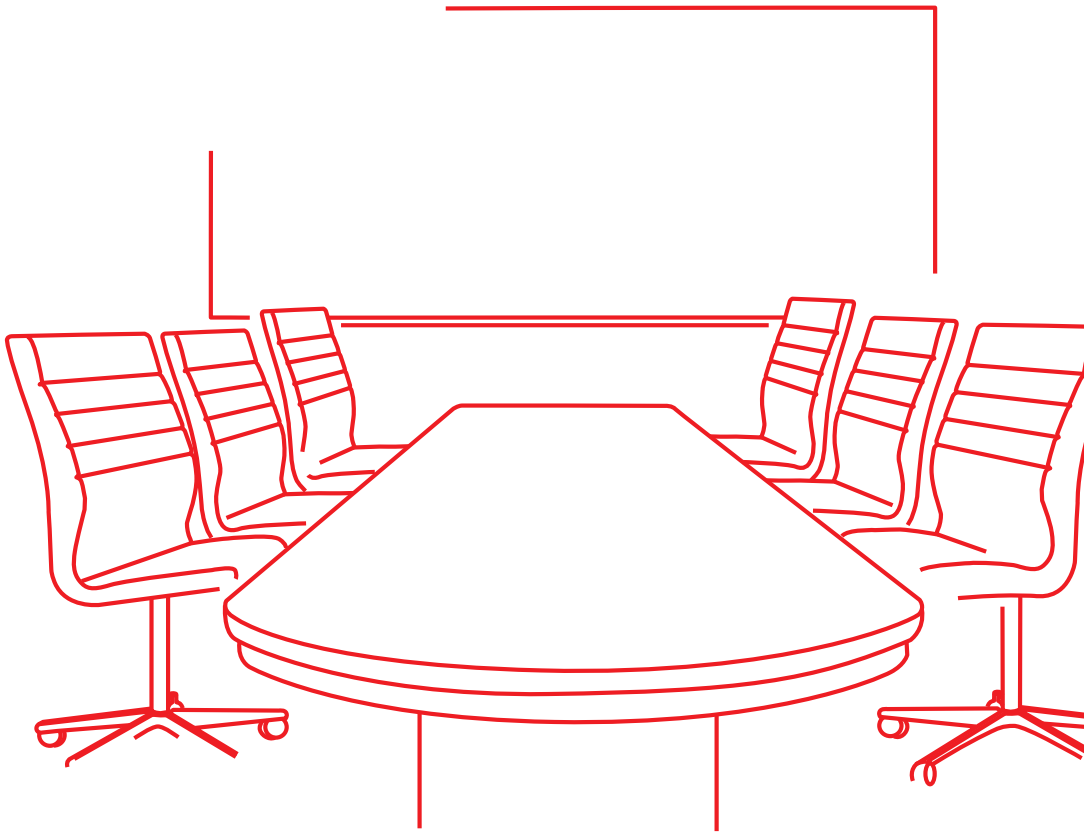
- Completion of the oragnisational and operational restructuring of the commercial insurance businesses.
- Approval of the Group's operational and management structures.
- Formalisation of the strategic alliance with BANCO DO BRASIL.
- Bancassurance agreement with CATALUNYACAIXA.
- Acquisition of INSUREANDGO (UK), the British leading online travel insurance company.
- Launch of VERTI, the new company specialising in the sale of direct insurance.

2011

- VERTI, the Group's new direct sales company via internet and telephone, starts operations.
- GRUPO SEGURADOR 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.

2012

- Acquisitoin of 10.36% of MAPFRE AMERICA, owned by BANCO FINANCIERO Y DE AHORROS. MAPFRE, S.A. thus increasing its stake to 99.22%.
- Formalisation of the agreement with EULER HERMES to jointly develop Credit insurance in Spain and four countries in Latin America.
- MAPFRE AMERICA achieves a 100% shareholding in MAPFRE MUNDIAL.
- Acquisition by MAPFRE ASISTENCIA of the US company CENTURY AUTOMOTIVE SERVICE CORPORATION, which specialises in the sale of warranty products for cars.
- Transfer of the the Health and Workers' Compensation lines in Argentina to the GALENO business group.
- VISION, MISSION and VALUES. The Board of Directors approves the strategic bases for the Group's plans for the forthcoming years.



5
Consolidated Management Report 2012

Economic context

Throughout 2012, the behaviour of financial markets was mainly determined by the evolution of the crisis in Europe and the growing weakness of the expected global economic growth. This was accompanied by other sources of uncertainty, such as the fiscal situation in the USA or the higher than expected slowdown in some emerging economies.

In the first part of the year, tensions in the European markets tended to moderate. Contributing to this improvement was the second liquidity injection carried out by the European Central Bank in February, with full allotment by auction. This new three year auction, with an interest rate of 1 percent, contributed about €500 billion of liquidity to the market and was accompanied by an increase in those assets accepted as collateral.

In early March, Greece carried out the restructuring of its debt, with private creditors agreeing to an asset swap, resulting in a "haircut" of 53.5% on the nominal value. These actions permitted the activation of the second programme of financial assistance to Greece.

During the months of May through to July, there was an escalation of financial tensions in the Eurozone, which especially affected Italy and Spain and resulted in a tightening of financing conditions. Additionally, rating agencies carried out credit downgrades that affected both public and private sector debt in Spain, with particular impact on financial institutions. This prompted a "flight to quality" effect, towards the public debt of countries with higher credit quality, with short terms yields turning negative. For its part Greece contributed to these heightened tensions, due to the political uncertainty in the country and doubts about fulfilling its commitments to reduce its public deficit, while Spain suffered due to the mistrust regarding its public finances and the health of its financial system, especially following the rescue of Bankia. Countries of the European periphery continued with the agendas of reforms and write-downs, aimed at restoring balanced budgets and improved competitiveness. In this context, in June the Spanish government requested the assistance of the European financial institutions, to recapitalize the weakest financial entities. The Eurogroup approved the granting of funds amounting to €100 billion, while in parallel, the European Central Bank reduced its reference rate for major funding operations by 25 bps to 0.75%.

The tensions in financial markets, however, only subsided towards the end of July, following statements by the President of the European Central Bank, Mr. Mario Draghi, stressing that he would be willing to do whatever was necessary to preserve the Euro. Subsequently, the announcement of the creation of a programme of unlimited purchases of government debt in the secondary markets, accompanied by conditionality for the participating countries, contributed equally to the improvement of the situation in the markets. With a longer-term perspective, the European institutions took the first steps towards the creation of a single banking supervisor for the Eurozone and began negotiations for the preparation of budgets for the period 2014-2020, with its initial proposal aimed at greater austerity in the coming years. Despite the improvement in financial conditions, the market situation was far from completely normalised, while uncertainty remained high.

Mr. Antonio Huertas and Mr. José Manuel Martínez at the 2012 Annual General Meeting of shareholders

2012 Annual General Meeting of shareholders

Emerging economies showed a progressive slowdown in activity, which in the case of Brazil and China, was more intense than expected. This was due, in large part, to the increasing crisis in the Eurozone, which took its toll on the export sector of these economies. Overall, inflation followed a moderate trend, which facilitated that some central banks in these regions continue with a cycle of interest rate cuts or the implementation of other monetary easing policies.

In the developed economies, the upturn in activity observed during the first quarter of 2012, led to a general slowdown in subsequent quarters. Outside of the Eurozone, the slowdown was more pronounced in economies such as Japan, the UK and the USA. In the latter country, a better tone in the employment market began to be glimpsed towards the end of the year, with a clear improvement in the property sector. After holding presidential elections, which gave a new mandate to President Obama, the focus shifted uncertainty towards the budget, with the automatic triggering of fiscal tightening measures on 1st January 2013. In this context of economic slowdown and moderate inflation, the monetary policies of developed countries maintained a clearly expansionary tone, reinforced with non-conventional measures.

In Spain, important initiatives were taken in various fields. Among the most notable, in the financial area two Royal Decrees were

approved aimed at: accelerating the restructuring process in the banking sector; establishing the rules governing the Fund for Orderly Bank Restructuring (FROB) in those entities with solvency problems; and legislation regulating the functioning of the Company Managing Assets from the Bank Restructuring (SAREB). In respect of the budget, the new Budgetary and Financial Sustainability Law came into force, designed to reinforce budgetary discipline in all Government Areas. Furthermore, in July additional adjustment measures were approved in order to meet commitments made at a European level.

In an environment characterized by weak growth, uncertainty regarding the southern European countries, the absence of inflationary pressures and the support from Central Banks, fixed income assets in countries with higher solvency levels showed a positive tendency. Meanwhile the debt of peripheral countries was subjected to high volatility, albeit with a positive tendency in the latter part of the year. In this context, the spread between the ten-year Spanish and German bonds, which surpassed the highest level since the start of the European Monetary Union, reached 630 bps, declined during the last quarter of the year, to below 400 bps.

The behaviour of the stock markets was characterised by strong oscillations and marked differences between the southern European markets and those countries less vulnerable to the crisis. The IBEX 35 suffered severe losses, accumulating a decline of close to 30 % in those moments of greatest uncertainty. In the second part of the year, stock market indices recovered a large part of the lost ground, although these movements were accompanied by exceptionally low trading volumes, which were a dominant feature throughout the year.

With respect currencies, the Euro was steady at around 1.30 against the US Dollar, while advancing some 6.5% against the Yen and retreating slightly more than 3% against the Pound Sterling.

Also prices of raw materials showed an uneven development. In the wake of news related to the slowdown in the Chinese economy and the global economic cycle, industrial commodities showed a poor performance, while the prices of precious metals, due to their flight to quality attraction, exhibited strong rises. On the other hand, the drought in the Midwest region of the USA helped to explain the strength of agricultural raw materials. For its part, the small annual variation in the price of Brent, masked a difference of about 50% between the maximum and minimum prices.

To summarise the year, 2012 was marked by tensions arising from the crisis in Europe and expectations of growing weakness of the global economic cycle. Peripheral European countries made progress in their programmes of financial sector and structural reforms, although these policies entailed a decrease in economic activity.

Trends in insurance markets

Spanish market[1]

According to preliminary estimates, the total volume of direct insurance premiums written in 2012 amounted to €57,381 million, broken down as follows by lines of business:

LINE OF BUSINESS	2012	2011	% Var. 12/11
Life	26,262	28,872	(9.0%)
Non-Life	31,119	31,733	(1.9%)
TOTAL DIRECT INSURANCE	**57,381**	**60,605**	**(5.3%)**

FIGURES IN €MILLION

Non-Life insurance policies accounted for 54% of the total volume of premiums. Motor insurance still 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 and 2011. 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:

	2012	2011	% Var. 12/11
Motor	10,607	11,270	(5.9%)
Health	6,801	6,597	3.1%
Multi-peril	6,626	6,589	0.6%
Other Non-Life	7,085	7,277	(2.6%)
TOTAL NON-LIFE	**31,119**	**31,733**	**(1.9%)**

FIGURES IN €MILLION

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

	2012	2011	2010	2009	2008
Motor	34.1%	35.5%	36.3%	36.7%	38.0%
Health	21.9%	20.8%	20.1%	19.2%	18.0%
Multi-peril	21.3%	20.8%	19.8%	19.3%	18.1%
Other Non-Life	22.7%	22.9%	23.8%	24.7%	25.9%

Based on the figures at the end of September, the technical result remained at levels similar to the previous year. 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	
	30.09.12	30.09.11	30.09.12	30.09.11	30.09.12	30.09.11	30.09.12	30.09.11
Loss ratio	69.9%	70.5%	78.3%	79.6%	59.3%	58.8%	82.8%	82.5%
Expenses	22.4%	21.7%	18.5%	17.6%	29.8%	30.2%	11.1%	12.8%
Combined ratio	92.3%	92.2%	96.8%	97.2%	89.1%	89.0%	93.9%	95.3%

The volume of managed Life savings, represented by technical reserves, was €156,184 million, a 1.5% rise with respect to the previous year.

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

(1) Source: ICEA (Association for Cooperative Research between Insurance Companies and Pension Funds), Workshop on the Prospects of Insurance and the Economy for 2013

	2012	2011	% Var. 12/11
Life Assurance	156,184	153,860	1.5%
Mutual Funds	122,328	127,730	(4.2%)
Pension Funds	86,536	83,147	4.1%
TOTAL	**365,048**	**364,737**	**0.1%**

FIGURES IN €MILLION

Latin american markets[2]

The table below displays the changes in the volume of written premiums[3] of the major Latin American insurance markets, according to the most recent information available:

COUNTRY	Date	Non-Life	Life	Total
Argentina	30/06/2012	31.1%	38.8%	32.3%
Brazil	31/10/2012	13.8%	25.2%	21.4%
Colombia	30/06/2012	14.9%	13.8%	14.4%
Costa Rica	30/09/2012	17.2%	25.6%	18.6%
Chile	30/09/2012	4.1%	7.4%	6.1%
Dominican Republic	31/11/2012	9.5%	13.5%	10.1%
Ecuador	30/09/2012	9.7%	8.0%	9.5%
Guatemala	30/09/2012	(8.3%)	1.4%	(6.6%)
Honduras	30/09/2012	11.6%	14.6%	12.5%
Mexico	30/09/2012	9.2%	14.4%	11.6%
Nicaragua	30/09/2012	13.1%	28.3%	15.3%
Panama	31/11/2012	6.6%	8.3%	7.0%
Paraguay	30/06/2012	18.0%	25.3%	18.8%
Peru	31/11/2012	10.1%	6.7%	8.6%
Puerto Rico	30/09/2012	(7.1%)	5.7%	(6.1%)
El Salvador	30/09/2012	6.3%	13.2%	8.8%
Uruguay	30/09/2012	4.9%	23.9%	9.5%
Venezuela	31/10/2012	n.a.	n.a.	29.8%

The "Consejo Empresarial para la Competividad" (Board of Business for Competitiveness), where MAPFRE is a member, met with His Majesty King Juan Carlos

Symposium entitled "Outlook for the Insurance Sector and the Economy in 2012"

The following trends were observed during the financial year:

— Broadly speaking, insurance markets displayed a certain degree of independence from the region's economic slowdown, even though most of them grew slightly less than the previous year.

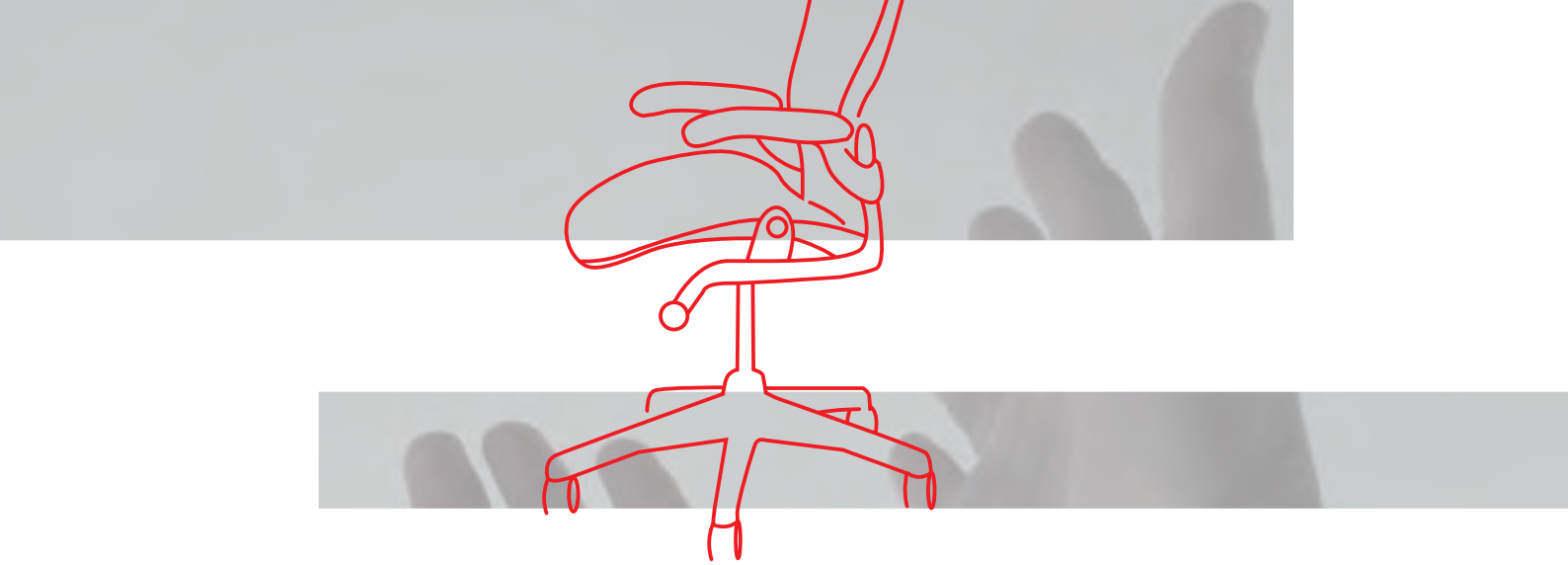
— The sustained growth of Non-Life insurance was mainly due to the strength of domestic demand on the different markets and, in particular, sales of vehicles and others durable goods. The high level of inflation in certain economies has also triggered high normal growth rates for their respective markets.

— Life insurance keeps on growing at fast paces due to the increase of available savings in the region and the economic and institutional stability of its main countries. As usual, it reflects the strength of the VGBL[4] product in Brazil, which has attractive tax incentives. Mexico, the second biggest market, also reported higher growth rates on account of the good performance of single premium life and savings insurance. In Chile, the volatile financial markets kept putting pressure on sales of retirement insurance.

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

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

(4) Life Insurance Generating Free Benefits



Other markets

In USA, based on market estimates as of September, there was an acceleration in the growth of Non-Life insurance compared to the previous year, reaching 4.3% and mainly due to price rises in insurance for individuals and businesses. Life Insurance dropped 2.8% as demand waned due to low interest rates. The Health segment reported 6% growth, mainly thanks to price rises to meet increased medical costs.

In Portugal, with provisional figures for 2012, there was a drop of 5.3%. This drop is a direct and indirect consequence of the strong economic crisis that is hitting the country. Once again, the greatest contraction came in Life insurance, where premiums declined again, albeit by a more moderate 6.9%, due to the fact that banks have focused their efforts on attracting deposits to strengthen their liquidity position. Meanwhile, Non-Life insurance shrank by 2.2%, mainly on account of the drops in motor car and industrial accidents insurance, in turn due to the slowdown of economic activity and strong price competition.

In Turkey, with figures for the end of September 2012, the market increased 13.3%, a highly positive performance, though more moderate than in the previous financial year, reflecting more contained growth of economic activity in general. Non-Life insurance rose 16.8%, driven by price rises, especially the Motor insurance class. Life insurance fell 1.7%, reflecting smaller sales of Life & Savings products, due to the approval of new tax breaks for pension scheme contributions.

Reinsurance market

No major catastrophes occurred until the third quarter of the year, enabling reinsurers to report increased profits as compared to the same period of 2011, which had been hit by intense catastrophic claim experience. Hurricane Sandy, which hit the NE coast of the United States, caused extensive damage, which has yet to be assessed in its entirety. Also worth noting are the decline in financial revenue and asset value adjustments due, among other reasons, to the sustained crisis of sovereign debt in Europe and the gradual depletion of the claims reserves outstanding from previous years, from which many reinsurers' results has been benefiting.

After 2011 was declared the second-worst year on record in reinsurance history, no new reinsurance operators have emerged, just as occurred in 2001 and 2005, proof of the uncertainties enshrouding the market and the strength of the players already present, which discourages potential investors. This contrasted with an upturn in catastrophe bond offering and other forms of short-term coverage, high yields and with limited exposures, as a means of maximizing return on investment.

Business development

Operating revenues and funds under management

Direct insurance and accepted reinsurance premiums written by the subsidiaries of the Group amounted to €23,064.3 million in 2012, a 10.6% increase. Consolidated premiums totalled €21,579.8 million, a rise of 10.1%. Total operating revenues reached €25,920.8 million, including €619.6 million of new gross contributions to pension funds.

The breakdown of these revenues by business line is shown in the following table:

	2012	2011	% 12/11
DOMESTIC INSURANCE	**9,614.9**	**10,064.3**	**(4.5%)**
- Gross written and accepted premiums	7,507.6	7,858.9	(4.5%)
- Income from investments	1,568.2	1,748.9	(10.3%)
- Non-insurance companies' revenues and other	539.1	456.5	18.1%
INTERNATIONAL INSURANCE	**12,017.7**	**10,025.7**	**19.9%**
- Gross written and accepted premiums	10,833.9	8,788.1	23.3%
- Income from investments	1,024.6	924.1	10.9%
- Non-insurance companies' revenues and other	159.2	313.5	(49.2%)
GLOBAL BUSINESSES	**5,374.0**	**4,858.7**	**10.6%**
- Gross written and accepted premiums	4,722.8	4,201.3	12.4%
- Income from investments	468.4	482.2	(2.9%)
- Non-insurance companies' revenues and other	182.8	175.2	4.3%
Parent company	**594.1**	**486.8**	**22.0%**
TOTAL REVENUES	**27,600.7**	**25,435.5**	**8.5%**
Consolidation adjustments and other companies	(2,299.5)	(1,905.2)	20.7%
TOTAL CONSOLIDATED REVENUES	**25,301.2**	**23,530.3**	**7.5%**
Gross contributions to pension funds[1]	619.6	827.7	(25.1%)
TOTAL REVENUES FROM OPERATIONS	**25,920.8**	**24,358.0**	**6.4%**

FIGURES IN MILLION EUROS

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

In 2012, the total consolidated revenues exceeded the figures for the previous year on the back of the sustained growth of the international business, with noteworthy mention being the consolidation of the businesses with BANCO DO BRASIL, as well as of MIDDLESEA INSURANCE (Malta) for the whole year.

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

	2012	2011	% 12/11
Life assurance technical reserves[1]	23,386.0	21,581.8	8.4%
Pension funds	5,105.9	5,081.3	0.5%
Mutual funds and managed portfolios	2,543.2	2,648.4	(4.0%)
TOTAL	**31,035.1**	**29,311.5**	**5.9%**

FIGURES IN MILLION EUROS

(1) Includes all the technical reserves from Life Assurance subsidiaries and the Life Assurance reserves from multi-line insurance companies

The variation in funds under management mainly reflects the growth of the Life Assurance business in Latin America and the good performance of the agents' channel in Spain.

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 3.4%.

Domestic Insurance

Direct insurance and accepted reinsurance premiums written by the Group's direct insurance companies operating primarily in Spain reached €7,507.6 million, to which €619.6 million of new gross contributions to pension funds must be added, with the following breakdown by company:

	2012	2011	% 12/11
MAPFRE FAMILIAR	3,715.1	3,994.2	(7.0%)
MAPFRE EMPRESAS	715.0	667.1	7.2%
DOMESTIC NON-LIFE INSURANCE	**4,430.1**	**4,661.3**	**(5.0%)**
LIFE SAVINGS	**2,588.7**	**2,765.9**	**(6.4%)**
Agents' channel	1,432.4	1,147.7	24.8%
Bank channel - MAPFRE-CM VIDA	361.6	495.3	(27.0%)
Bank channel - CATALUNYACAIXA	356.6	794.5	(55.1%)
Bank channel - Other[1]	438.1	328.3	33.4%
LIFE PROTECTION	**418.9**	**431.8**	**(3.0%)**
Agents' channel	137.1	144.6	(5.2%)
Bank channel - MAPFRE-CM VIDA	115.7	121.4	(4.7%)
Bank channel - CATALUNYACAIXA	56.5	56.7	(0.4%)
Bank channel - Othe[1]	109.6	109.0	0.6%
ACCIDENTS	**69.9**	**--**	**--**
MAPFRE VIDA	**3,077.5**	**3,197.6**	**(3.8%)**
TOTAL PREMIUMS	**7,507.6**	**7,858.9**	**(4.5%)**
Gross contributions to pension funds[2]	**619.6**	**827.7**	**(25.1%)**

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 decrease as a result of a particularly difficult market environment, characterised by a decline in demand. Worthy of mention are:

— the performance of the Motor line, where MAPFRE maintains its market share;

— the increase in the Life Assurance market share to 11.4%, thanks to the good performance of the agents' channel in the Life-Savings segment and the winning of large corporate Life-Savings operations amounting to €354 million, which offset to a large extent the lower issuance in the bank channel.

The following table shows the breakdown by business line of written and accepted premiums for 2012 and 2011, together with the corresponding market shares (provisional figures for 2012):

				MARKET SHARES[1]	
	2012	2011	% Var.	2012	2011
Motor	2,224.5	2,366.8	(6.0%)	21.0%	21.0%
Health	402.0	399.2	0.7%	5.9%	6.1%
Other - Non-Life	1,800.6	1,892.7	(4.9%)	17.1%	17.1%
TOTAL NON-LIFE	**4,427.1**	**4,658.7**	**(5.0%)**	**16.0%**	**16.2%**
Life Protection	421.9	434.3	(2.9%)		
Life Savings	2,588.7	2,765.9	(6.4%)		
TOTAL LIFE[2]	**3,010.6**	**3,200.2**	**(5.9%)**	**11.4%**	**11.0%**
Accidents	69.9	--		--	--
TOTAL	**7,507.6**	**7,858.9**	**(4.5%)**	**13.9%**	**13.7%**

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
(2) Includes the Life & Accident premiums issued by all the DOMESTIC INSURANCE subsidiaries

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

	AGENTS' AND OTHER CHANNELS			BANK CHANNEL			TOTAL		
	2012	2011	Var. %	2012	2011	Var. %	2012	2011	Var. %
MAPFRE VIDA	**1,639.4**	**1,292.4**	**26.8%**	**1,438.1**	**1,905.2**	**(24.5%)**	**3,077.5**	**3,197.6**	**(3.8%)**
MAPFRE FAMILIAR	3,520.0	3,770.3	(6.6%)	195.1	223.9	(12.9%)	3,715.1	3,994.2	(7.0%)
MAPFRE EMPRESAS	704.4	656.4	7.3%	10.6	10.7	(0.9%)	715.0	667.1	7.2%
NON-LIFE	**4,224.4**	**4,426.7**	**(4.6%)**	**205.7**	**234.6**	**(12.3%)**	**4,430.1**	**4,661.3**	**(5.0%)**
TOTAL	**5,863.8**	**5,719.1**	**2.5%**	**1,643.8**	**2,139.8**	**(23.2%)**	**7,507.6**	**7,858.9**	**(4.5%)**

FIGURES IN MILLION EUROS

The volume of premiums issued in 2012 through the BANKIA network (arising from CAJA MADRID) amounted to €642 million, a 21.3% decrease, due to the company's situation, as well as to the intense competition among financial institutions for customers' savings. The sales volume of asset and liability banking products that the AGENTS' NETWORK (formerly RED MAPFRE) contributed to BANKIA amounted to €836.3 million, a 40.0% decrease.

Total revenues from investments for direct insurance companies operating in Spain fell 10.3%, and amounted to €1,568.2 million compared to €1,748.9 million in 2011.

Other revenues from the companies operating primarily in Spain amounted to €539.1 million, an increase of 18.1% over the previous year. Their breakdown by company is shown in the following table:

	2012	2011	% 12/11
MAPFRE FAMILIAR	333.9	311.9	7.1%
MAPFRE INVERSIÓN and subsidiaries	87.9	86.8	1.3%
Other entities	117.3	57.8	102.9%
TOTAL	**539.1**	**456.5**	**18.1%**

FIGURES IN MILLION EUROS

The aforementioned increase in revenues reflects the impact of the decrease in earn-out liabilities at MAPFRE FAMILIAR and MAPFRE VIDA amounting to €92 million. Adjusted to this effect, other revenues from companies operating primarily in Spain would have recorded a decrease of 2.1% compared to 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 €87.9 million, a 1.3% increase versus 2011. The volume of assets in mutual funds and managed portfolios stood at €2,543.2 million, equivalent to a 4% decrease. At the end of the year, assets managed in pension funds amounted to €1,561.5 million, a rise of 1%.

International direct insurance

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

	2012	2011	% 12/11
LIFE	**2,559.4**	**1,558.2**	**64.3%**
MAPFRE AMÉRICA	2,433.2	1,462.5	66.4%
MAPFRE INTERNACIONAL	126.2	95.7	31.9%
NON-LIFE	**8,274.5**	**7,229.9**	**14.4%**
MAPFRE AMÉRICA	6,215.9	5,411.5	14.9%
MAPFRE INTERNACIONAL	2,058.6	1,818.4	13.2%
TOTAL PREMIUMS	**10,833.9**	**8,788.1**	**23.3%**

FIGURES IN MILLION EUROS

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

	2012	2011	% 12/11
Motor	4,232.2	3,441.5	23.0%
Health and accidents	874.4	897.3	(2.6%)
Life & Burial	2,544.3	1,791.7	42.0%
Other lines	3,183.0	2,657.6	19.8%
TOTAL	**10,833.9**	**8,788.1**	**23.3%**

FIGURES IN MILLION EUROS

The premiums development at MAPFRE AMÉRICA reflects:

— the consolidation of the business with BANCO DO BRASIL as of 31st May 2011;

— the growth of the economies in the region, and in particular of their insurance markets;

— the appreciation of the majority of currencies in the region.

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) 2012	2011	% 12/11	Local Currency % 12/11
BRAZIL	4,761.4	3,561.3	33.7%	44.4%
VENEZUELA	818.7	640.0	27.9%	18.6%
MEXICO	697.3	557.5	25.1%	22.4%
COLOMBIA	588.9	452.0	30.3%	16.9%
ARGENTINA	336.4	457.9	(26.5%)	(24.8%)
PUERTO RICO	335.4	307.3	9.1%	0.3%
CHILE	329.5	271.9	21.2%	9.0%
PERU	276.7	212.7	30.1%	14.8%
CENTRAL AMERICA	255.4	203.6	25.4%	--
OTHER COUNTRIES[1]	249.4	209.8	18.9%	--
MAPFRE AMÉRICA	**8,649.1**	**6,874.0**	**25.8%**	

FIGURES IN MILLION EUROS

(1) Incluye Ecuador, Paraguay, República Dominicana y Uruguay

According to 2011 figures, the latest available, MAPFRE once again ranked as the largest Non-life insurer in Latin America, with a market share of approximately 10.1% 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	6.2%
Brazil	14.7%
Chile	10.6%
Colombia	7.2%
Costa Rica	n.a.
Ecuador	4.0%
El Salvador	15.2%
Guatemala	6.5%
Honduras	12.0%
Mexico	5.1%
Nicaragua	10.0%
Panama	11.7%
Paraguay	23.0%
Peru	14.7%
Puerto Rico	13.9%
Dominican Republic	14.6%
Uruguay	6.2%
Venezuela	7.5%

(1) Figures according to the latest data available for each market

The insurance subsidiaries of MAPFRE INTERNACIONAL obtained total premiums of €2,184.8 million, with a 14.1% increase, which reflects mainly:

— in the USA, the positive impact of the appreciation of the USD against the Euro. In local currency, the premiums remained virtually stable, due to a decrease in production in California and New York;

— premiums growth in the Health, Motor, Fire and Engineering lines in Turkey.

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) 2012	2011	% 12/11	Local Currency % 12/11
USA	1,513.9	1,401.0	8.1%	(0.4%)
TURKEY	387.1	279.2	38.6%	37.0%
PORTUGAL	127.8	147.2	(13.2%)	--
MALTA	120.7	56.4	114.2%	--
PHILIPPINES	35.3	30.3	16.5%	4.2%
MAPFRE INTERNACIONAL	**2,184.8**	**1,914.1**	**14.1%**	

FIGURES IN MILLION EUROS

The total revenues from the investments of the international direct insurance companies amount to €1,024.6 million, a 10.9% increase.

Global Businesses

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

	2012	2011	% 12/11
MAPFRE GLOBAL RISKS	1,115.2	1,007.4	10.7%
MAPFRE RE	2,844.5	2,630.7	8.1%
MAPFRE ASISTENCIA	763.5	563.2	35.6%
TOTAL PREMIUMS	**4,723.2**	**4,201.3**	**12.4%**

FIGURES IN MILLION EUROS

MAPFRE GLOBAL RISKS achieved a premiums volume of €1,115.2 million, a 10.7% increase. This performance reflects the dynamism of the international operations, especially in the Property Damage line.

In the accepted reinsurance business, MAPFRE RE and its subsidiaries recorded consolidated premiums of €2,844.5 million (€2,630.7 million in 2011). The 8.1% increase reflects the growth of the Non-Life business in the USA and of the Life business in Europe.

The total revenues (premiums and income from the sale of services) at MAPFRE ASISTENCIA and its subsidiaries reached €928.2 million, a 29.2% increase over the same period of the previous year. Of these, €763.5 million corresponded to written and accepted premiums, with a 35.6% rise, and €164.7 million to revenues from services, a 6% increase, reflecting growth driven by Extended Warranty Insurance in the USA, Roadside Assistance in China and the USA, and Travel Insurance in the UK and France.

Total revenues from investments from Global Businesses amount to €468.4 million, representing a 2.9% decrease compared to the previous year.

Management ratios

In Non-life lines, the consolidated combined ratio was 95.4%, reflecting the favourable trend of the loss experience in reinsurance and in the international business, which in 2011 were especially affected by earthquakes and severe weather. The increase in the expense ratio reflects primarily the greater weight of the international business. The development of the main management ratios is shown in the following table:

	Ratios					
	EXPENSE RATIO[1]		LOSS RATIO[2]		COMBINED RATIO[3]	
COMPANY	2012	2011	2012	2011	2012	2011
MAPFRE S.A. consolidated	**28.0%**	**27.7%**	**67.4%**	**69.2%**	**95.4%**	**96.9%**
Domestic Insurance	**21.2%**	**19.6%**	**70.0%**	**70.3%**	**91.2%**	**89.9%**
MAPFRE FAMILIAR	20.7%	19.0%	71.7%	71.7%	92.4%	90.7%
MAPFRE EMPRESAS	24.1%	24.3%	58.5%	59.4%	82.6%	83.7%
MAPFRE VIDA[4]	1.1%	1.0%				
International Insurance	**32.5%**	**34.6%**	**66.3%**	**67.5%**	**98.8%**	**102.1%**
MAPFRE AMÉRICA	34.7%	37.2%	63.0%	63.6%	97.7%	100.8%
MAPFRE INTERNACIONAL	27.4%	26.4%	74.1%	79.8%	101.5%	106.2%
Global Businesses	**29.4%**	**28.3%**	**66.2%**	**70.0%**	**95.6%**	**98.3%**
MAPFRE GLOBAL RISKS	29.9%	27.1%	63.1%	69.1%	93.0%	96.2%
MAPFRE RE	29.7%	28.6%	67.3%	72.0%	97.0%	100.6%
MAPFRE ASISTENCIA	28.5%	28.0%	64.6%	63.6%	93.1%	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

Results

The net result attributable to the parent company (after minority interests) amounted to €665.7 million, a 30.9% decrease. The following table shows the sources and breakdown of results:

	2012	2011	% 12/11
NON-LIFE INSURANCE AND REINSURANCE			
Gross written and accepted premiums	15,478.5	14,472.6	7.0%
Premiums earned, net of ceded and retroceded reinsurance	12,978.4	12,374.1	4.9%
Net claims incurred and variation in other technical provisions	(8,748.9)	(8,566.3)	2.1%
Operating expenses, net of reinsurance	(3,539.8)	(3,365.3)	5.2%
Other technical income and expenses	(99.7)	(58.9)	69.3%
Technical Result	**590.0**	**383.6**	**53.8%**
Net fin'l. income and other non-technical income and expenses	657.1	798.8	(17.7%)
RESULT OF NON-LIFE BUSINESS	**1,247.1**	**1,182.4**	**5.5%**
LIFE ASSURANCE AND REINSURANCE			
Gross written and accepted premiums	6,101.3	5,127.6	19.0%
Premiums earned, net of ceded and retroceded reinsurance	5,293.6	4,719.0	12.2%
Net claims incurred and variation in other technical reserves	(4,779.0)	(4,512.4)	5.9%
Operating expenses, net of reinsurance	(1,151.8)	(778.8)	47.9%
Other technical income and expenses	19.0	231.0	(91.8%)
Technical Result	**(618.2)**	**(341.2)**	**81.2%**
Net fin'l. income and other non-technical income and expenses	950.4	866.2	9.7%
Unrealised gains and losses in Unit-Linked products	82.3	16.2	--
RESULT OF LIFE BUSINESS	**414.5**	**541.2**	**(23.4%)**
OTHER BUSINESS ACTIVITIES			
Operating revenues	454.2	412.2	10.2%
Operating expenses	(436.4)	(383.5)	13.8%
Other revenues and expenses	(297.5)	(96.6)	--
RESULTS FROM OTHER BUSINESS ACTIVITIES	**(279.7)**	**(67.9)**	**--**
Result on restatement of financial accounts	**(9.9)**	**(18.8)**	**(47.3%)**
Result before tax and minority interests	**1,372.0**	**1,636.9**	**(16.2%)**
Taxes	(396.5)	(414.8)	(4.4%)
Result after tax	**975.5**	**1,222.1**	**(20.2%)**
Result after tax from discontinued operations	(12.7)	(2.3)	--
Result for the year	**962.8**	**1,219.8**	**(21.1%)**
Result attributable to minority shareholders	(297.1)	(256.8)	15.7%
Result attributable to the controlling Company	**665.7**	**963.0**	**(30.9%)**

FIGURES IN MILLION EUROS

Annual meeting of the executive management of MAPFRE's insurance companies

Spain's Chamber of Commerce in London elects MAPFRE "Company of the year"

The result attributable to the parent company includes in both years a series of extraordinary items. Excluding these, it would have grown 9.6%.

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 2012	Contribution to consolidated result 2011
DOMESTIC INSURANCE	**275.9**		**275.9**	**594.6**
MAPFRE VIDA	81.6		**81.6**	133.1
MAPFRE FAMILIAR	144.2		**144.2**	371.3
MAPFRE EMPRESAS	50.1		**50.1**	90.2
INTERNACIONAL INSURANCE	**319.6**		**317.8**	**356.5**
MAPFRE AMÉRICA	225.9	(1.8)	**224.1**	270.6
MAPFRE INTERNACIONAL	93.7		**93.7**	85.9
GLOBAL BUSINESSES	**133.8**		**126.4**	**124.7**
MAPFRE GLOBAL RISKS	15.7		**15.7**	27.0
MAPFRE RE	87.1	(7.4)	**79.7**	71.9
MAPFRE ASISTENCIA	31.0		**31.0**	25.8
Other activities	**0.4**	**(0.2)**	**0.2**	**0.5**
Other companies and consolidation adjustments			**(54.6)**	(113.3)
MAPFRE S.A.			**665.7**	963.0

FIGURES IN MILLION EUROS

Investments and liquid assets

The book value of investments and liquid assets as at 31st December 2012 was €39,763.7 million, a 4.8% increase over the previous year. The following table shows their breakdown and percentage distribution:

	2012	% over total	2011	% over total
RISK-FREE INVESTMENTS	**3,062.5**	**7.7%**	**3,132.9**	**8.2%**
- Cash and equivalents	1,018.0	2.6%	1,254.3	3.3%
- Unit-linked investments	2,044.5	5.1%	1,878.6	4.9%
REAL ESTATE INVESTMENTS	**2,414.3**	**6.1%**	**2,503.1**	**6.6%**
- Buildings for own use	1,128.1	2.8%	1,060.0	2.8%
- Other Real Estate investments	1,286.2	3.2%	1,443.1	3.8%
FINANCIAL INVESTMENTS	**33,576.3**	**84.4%**	**31,654.1**	**83.4%**
- Shares	1,123.0	2.8%	1,134.4	3.0%
- Fixed income	31,238.6	78.6%	29,264.3	77.1%
- Mutual funds	750.9	1.9%	950.5	2.5%
- Other financial investments	463.8	1.2%	304.9	0.8%
OTHER INVESTMENTS	**710.6**	**1.8%**	**661.2**	**1.7%**
- Investments in associated companies	93.0	0.2%	130.4	0.3%
- Accepted reinsurance deposits	282.0	0.7%	257.0	0.7%
- Hedging derivatives	0.0	0.0%	0.0	0.0%
- Other	335.6	0.8%	273.8	0.7%
TOTAL	**39,763.7**	**100.0%**	**37,951.3**	**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 €1,002.3 million at year end, according to valuations performed by independent surveyors.

Funding operations

The main variations in the Group's funding sources in 2012 were the following:

— 3-year €1 billion senior bond issue, at a fixed interest rate of 5.125% and with an issue price at par;

— cancellation of the €500 million syndicated credit facility maturing in May 2013;

— reimbursements of the €500 million syndicated credit facility maturing in June 2014, which remains fully available.

Overall, the balance of financial and subordinated debts of the Group at consolidated level has experienced a net decrease of €7 million in the year.

As part of the 50% acquisition of the insurance and pension divisions of CATALUNYACAIXA, said company granted the Group a loan that, at the end of 2012, amounted to €167.1 million.

Payments on interests arising from debts with financial institutions and securities in issue stood at €78.4 million (€72.1 million in 2011), an 8.7% increase.

Presentation of the 2012 results

Balance sheet

The following table shows the consolidated balance sheet:

	2012	2011
ASSETS		
Goodwill	2,146.2	2,266.4
Other intangible assets	2,264.2	2,450.1
Other fixed assets	306.7	382.0
Cash & equivalents	1,018.0	1,254.3
Investments & real estate	38,745.7	36,697.0
Participation of reinsurance in technical reserves	3,275.8	3,305.3
Insurance & reinsurance receivables	4,398.3	3,977.7
Deferred tax assets	1,236.3	1,264.2
Other assets	3,592.0	3,258.6
TOTAL ASSETS	**56,983.2**	**54,855.6**
LIABILITIES		
Shareholders' Equity	7,810.5	7,042.9
Minority interests	2,325.8	2,683.7
Financial & subordinated debt	1,908.1	1,915.0
Technical reserves	37,976.0	36,451.3
- Life assurance reserves[1]	21,950.9	20,502.0
- Other technical reserves	16,025.1	15,949.3
Reserves for risks and expenses	1,054.0	1,153.3
Insurance & reinsurance payables	1,654.9	1,518.9
Deferred tax liabilities	1,773.1	1,730.8
Other liabilities	2,480.8	2,359.7
TOTAL LIABILITIES	**56,983.2**	**54,855.6**

FIGURES IN MILLION EUROS

(1) Incluye unit-linked

Total assets under management, including mutual and pension funds, amounted to €64,632.3 million (€62,585.3 million at the end of the previous year), a 3.3% increase.

Shareholders' equity and returns

The net consolidated equity stood at €10,136.3 million, compared to €9,726.6 million in 2011. Of said amount, €2,325.8 million corresponded to minority interests in subsidiaries. Consolidated shareholders' equity per share amounted to €2.54 at the end of 2012 (€2.29 as at 31.12.2011).

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

	2012	2011
BALANCE AS AT PRIOR YEAR END	**9,726.6**	**7,795.8**
Additions and deductions accounted for directly in equity		
Investments available for sale	984.1	(314.9)
Translation adjustments	(389.4)	(79.1)
Shadow accounting	(472.0)	168.5
Other income and expenses recognised in equity	(3.8)	0.0
TOTAL	118.9	(225.5)
Result for the period	962.8	1,219.8
Distribution of previous year's result	(411.2)	(295.1)
Interim dividend for the year	(187.3)	(215.6)
Other items	(73.5)	1,447.2
BALANCE AS AT PERIOD END	**10,136.3**	**9,726.6**

FIGURES IN MILLION EUROS

The variation in equity reflects:

— the result for the year;

— the recovery in the market value of investments;

— the appreciation of the Euro, versus the US Dollar and the Brazilian Real;

— the dividend approved by the Annual General Meeting and paid in June, and the dividends paid by subsidiaries with minority interests;

— the Group's interim dividend paid in December, and the interim dividends paid by subsidiaries with minority interests;

— the final valuation of the assets resulting from the alliance with BANCO DO BRASIL, partly offset by the acquisition of the 35% shareholding in MAPFRE MUNDIAL.

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 9.0% (14.2% in 2011).

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

	2012			2011
	Average shareholders' equity	Net result	ROE %[1]	ROE %[1]
MAPFRE FAMILIAR	1,368.4	144.2	10.5%	27.4%
MAPFRE VIDA	1,142.5	81.6	7.1%	14.1%
MAPFRE EMPRESAS	283.0	50.1	17.7%	35.4%
MAPFRE AMÉRICA	2,168.8	225.9	10.4%	16.8%
MAPFRE INTERNACIONAL	2,346.2	93.7	4.0%	3.7%
MAPFRE GLOBAL RISKS	240.6	15.7	6.5%	12.8%
MAPFRE RE	908.1	87.1	9.6%	9.3%
MAPFRE ASISTENCIA	193.8	31.0	16.0%	15.5%
MAPFRE S.A. (CONSOLIDATED)	**7,426.7**	**665.7**	**9.0%**	**14.2%**

FIGURES IN MILLION EUROS

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

Main activities in the year

Acquisitions , projects and disposals

The following transactions took place during the year:

Increase of the holding in MAPFRE AMERICA

On 28th March 2012 the BANCO FINANCIERO Y DE AHORROS sold MAPFRE S.A. the 10.36% interest in the share capital of MAPFRE AMERICA, for the amount of €244 million. After this transaction, MAPFRE S.A. now owns 99.22% of the subsidiary.

Agreement with EULER HERMES

On 23rd May 2012, MAPFRE and EULER HERMES announced that they had reached an agreement to jointly operate the credit insurance business in Argentina, Chile, Colombia, Spain and Mexico.

This joint venture will be called SOLUNION and will begin operating at the start of 2013.

As a result of this alliance, both groups have a 50% holding in the new company, which will have a volume of premiums of approximately €135 million (based on 2011 figures).

Acquisition of 35% of MAPFRE MUNDIAL

On 2nd July 2012 MAPFRE AMERICA become the full owner of MAPFRE MUNDIAL, after the remaining 35% interest in the company from GRUPO MUNDIAL.

Acquisition of CENTURY AUTOMOTIVE SERVICE

On 12th July 2012 it was announced that MAPFRE ASISTENCIA had acquired the US company CENTURY AUTOMOTIVE SERVICE, which specialises in the sale of warranty products for cars. Through this deal, MAPFRE ASISTENCIA will boost its Special Risks business and expand its operations in the United States.

Mr Chang-Soo Kim, the CEO of Samsung Fire and Marine, South Korea's largest Non-life insurance company, visits MAPFRE's Head Office

Agreement with GALENO in Argentina

On 23rd October 2012 MAPFRE announced that it had reached an agreement to transfer its Health and Industrial Hazard business in Argentina to the GALENO corporate group. The deal also envisages commercial collaboration between the two companies, and therefore MAPFRE's branch offices and exclusive agents in Argentina will keep on distributing these products, and the GALENO network will market MAPFRE ARGENTINA's insurance products.

The above investments were financed using surplus cash that was available.

Other projects

The merger of FUNESPAÑA and GESMAP, a fully-owned subsidiary of MAPFRE FAMILIAR, took place on 18th November 2011. On 14th December 2011 MAPFRE FAMILIAR sent the Spanish Securities Exchange Commission an application for the authorisation of its takeover bid for the shares of FUNESPAÑA. On 25th April 2012 it was reported that the takeover bid had been successful, having been accepted by the holders of 1,367,113 shares, representing 28.29% of the shares subject to the takeover bid and 9.55% of the share capital.

Investments

The management of securities investments continues to be done with prudence, both in terms of credit risk and in terms of stock markets. Yet the downgrading of the ratings of the main Euro Area periphery countries (Spain and Italy) has brought about a significant change in the credit rating structure. However, investments in investment grade-rated fixed income securities represent more than 93.8%, and bonds rated AA or higher account for 27.7%. As far as stock exchange risk is concerned, equity positions represent only 6.2% of the financial assets in non-immune portfolios, and all of these positions contain unrealised capital gains of €3.1 million.

The interest rate risk of Life insurance portfolios remains at very low levels. 99.9% of the mathematical provisions are hedged by fixed income assets and financial swaps, which give immunity in respect of interest rate risk, according to Spanish law. In portfolios dedicated to Non-Life insurance classes, the modified duration was kept at relatively low levels, owing to market uncertainty regarding European sovereign risk, ending the year at a level of 4.8%.

In 2012, MAPFRE has kept to its real estate policy, following the same strategy of selling off assets and being very selective when buying buildings for the Group's own use, mainly outside Spain, due to the turmoil on the real estate market.

The account balance of real estate investments at the end of the year (€2,414.3 million) represented 6.1% of total investments, and 9.4% of non-immunised investments. Of that balance, €1,128.1 million (46.7%) correspond to properties used by the group, and the remaining 53.3% (€1,443.2 million) to properties that are for lease or for sale, and at year-end these had a weighted average occupancy index of 85%.

2012 has been especially active in lease terms. Among others, new tenants moved into the MAPFRE Tower building in Barcelona, raising net occupancy to 5%; the Espíritu Santo industrial estate in Oviedo (5,000 m²); in Madrid, in calle Luchana (1,900 m²), in avenida de General Perón (3,300 m²), and in calle Doctor Esquerdo (1,875 m²); and in industrial units in Guadalajara (17,500 m²).

The income generated by the buildings amounts to €48.8 million.

On the issue of construction investments, work on the Data Processing Center (DPC) in Alcalá de Henares (€62 million budget) is going ahead at a good pace, and the new head office of MAPFRE TEPEYAC in Avenida Reforma in Mexico is still under construction. In 2012, the company exercised the purchase option on three additional floors of offices at a cost of US$ 16 million.

Press conference with Mr Antonio Huertas, during his visit to Panama

Solunion, MAPFRE's and EULER HERMES' new credit insurance company

Human resources

The chart below shows the headcount at the end of 2012, compared with the headcount for the previous financial year.

CATEGORIES	Number					
	SPAIN		OTHER COUNTRIES		TOTAL	
	2012	2011	2012	2011	2012	2011
EXECUTIVES	478	460	854	1,019	1,332	1,479
MANAGERS	1,229	1,179	3,105	2,880	4,334	4,059
TECHNICIANS	6,127	6,343	10,020	8,579	16,147	14,922
CLERICAL STAFF	2,939	3,064	10,834	10,866	13,773	13,930
TOTAL	**10,773**	**11,046**	**24,813**	**23,344**	**35,586**	**34,390**

The "MAPFRE and its Employees" section of the Social Responsibility Report includes extensive information on the Group's human resources policy.

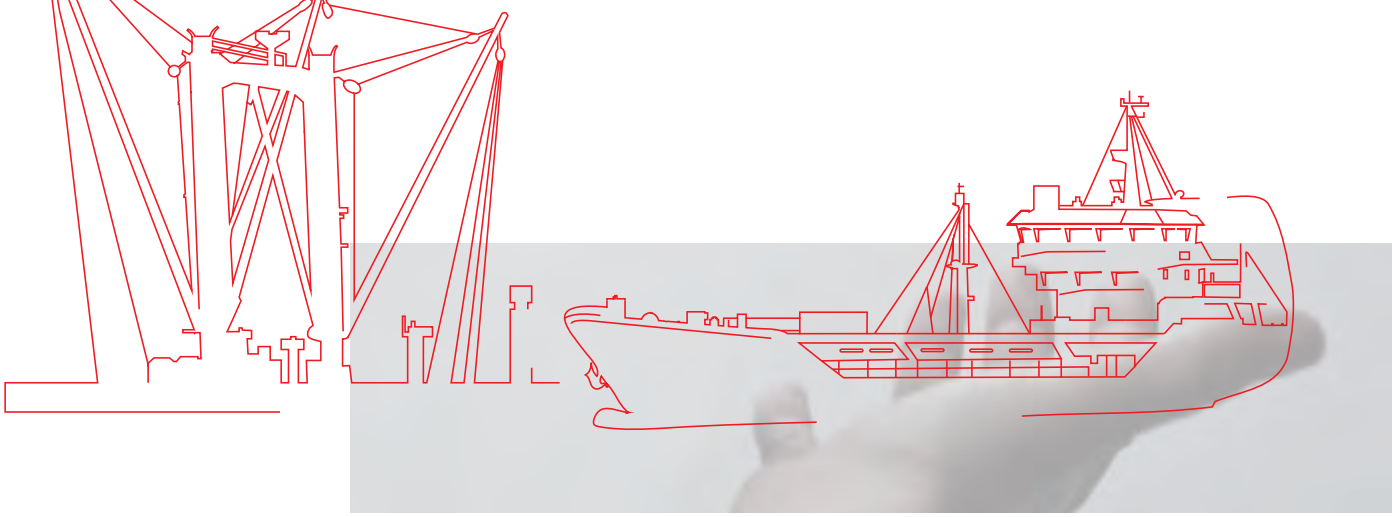
Marketing channels

MAPFRE's distribution network remains the largest in the insurance industry in Spain, and it is one of the financial groups that has penetrated most extensively and deeply in Latin America. MAPFRE continues to prefer maintaining its own networks in the countries where it is present, and this is compatible with the use of other distribution channels. Customer guidance, the global product supply 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.

MAPFRE's global network at year-end 2012 comprised 14,865 offices, of which 7,118 are located in Spain and 7,747 are abroad. The network breaks down as follows:

BRANCHES	2012	2011
Insurance Spain		
Own	3,069	3,155
Direct*	408	423
Delegated offices	2,661	2,732
Bank insurance	4,049	4,336
SPANISH TOTAL	**7,118**	**7,491**
Insurance International		
Own	2,250	2,098
Direct	617	624
Delegated offices	1,616	1,474
Bank insurance	5,426	5,334
Global Businesses		
Direct	55	45
Representative	16	19
TOTAL ABROAD	**7,747**	**7,496**
TOTAL OFFICES	**14,865**	**14,987**

* include 40 specific Life assurance offices



One highlight, regarding the number of offices overseas shown in the table above, is MAPFRE's strong presence in Latin America, where it had 2,122 offices at the end of the year.

Altogether, in 2012 MAPFRE's world network made it possible for 62,000 mediators to collaborate, including agents and insurance brokers, and this number is broken down in the following table:

SALES NETWORK	2012	2011
Insurance Spain		
Agents	10,495	13,706
Representatives	2,623	2,692
Brokers	4,042	5,673
SPANISH TOTAL	**17,160**	**22,071**
Insurance International		
Agents	12,705	17,306
Representatives	4,832	3,101
Brokers	27,348	28,191
TOTAL ABROAD	**44,885**	**48,598**
TOTAL SALES NETWORK	**62,045**	**70,669**

MAPFRE's own office network is supplemented by the distribution capacity provided by agreements with various institutions, especially bank assurance agreements (BANKIA, BANKINTER, CCM, CAJA DUERO, CATALUNYACAIXA, BANCO DO BRASIL and BANCO HIPOTECARIO DOMINICANO). Specifically, MAPFRE distributed its products in 2012 through 4,049 bank assurance offices in Spain and 5,426 abroad, this figure including the extensive BANCO DO BRASIL network (5,339 offices). The Group also has 2,103 distribution agreements (1,729 with garages and car dealers, 197 with banks and financial entities and 177 other agreements).

In Spain, 2012 saw the implementation of the commercial organizational model approved in 2011, with the creation of a single Commercial Directorate General, with two Commercial Managements (Private Individuals and Companies) and specific managements for the main channels: agency network, brokers, agriculture, telephone and Internet, banking and insurance and specific networks. The model is designed to bring about an improvement in private and corporate customer orientation, leveraging on the synergies which will lead to improved efficiency, while ensuring, in an orderly fashion, that the different distribution channels complement each other, thus giving customers an extensive range of means of contacting the company.

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

Internal control

MAPFRE's Internal Control System, which is built around 6 components (Control Environment, Strategy Plans, Risk Management, Control, Reporting and Communication Activities, and Supervision), facilitates 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 allows the improvement of its management, process

MAPFRE and Bankinter create a new Non-life company to develop commercial, health, burial and payment protection insurance

Annual meeting of MAPFRE Spain

efficacy and efficiency, confidence in accounting and financial records, and the efficient execution of the Strategy Plan.

During 2012, MAPFRE has paid special attention to Strategic Planning and Risk Management issues, by setting up a Strategy and Development Division as a Corporate Area and the Solvency II Steering Committee.

Meanwhile, further work went into the Risk Management component, with the quarterly production of the fixed factor capital model and coordinated efforts have been made to promote operational risk assessments, evaluations of control and the implementation of action plans in MAPFRE's Operating Divisions and Companies.

Work also continued on drawing up a Financial Information Internal Control System procedure to ensure that the company has a simple and flexible system that provides documentary evidence of the checks carried out when preparing financial information.

Strategic planning

At the meeting held on 21st December 2012, the Board of Directors of MAPFRE, S.A. approved MAPFRE's vision, mission and values as the new reference framework of the Corporate Strategy for the next five years (2013-2017). The Board also approved the new Strategic Plans of each Division and Unit for the period 2013-2015, which establish the goals and main Action Plans.

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

Mr Antonio Huertas globally presents MAPFRE's new strategic positioning

17th Internal Audit Symposium

Turkey, the Philippines, Portugal, the United States and Malta, all of which are coordinated by the Group Audit Area.

During 2012 a total 1,099 audits were conducted, of which 420 dealt with the Headquarters, 167 had to do with the Territorial Organisation and 104 with subsidiaries, 302 were special task audits and 106 were systems audits; and 20,302 hours were dedicated to training internal auditors—this represents an average 124 hours per auditor each year.

Furthermore, the Internal Audit Area reviewed the Company's Management Reports and Annual Accounts for 2012, the reports that the company submits quarterly to the Spanish Securities Exchange Commission (CNMV), and the relevant financial information submitted to MAPFRE'S governing bodies. The Audit Committee is informed regularly of all these actions.

Technologies and procedures

Throughout 2012, the new TRON21 integrated insurance management system was implemented according to schedule, and finally came into production for the Health business, meaning that now all of the Group's non-life insurance business has the same, single comprehensive management system. Work is also going as planned on the analysis and development of NEWTRON, which is a technical evolution of the current TRONWEB, the integrated insurance management system operating in seventeen direct insurance companies around the world.

During 2012, the Company has carried out the 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:

— Progress in the construction of a new modular Data Processing Center in Alcalá de Henares, whose design has been awarded TIER III certification by the Uptime Institute.

— Evolution of the Data Processing Centre Outsourcing and Consolidation Plan in America, completing the migrations of the direct insurance companies in Brazil, Mexico, Peru and Puerto Rico.

— Development, as planned, of the new MAPFRE VIDA systems (Neo-Evoluciona), milestones being the implementation of the Individual Saving System and the integration with Corporate Systems (STCAT and Transfers).

— Progress in the development of the new Underwriting and Benefit Platforms with the implementation of different functionalities throughout the year.

— Implementation of new products to meet the Group's growth target: "Póliza Ecológica" (Green Policy), Multi-peril for Bankinter, "Garantía 16" (Warranty 16) and "Garantía Activa" (Active Warranty).

— Execution of 54 Business Intelligence project around the world, including the development of an Analytical Benefit and Technical Management Model for the Insurance Spain Division, an Analytical Model for managing the holdings of MAPFRE AMERICA and MAPFRE INTERNACIONAL, as well as a budget management and holding management Model for MAPFRE ASISTENCIA and MAPFRE GLOBAL RISKS.

— Consolidation of the integration of nine new MAPFRE ASISTENCIA and MAPFRE INTERNACIONAL call centres in Europe, America, Asia and Oceania into the corporate call centre infrastructure.

— Execution of eighteen new ERP SAP implementations, bringing the number of installations serviced by the Administration Process Competency Centre to a total of 191 in 40 different countries.

— Launch of the Corporate Purchasing ERP in Spain.

— Completion of deployment of IP Telephony with sufficient infrastructure and installation of a total of 19000 IP terminals.

— Implementation of several initiatives to extend Customer Knowledge, most notably: "Business Customer Segmentation", "Obtaining the Customer's Future Value for the Saving and Investment Portfolio" and "Business Universe".

— Definition and formalization of the MAPFRE Group Process Map for the direct insurance companies.

— Configuration of the standard MAPFRE platform of solutions for brokers and bank insurance.

— Production of innovative mobility projects such as DsCheck for Audatex and Tablet.

— Creation of new websites: Sales Campaigns and Conventions 2012, Businesses, Sales Representative Retention and Mobile Portal, as well as improvements to the "NETWORK in the Network" websites.

— Establishment and approval of the Business Continuity Plan for the Technologies and Procedures Corporate Area.

— Level 2 CMMI certification of the Integrated Development Center and Operations Centre of the Technologies and Procedures Division.

Last of all, successful achievement of the milestones included in the "New structure and Globalization of the Technologies and Procedures Division" project roadmap, in order to further the Division's involvement in MAPFRE's multinational management.

Laying of the first stone at the new Data Processing Centre in Alcalá de Henares (Madrid)

Mr José Manuel Inchausti, elected Best European CIO of the year

Safety and the environment

During 2012, MAPFRE kept on working on the protection of its corporate assets and business operations, with an ongoing safety and environmental risk management process.

The corporate quest for leadership continues to show in MAPFRE's comprehensive safety model, which continued to consolidate and spread to all companies throughout the year via the implementation of the Safety and Environment Governance and Management Model.

In operational terms, the company's corporate management capacity is mirrored, among others, by its decision to take advantage of the Miami and Sao Paulo data processing centre technology consolidation process to strengthen and standardize the information system security measures of the companies already integrated in the DPCs.

In operating efficiency and quality of service terms, the General Control Centre (CCG), which belongs to the FIRST, ENISA and TERENA international networks, has had these qualities confirmed by being awarded the ISO 9001 quality management Certificate by AENOR.

MAPFRE has stepped up its efforts to guarantee customer service in adverse or disaster conditions by defining processes to allow companies to support one another; developing Business Continuity Plans; and optimising the emergency action plans for the registered office's buildings.

MAPFRE has expanding the scope of the Integrated Environmental and Energy Management System, implementing it in the companies based in Spain, Brazil, Mexico, Argentina, Colombia and Puerto Rico, and in 2013 the companies in the last three countries will be brought into the ISO 14001 standard classification process, meaning that 22 HQ buildings will have been certified.

Agreements have been signed with integrated fluorescent tube and battery management system managers, thereby optimizing responsible management of such wastes at no extra cost; and energy efficiencies have been achieved through the application of workstation energy saving policies, with monitoring of consumption levels and the optimisation of supply contracts.

Once again this year, MAPFRE's safety and environment-related efforts won it external recognition when it was awarded the *"26th International Safety Trophy"* for R&D activities by the prestigious journal *SEGURITECNIA*. It also received a special honorary mention from the State's Safety Institutions, for encouraging a corporate safety culture corporate and promoting public safety.

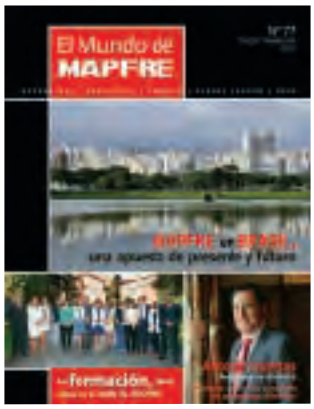
Communication

Throughout 2012, the Group has intensified its efforts to divulge MAPFRE's strategy, corporate values, culture, projects and activities in all its spheres of action, in order to contribute to the continuous improvement of its reputation among key audiences: Society and the Organization itself.

MAPFRE participated in the Sustainable Development Rio +20 conference

Visit by international journalists

"MAPFRE Hoy" (MAPFRE Today), the new internal communication area



The following actions should be noted in this regard:

External communication

— 391 interviews were arranged with the Media, 539 press releases were issued, 575 requests from journalists for information about MAPFRE were answered, and 50 events were organized.

— Permanent updating of the Press Room. Creation and management of corporate communication through the PrensaMAPFRE Twitter profile, from which Mapfre attends to the media and which has more than 1,900 followers.

Internal Communication

— Collaboration with Human Resources in divulging 1,062 news items through MAPFRE Hoy (MAPFRE Today), the corporate portal purpose-designed for broadcasting the Company's in-house information, and which is read every day by a large number of employees and representatives.

— Four editions and a separate special edition of EL MUNDO DE MAPFRE, the institutional magazine, were published, as were eight editions of ZONA MAPFRE (a magazine oriented to the MAPFRE Network sales staff).

MAPFRE and the El Greco 2014 Foundation signed a collaboration agreement for the sponsorship of the commemoration of the IV centenary of the death of El Greco

— Creation of a digital version in English of the magazine EL MUNDO DE MAPFRE (THE WORLD OF MAPFRE), and the publication of three editions of it.

Advertising and corporate image

In addition to the conventional planning of product campaigns, the advertising activity in 2012 has continued to be based on sports sponsorships of a strategic nature (Tennis, Sailing and Motorcycle Racing). Maintaining the slogan "MAPFRE, people who care for people", the product campaigns (Motor, Household, Life and Pensions, Health, etc.) and the publicity in sports broadcasts have meant a permanent presence in all the media, but especially in television, throughout the year.

The effects were borne out by the Brand Image Survey (Omnibus survey conducted by ICEA 1st wave 2012), which reflected unaided awareness of the MAPFRE brand by 83% of the population, aided awareness of the brand by 99% plus of the population, and campaign recall by more than 81% of respondents.

In addition, the total brand study that the Spanish Institute of Public Opinion (IOPL) conducts on an ongoing basis showed that in 2012 we remained second in the insurance brand league and has ranked among Spain's 30 best known-brands.

External Audit

The annual accounts of the Company and the main Group companies, for financial year 2012, have been audited by the firm Ernst & Young, mainly except for those of the subsidiary in Malt, which are audited by PricewaterhouseCoopers.

The External Auditors were paid €8,811,878 in 2012 for the services rendered in connection with the audit of the annual accounts and the limited audit of the consolidated Intermediate Financial Statements at 30th June, with the main auditor having received €8,632,465 of that amount. Furthermore, the main auditor received payments of €164,479 for services related with the audit of the annual accounts and of €334,741 for other complementary services. Neither of the latter two payments is deemed to compromise the independence of the auditors.

Events after the year end

The credit insurance joint venture, owned 50% by MAPFRE and 50% by EULER HERMES, officially began operating on 28th January 2013.

On 29th January 2013, National Insurance Supervisor authorised the sale of MAPFRE ARGENTINA ART, which still has to be authorised by the Argentine National Anti-Trust Commission.

Outlook

Forecasts point to a global growth rate of 3.6% in 2013, a slight rise on 2012, which will end about 3.3% higher, even though the leading supranational bodies have downgraded their latest growth forecasts.

Underlying this outlook for 2013 are highly different performances, ranging from growth rates of 1.5% in the advanced economies to 5.6% in the emerging and developing economies. Forecasts for the advanced economies have also been revised downwards due to the effects of the consolidation and to the fact that the financial sector is still not working properly.

The same different patterns of growth are also likely to be seen within the Eurozone. The German and French economies will report positive, albeit modest growth figures, while the Spanish and Italian ones will remain in recession.

The biggest risk for 2013 is that the crisis might worsen in the Eurozone, leading to lower economic growth and instability in the financial sector.

Monetary policy in the Eurozone will remain very lax. The European Central Bank faces a highly fragmented financial market, meaning that relatively healthy economies like Germany obtain finance at interest rates close to zero, while the Treasuries of the peripheral countries have to pay very high rates for their money supply, resulting in a poor transfer of monetary policy.

Fiscal policy, unlike monetary policy, will remain contractionary. Even so, the parties advocating a more gradual pace of fiscal consolidation (IMF) are likely to carry further weight during the year, because extreme austerity entails the risk of deepening the economic slowdown, with the logical consequences of rising unemployment. While fiscal consolidation is necessary, the high level of fiscal multipliers triggers a strong contractionary effect.

The consensus of financial analysts for Spain is that the recession will continue in 2013. Spain will face a situation marked by limited funding, high uncertainty, strong fiscal adjustments and a need for private sector deleveraging, although the improvement in productivity will be a positive effect. However, the deleveraging and adjustment process will foreseeably lead to the Spanish gross domestic product shrinking for the second year running in 2013.

By contrast, in 2013 emerging countries are likely to see their volume of business expand by more than in the last year, spurred by economic stimulus measures of the major developing economies.

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	1,993,772,061	64.742
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	1,992,519,729	64.702

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

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. ANTONIO HUERTAS MEJÍAS	253,185	0	0.008
MR. ESTEBAN TEJERA MONTALVO	23	0	0.000
MR. FRANCISCO RUIZ RISUEÑO	73	0	0.000
MR. ANTONIO NÚÑEZ TOVAR	305,330	0	0.010
MR. IGNACIO BAEZA GÓMEZ	139,675	0	0.005
MR. ALBERTO MANZANO MARTOS	90,154	0	0.003
MR. ALFONSO REBUELTA BADÍAS	44,346	0	0.001
MR. ANDRÉS JIMÉNEZ HERRADÓN	23,452	0	0.001
MR. ANTONIO MIGUEL-ROMERO DE OLANO	30,325	2,242	0.001
MR. ESTEBAN PEDRAYES LARRAURI	78,843	0	0.003
MR. FILOMENO MIRA CANDEL	174,141	0	0.006
MRS. FRANCISCA MARTÍN TABERNERO	23	0	0.000
MR. FRANCISCO VALLEJO VALLEJO	105,000	0	0.003
MR. JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	100	0	0.000
MR. LUIS HERNANDO DE LARRAMENDI MARTINEZ	13,179	23	0.000
MR. LUIS ITURBE SANZ DE MADRID	34,816	0	0.001
MR. MANUEL LAGARES GOMEZ-ABASCAL	100	0	0.000
MR. MATIAS SALVA BENNASAR	400,000	419,598	0.027
MR. RAFAEL BECA BORREGO	0	457,807	0.015
MR. RAFAEL FONTOIRA SURIS	23		0.000
MR. RAFAEL MÁRQUEZ OSORIO	69,804	0	0.002

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. MATÍAS SALVÁ BENNASAR	MERCAT NOU, S.L.	48,230	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	GRUPOBEKINSA, 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	0.086

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.

Name or company name of related person
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.: 49% in MAFPRE CAJA MADRID VIDA, S.A. through CAJA MADRID CIBELES, S.A.. Furthermore, MAPFRE, S.A. holds a 1.474% direct and indirect interest in BANKIA, an entity in which CARTERA MAPFRE, S.L. also holds a direct interest of 1.547%.

Name or company name of related person
BANCO FINANCIERO Y DE AHORROS, S.A.

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

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.

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

Remarks

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

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

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, passed on 10th March 2012.

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

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

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. ANTONIO HUERTAS MEJÍAS		CHAIRMAN	29/12/2006	06/03/2010	VOTE AT AGM
MR. ESTEBAN TEJERA MONTALVO		1ST VICE-CHAIRMAN	08/03/2008	10/03/2012	VOTE AT AGM
MR. FRANCISCO RUIZ RISUEÑO		2ND VICE-CHAIRMAN	12/03/2003	05/03/2011	VOTE AT AGM
MR. ANTONIO NÚÑEZ TOVAR		3RD VICE-CHAIRMAN	05/03/2011	05/03/2011	VOTE AT AGM
MR. IGNACIO BAEZA GÓMEZ		4TH VICE-CHAIRMAN	08/03/2008	10/03/2012	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. ANDRÉS JIMÉNEZ HERRADÓN		DIRECTOR	29/12/2006	06/03/2010	VOTE AT AGM
MR. ANTONIO MIGUEL-ROMERO DE OLANO		DIRECTOR	17/04/1999	05/03/2011	VOTE AT AGM
MR. ESTEBAN PEDRAYES LARRAURI		DIRECTOR	09/05/2012	09/05/2012	Cooptation
MR. FILOMENO MIRA CANDEL		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. JOSE IGNACIO GOIRIGOLZARRI TELLAECHE		DIRECTOR	26/07/2012	26/07/2012	Cooptation
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	10/03/2012	VOTE AT AGM
MR. MANUEL LAGARES GOMEZ-ABASCAL		DIRECTOR	26/07/2012	26/07/2012	Cooptation
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

Total number of Directors	21

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
MR. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	EXECUTIVE	10/03/2012
MR. RODRIGO DE RATO FIGAREDO	NOMINEE	09/05/2012
MR. JOSÉ ANTONIO MORAL SANTÍN	NOMINEE	20/07/2012
MR. SANTIAGO GAYARRE BERMEJO	NOMINEE	31/12/2012

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. ANTONIO HUERTAS MEJÍAS	APPOINTMENTS AND REMUNERATION COMMITTEE	CHAIRMAN
MR. ESTEBAN TEJERA MONTALVO	APPOINTMENTS AND REMUNERATION COMMITTEE	1ST VICE-CHAIRMAN
MR. ANTONIO NÚÑEZ TOVAR	APPOINTMENTS AND REMUNERATION COMMITTEE	3RD VICE-CHAIRMAN
MR. IGNACIO BAEZA GÓMEZ	APPOINTMENTS AND REMUNERATION COMMITTEE	4TH VICE-CHAIRMAN
MR. ESTEBAN PEDRAYES LARRAURI	APPOINTMENTS AND REMUNERATION COMMITTEE	DIRECTOR

Total number of executive directors	5
% of total directors	23.810

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 REMUNERATION COMMITTEE	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL
MR. ALBERTO MANZANO MARTOS	APPOINTMENTS AND REMUNERATION COMMITTEE	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL
MR. ALFONSO REBUELTA BADÍAS	APPOINTMENTS AND REMUNERATION COMMITTEE	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL
MR. ANDRÉS JIMÉNEZ HERRADÓN	APPOINTMENTS AND REMUNERATION COMMITTEE	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL
MR. ANTONIO MIGUEL ROMERO DE OLANO	APPOINTMENTS AND REMUNERATION COMMITTEE	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL
MR. FILOMENO MIRA CANDEL	APPOINTMENTS AND REMUNERATION COMMITTEE	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL
MR. JOSE IGNACIO GOIRIGOLZARRI TELLAECHE	APPOINTMENTS AND REMUNERATION COMMITTEE	BANCO FINANCIERO Y DE AHORROS, S.A.
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	APPOINTMENTS AND REMUNERATION COMMITTEE	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL
MR. MANUEL LAGARES GOMEZ-ABASCAL	APPOINTMENTS AND REMUNERATION COMMITTEE	BANCO FINANCIERO Y DE AHORROS, S.A.
MR. RAFAEL MÁRQUEZ OSORIO	APPOINTMENTS AND REMUNERATION COMMITTEE	CAJA MADRID CIBELES, S.A.

Total number of nominee directors	10
% of total directors	47.619

INDEPENDENT EXTERNAL DIRECTORS

Name of director (person or company)	Profile
MRS. FRANCISCA MARTÍN TABERNERO	HAS BEEN VICE-RECTOR OF SALAMANCA PONTIFICAL UNIVERSITY FOR 17 YEARS. PROFESSOR OF STATISTICS. PH.D IN PSYCHOLOGY AND BA IN HISTORY.
MR. FRANCISCO VALLEJO VALLEJO	BA IN ECONOMIC SCIENCE. DIPLOMA IN BUSINESS ORGANIZATION AND EXECUTIVE BUSINESS MANAGEMENT CHAIRMAN OF BANCO URQUIJO UNTIL 2012.
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	28.571

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 of director (person or company)	Date of change	Previous directorship	Current directorship
MR. ANDRÉS JIMÉNEZ HERRADÓN	22/02/2012	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:

Name of director	Reason for standing down
MR. JOSÉ ANTONIO MORAL SANTÍN	RESIGNATION FROM OFFICE ON THE BOARD OF DIRECTORS ON ACCOUNT OF HIS RESIGNATION FROM THE BOARD OF DIRECTORS OF BANKIA, S.A., SUBSIDIARY OF BANCO FINANCIERO Y DE AHORROS, S.A., THE SIGNIFICANT SHAREHOLDER THAT HE REPRESENTED. VERBAL EXPLANATION TO THE CHAIRMAN, TO BE PASSED ONTO THE BOARD.
MR. JOSE MANUEL MARTINEZ MARTINEZ	RESIGNATION FROM OFFICE ON THE BOARD OF DIRECTORS ON ACCOUNT OF HIS RETIREMENT. VERBAL EXPLANATION TO THE BOARD AT A PLENARY SESSION AND SUBSEQUENT LETTER TO THE NEW CHAIRMAN, MR. HUERTAS.
MR. RODRIGO DE RATO FIGAREDO	RESIGNATION FROM OFFICE ON THE BOARD OF DIRECTORS ON ACCOUNT OF HIS RESIGNATION AS CHAIRMAN OF BANKIA, S.A., SUBSIDIARY OF BANCO FINANCIERO Y DE AHORROS, S.A., THE SIGNIFICANT SHAREHOLDER THAT HE REPRESENTED. VERBAL EXPLANATION TO THE BOARD AT A PLENARY SESSION.
MR. SANTIAGO GAYARRE BERMEJO	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 SUBSEQUENT LETTER TO THE CHAIRMAN OF THE BOARD.

B.1.6 Indicate any powers delegated to the managing directors(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:

Name of director (person or company)	Name of the group's company	Post
MR. ESTEBAN TEJERA MONTALVO	CITATION INSURANCE COMPANY	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	MAPFRE AMERICA, S.A.	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	MAPFRE FAMILIAR. S.A.	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	MAPFRE INTERNACIONAL, S.A.	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	MAPFRE INVERSION 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	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	THE COMMERCE INSURANCE COMPANY	DIRECTOR
MR. FRANCISCO RUIZ RISUEÑO	CCM VIDA Y PENSIONES. S.A.	DIRECTOR
MR. FRANCISCO RUIZ RISUEÑO	MAPFRE FAMILIAR. S.A.	2ND 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 NUÑEZ TOVAR	CENTRO INTERNACIONAL DE FORMACION DE DIRECTIVOS	ADMINISTRATOR
MR. ANTONIO NUÑEZ TOVAR	EDITORIAL MAPFRE	ADMINISTRATOR
MR. ANTONIO NUÑEZ TOVAR	MAPFRE AMERICA. S.A.	1ST VICE-CHAIRMAN
MR. ANTONIO NÚÑEZ TOVAR	MAPFRE INMUEBLES. S.A	CHAIRMAN
MR. IGNACIO BAEZA GÓMEZ	MAPFRE FAMILIAR. S.A.	CHAIRMAN
MR. IGNACIO BAEZA GÓMEZ	MAPFRE INTERNACIONAL. S.A.	1ST VICE-CHAIRMAN
MR. IGNACIO BAEZA GÓMEZ	MAPFRE SEGUROS DE EMPRESAS. S.A.	1ST VICE-CHAIRMAN
MR. IGNACIO BAEZA GÓMEZ	MAPFRE VIDA. S.A. DE SEGUROS Y REASEGUROS	CHAIRMAN
MR. ALBERTO MANZANO MARTOS	MAPFRE AMERICA. S.A.	DIRECTOR
MR. ALBERTO MANZANO MARTOS	MAPFRE FAMILIAR. S.A.	DIRECTOR
MR. ALBERTO MANZANO MARTOS	MAPFRE INTERNACIONAL. S.A.	DIRECTOR

Nombre o denominación social del consejero	Denominación social de la entidad del grupo	Cargo
MR. ALFONSO REBUELTA BADÍAS	MAPFRE AMERICA. S.A.	DIRECTOR
MR. ALFONSO REBUELTA BADÍAS	MAPFRE GLOBAL RISK. S.A.	VICE-CHAIRMAN
MR. ALFONSO REBUELTA BADÍAS	MAPFRE INTERNACIONAL. S.A.	DIRECTOR
MR. ANDRÉS JIMÉNEZ HERRADÓN	BB MAPFRE SH2 PARTICIPAÇOES. S.A.	DIRECTOR
MR. ANDRÉS JIMÉNEZ HERRADÓN	MAPFRE BB SH1 PARTICIPAÇOES. S.A.	DIRECTOR
MR. ANDRÉS JIMÉNEZ HERRADÓN	MAPFRE FAMILIAR, S.A.	DIRECTOR
MR. ANDRÉS JIMÉNEZ HERRADÓN	MAPFRE VIDA. S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
MR. ANTONIO MIGUEL- ROMERO DE OLANO	MAPFRE ASISTENCIA. CIA. INTERNACIONAL DE SEGUROS Y REASEGUROS. S.A.	VICE-CHAIRMAN
MR. ANTONIO MIGUEL- ROMERO DE OLANO	MAPFRE GLOBAL RISK. S.A.	DIRECTOR
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MAPFRE INMUEBLES. S.A	DIRECTOR
MR. ANTONIO MIGUEL ROMERO DE OLANO	MAPFRE VIDA. S.A INSURANCE AND REINSURANCE	DIRECTOR
MR. ESTEBAN PEDRAYES LARRAURI	MAPFRE FAMILIAR. S.A	DIRECTOR
MR. ESTEBAN PEDRAYES LARRAURI	MAPFRE INVERSION SOCIEDAD DE VALORES. S.A.	DIRECTOR
MR. FILOMENO MIRA CANDEL	MAPFRE INTERNACIONAL. S.A.	DIRECTOR
MR. FILOMENO MIRA CANDEL	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
MR. FRANCISCO VALLEJO VALLEJO	MAPFRE FAMILIAR. S.A.	DIRECTOR
MR. FRANCISCO VALLEJO VALLEJO	MAPFRE SEGUROS DE EMPRESAS. S.A.	2ND VICE-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	2ND VICE-CHAIRMAN
MR. LUIS ITURBE SANZ DE MADRID	MAPFRE INVERSIÓN. SECURITIES BROKER-DEALER. 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. COMPAÑIA DE REASEGUROS. S.A.	VICE-CHAIRMAN
MR. MATÍAS SALVÁ BENNASAR	MAPFRE SEGUROS GERAIS	DIRECTOR
MR. RAFAEL BECA BORREGO	MAPFRE AMERICA. S.A.	2ND VICE-CHAIRMAN
MR. RAFAEL FONTOIRA SURIS	MAPFRE INMUEBLES. S.A.	2ND VICE-CHAIRMAN
MR. RAFAEL FONTOIRA SURIS	MAPFRE VIDA. S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
MR. RAFAEL MÁRQUEZ OSORIO	MAPFRE AMERICA. S.A.	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)	Listed company's name	Post
MR. JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	BANKIA	CHAIRMAN
MR. MANUEL LAGARES GOMEZ-ABASCAL	IBERDROLA	DIRECTOR
MR. MANUEL LAGARES GOMEZ-ABASCAL	INTERNATIONAL CONSOLIDATED AIRLINES GROUP. S.A.	DIRECTOR
MR. MANUEL LAGARES GOMEZ-ABASCAL	INDRA SISTEMAS. S.A.	DIRECTOR

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	1,736
Variable remuneration	1,816
Attendance fees	525
Bylaw perquisites	0
Share and other financial options	0
Others	2,842
TOTAL	**6,919**

Otros Beneficios	Figures in €000's
Other benefits	0
Advances	0
Loans granted	27
Funds and pension funds: Contributions	0
Funds and pension funds: Contractual obligations	1,317
Life insurance premiums	0
Guarantees constituted by the company for the directors	

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	698
Variable remuneration	1,971
Attendance fees	211
Bylaw perquisites	0
Share and other financial options	0
Others	1,777
TOTAL	**4,657**

Other benefits	Figures in €000's
Advances	0
Loans granted	0
Funds and pension funds: Contributions	15
Funds and pension funds: Contractual obligations	0
Life insurance premiums	659
Guarantees constituted by the company for the directors	0

c) Total remuneration by type of directorship:

Type of directorship	By company	By group
Executive	5,575	3,435
Nominee Directors	873	803
Independent External	471	419
Other External Directors	0	0
TOTAL	**6,919**	**4,657**

d) Regarding the attributable profit of the dominant company:

Total remuneration of all directors (€k)	11,576
Total remuneration all directors/attributable profit of dominant company (expressed as a %)	1.7

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. ANGEL LUIS DÁVILA VERMILION	SECRETARY GENERAL - DIRECTOR GENERAL OF LEGAL AFFAIRS
MR. JOSÉ MANUEL MURIES NAVARRO	DIRECTOR GENERAL, INTERNAL AUDIT
MR. MIGUEL ÁNGEL ALMAZÁN MANZANO	DIRECTOR GENERAL OF INVESTMENTS
MR. JOSE MANUEL INCHAUSTI PEREZ	DIRECTOR GENERAL OF TECHNOLOGIES AND PROCEDURES

Total remuneration senior management (€k)	2,071

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

	Board of Directors	Annual General Meeting
Body authorising the clauses	SÍ	NO

Is the AGM informed of the clauses?	SÍ

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.

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

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 their compensation 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 2013, increases of 1.83% (1.5% consolidating and 0.33% 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 2013 no significant changes are expected to be made to the Company's remuneration policy. For information on the remuneration policy applied in 2012, 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?	NO

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)	Name of significant shareholder (person or company)	Post
MR. ANTONIO HUERTAS MEJÍAS	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	CHAIRMAN
MR. ESTEBAN TEJERA MONTALVO	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	DIRECTOR
MR. ANTONIO NÚÑEZ TOVAR	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	DIRECTOR
MR. IGNACIO BAEZA GÓMEZ	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	DIRECTOR
MR. JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	BANCO FINANCIERO Y DE AHORROS, S.A.	CHAIRMAN
MR. MANUEL LAGARES GOMEZ-ABASCAL	BANCO FINANCIERO Y DE AHORROS, S.A.	DIRECTOR OF INVESTEE COMPANIES

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:

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

YES

Description of modifications

On 8th February 2012, the Board of Directors approved the amendment of the following articles: Introduction: Amendment of the legal references justifying the establishment of the Board of Directors' Regulations Article 7; Introduction of a third paragraph establishing that the requirements set out in the Regulations for the appointment of directors shall also apply to the natural person or representative who nominates the legal person or director Article 17: Amendment of subsection 1 for the purposes of adapting the powers of the Audit Committee in line with the eighteenth provision of the Stock Market Act following its amendment by the 12/2010 Act 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 Proprietary 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 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

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	7
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 Delegated 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	4
% of number of non-attendances to total votes during the year	2.649

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	FIRST DEPUTY CHAIRMAN
MR. JOSÉ MANUEL MURIES NAVARRO	DIRECTOR GENERAL OF INTERNAL AUDIT
MR. CARLOS BARAHONA TORRIJOS	DEPUTY DIRECTOR GENERAL OF CONTROL AND FINANCIAL INFORMATION

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 auditor's 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 auditor's 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)	100	399	499
Amount of work other than audit / total amount billed by the audit firm (%)	12,810	4,680	5,360

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	23	23

	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 RUECKVER AG	0,000	---
MR FILOMENO MIRA CANDEL	MÜNCHENER RUECKVER AG	0,000	---
MR FILOMENO MIRA CANDEL	ALLIANZ	0,000	---
MR. FRANCISCO VALLEJO VALLEJO	COMPAÑÍA ESPAÑOLA DE SEGUROS DE CRÉDITO A LA EXPORTACIÓN (CESCE)	0,000	DIRECTOR

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. ANTONIO HUERTAS MEJÍAS	CHAIRMAN	EXECUTIVE
MR. ESTEBAN TEJERA MONTALVO	1ST VICE-CHAIRMAN	EXECUTIVE
MR. FRANCISCO RUIZ RISUEÑO	2ND VICE-CHAIRMAN	NOMINEE
MR. ANTONIO NÚÑEZ TOVAR	MEMBER	EXECUTIVE
MR. ESTEBAN PEDRAYES LARRAURI	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 CANDEL	VICE-CHAIRMAN	NOMINEE
MRS. FRANCISCA MARTÍN TABERNERO	MEMBER	INDEPENDENT
MR. RAFAEL MÁRQUEZ OSORIO	MEMBER	NOMINEE

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Post	Types
MR. ANTONIO HUERTAS MEJÍAS	CHAIRMAN	EXECUTIVE
MR. ANTONIO NÚÑEZ TOVAR	1ST VICE-CHAIRMAN	EXECUTIVE
MR. FRANCISCO RUIZ RISUEÑO	2ND VICE-CHAIRMAN	NOMINEE
MR. ALFONSO REBUELTA BADÍAS	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 assigned 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

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 inform the General Meeting of the issues that arise in their area of competence.

b) To supervise the efficiency of the internal control of the company, internal auditing and risk management systems, as well as discussing the significant weaknesses in the internal control system detected when carrying out audits with the accounts auditors and auditing companies.

c) To supervise the process of drawing up and presenting the regulated financial information.

d) To propose the appointment of accounts auditors and auditing companies to the Board of Directors for their submission to the General Shareholders' Meeting, in accordance with the regulations which apply to the company.

e) To establish appropriate relationships with the accounts auditors and auditing companies in order to receive information concerning those issues which may jeopardise their independence, so that they may be examined by the Committee, and any other issues related to the accounts auditing process, as well as other communications provided for in the accounts auditing legislation and in the auditing regulations. Regardless, they must receive annual written confirmation from the accounts auditors and auditing companies of their independence from the company or companies directly or indirectly linked to it, as well as any information concerning the additional services of any type rendered to these companies by the said auditors or companies, or by the people or companies linked to them in accordance with the provisions of the accounts auditing legislation in force.

f) To emit on an annual basis, prior to the publication of the accounts auditing report, a report expressing an opinion concerning the independence of the accounts auditors and auditing companies. This report must in any case, contain an opinion about the provision of the additional services referred to above.

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.

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.

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

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

Name of Committee
APPOINTMENTS AND REMUNERATION COMMITTEE

Brief description
COORDINATED DEVELOPMENT OF THE APPOINTMENT AND REMUNERATION POLICY APPLICABLE TO SENIOR MANAGEMENT AND REPRESENTATIVE OFFICERS

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
EXECUTIVE OR STEERING 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.

Name of Committee
AUDIT COMMITTEE

Brief description
Regulated in the bylaws and in the Board Regulations.

In 2012, article 17 of the Board Regulations, regarding the Audit 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.

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.

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 on a consultative basis and as a separate point on the agenda, at the AGM.

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 Auditing 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?
YES

Identify listed subsidiaries:

Listed Subsidiary
FUNESPAÑA, S.A.

Type of activity they engage in, and any business dealings between them, as well as between the subsidiary and other group companies:
NO

Define any business dealings between the parent company and the listed subsidiary, and between it and other group companies

Identify the mechanisms in place to resolve possible conflicts of interest between the listed subsidiary and other group companies:

Mechanisms to resolve possible conflicts of interest

D. Risk control systems

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 risks have been grouped under 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 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 Companies with a high level of autonomy in their management. The governing and management bodies of the Group approve the lines of activity of the Divisions and Companies with regard to risk management, and supervise their exposure to risks on a permanent basis by way 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 divisions with the aim of complying with the future Solvency II requirements.

The Operational Divisions have a Risk Co-ordinator, reporting to the Administration Management, who implements the risk policies and management in each group. The Risk Quantification Model implementation activities are coordinated by the Group's Head of Risk Management. The degree of progress in projects and other significant aspects are reported to MAPFRE's Senior Management through the Audit Committee.

Broadly speaking, decisions regarding the subscription of insurable risks and re-insurance coverage are highly de-centralised at the Divisions. Operational Risk-related issues are handled centrally although responsibility for their implementation and monitoring is delegated to the Divisions. 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 Divisions with the capital necessary in cover the risks that have been assumed, all in a rational and objective way. Risks are estimated by way of a standard model of set factors which quantifies financial risks, credit risks, and strategic and corporate governance risks stemming from the insurance business. 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 Divisions require a level of capitalisation that exceeds the level described in this general rule, either because they operate in 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.

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, analysing the significance and probability of occurrence of the different risks.

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 a distinction is made between those that seek to match the obligations arising from the insurance contracts and those where there is 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 the excess of assets qualified for the cover.

— Investments in shares are subject to an investment portfolio ceiling.

— The risk limitations are established in easily-observable quantitative terms of variables. 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 Divisions 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 divisions 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 Group's presence in countries highly likely to be prone to catastrophes (earthquakes, hurricanes, etc.) call for special treatment of these types of risks. The 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. The underwriting of catastrophic risks is made according to this information and to the economic capital available to the company that underwrites them, and where necessary, the take up of re-insurance cover limiting the impact on capital. 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.

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. In addition, it has the protection of risk retrocession schemes for the coverage of variations or interests in catastrophic claims 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

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
HURRICANE SANDY

Operation of the control systems
The Group's losses at consolidated level have been limited to €107 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 Group's Regulatory Compliance Directorate, created in 2012, is the body responsible for verifying regulatory compliance by the Group's companies. The Directorate-General of Internal Auditing performs a systematic review process.

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.

On 10th March 2012, the AGM approved the introduction of amendments to its regulations (articles 2, 4, 5, 6, 7, 8, 9, 10, 11, 13, and 18) for the purposes of bringing their contents in line with new regulations in force, and to update the references made in the regulations to current legislation.

The amendments include: (i) The proposal for the Board to submit annually to the AGM for consideration and as a separate item on the agenda a report on directors' remuneration; (ii) the updating of the requirements that must be met by any request to convene a General Meeting made by shareholders who hold at least five per cent of the share capital and modification of the time that the Board of Directors has to convene the meeting; (iii) the updating of the regulation applicable to way in which the announcement of the General Meeting is advertised; (iv) the inclusion of the entitlement of shareholders that hold at least five per cent of the share capital to submit proposed resolutions within the five days following the publication of the call; (v) the proposal for the Company to provide an electronic shareholder forum for each meeting on its website; (vi) an increase in the type of information about which shareholders can request clarifications or ask questions and the determination of the instances in which such information cannot be refused; (vii) the clarification of the means of providing proof of ownership of the number of shares giving entitlement to attend the AGM; (viii) the updating of the requirements and means of communicating delegation of the right to attend the AGM; (ix) the updating of the instances in which a reinforced quorum is required; (x) the inclusion of the possibility that the Board of Directors can resolve to hold the meeting in a Spanish location other than where the company has its registered office; (xi) the regulation of postal votes and (xii) the proposal to publish the text of the resolutions adopted and the voting results on the company's website.

The regulations 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.

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

Attendance figures					
			% voting remotely		
Date of AGM	% shareholders present	% attending by proxy	E-voting	Others	Total
10/03/2012	0.150	80.560	0.000	0.000	80.710

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 10th March 2012, the resolutions listed below were passed by a majority of 80.71%. One shareholder, holding 2,235 shares (0,000073% of the share capital) and one shareholder representing 2,000 shares (0.000065% of the share capital) voted against the resolutions:

— To approve of the individual and consolidated Annual Accounts for financial year 2011.

— To approve the corporate management during 2011.

— To re-elect, for another four-year period, the Directors Messrs. Ignacio Baeza Gómez, Luis Iturbe Sanz de Madrid, José Antonio Moral Santín and Esteban Tejera Montalvo, 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 therefore to 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 in advance 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, will be paid on a date to be determined by the Board of Directors, during the period from 1st May to 30th June 2012.

— To confirm the www.mapfre.com web page as the company's corporate web page for the purposes stipulated in section 11b and related provisions of the Capital Companies Act.

— To amend the first subsection of article 4 of the articles of association, which shall be drafted as follows:

Its registered office is established as being in Majadahonda (Madrid), Carretera de Pozuelo, 52.

— To amend the last subsection of article 6 of the articles of association, which shall be drafted as follows:

Shareholders shall be entitled to receive a minimum annual dividend of 5% and to benefit from the other rights stipulated by the legislation in force.

— To amend the second subsection of the first paragraph of article 11 of the articles of association, which shall be drafted as follows:

Nevertheless, the General Meeting may be held at any other venue in the country if the Board of Directors sees fit when calling the meeting. Also, if all shareholders are present or represented at the meeting and unanimously agree to hold it, it can be held anywhere on Spanish territory.

— To amend article 12 of the articles of association, which shall be drafted as follows:

Where no provision is made in these articles of association or in the General Meeting regulations, 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.

— To amend the first subsection of the third paragraph of article 18 of the articles of association, which shall be drafted as follows:

Agreements shall be adopted by an absolute majority of the Board Members attending the session, except in the cases provided for by the legislation in force.

— To amend article 24 of the articles of association, which shall be drafted as follows:

In any case, there will be an Audit Committee, the majority of whose members, including the Chairman, shall be non-executive board members, which may only be re-elected a year after ceasing to hold a position within the company. The Secretary of this Committee will be the Secretary to the Board of Directors. This Committee shall have the following powers:

1. To inform the General Meeting of the issues that arise in their area of competence.

2. To supervise the efficiency of the internal control of the company, internal auditing and risk management systems, as well as discussing the significant weaknesses in the internal control system detected when carrying out audits with the accounts auditors and auditing companies.

3. To supervise the process of drawing up and presenting the regulated financial information.

4. To propose the appointment of accounts auditors and auditing companies to the Board of Directors for their submission to the General Shareholders' Meeting, in accordance with the regulations which apply to the company.

5. To establish appropriate relationships with the accounts auditors and auditing companies in order to receive information concerning those issues which may jeopardise their independence, so that they may be examined by the Committee, and any other issues related to the accounts auditing process, as well as other communications provided for in the accounts auditing legislation and in the auditing regulations. Regardless, they must receive annual written confirmation from the accounts auditors and auditing companies of their independence from the company or companies directly or indirectly linked to it, as well as any information concerning the additional services of any type rendered to these companies by the said auditors or companies, or by the people or companies linked to them in accordance with the provisions of the accounts auditing legislation in force.

6. To emit on an annual basis, prior to the publication of the accounts auditing report, a report expressing an opinion concerning the independence of the accounts auditors and auditing companies. This report must in any case, contain an opinion about the provision of the additional services referred to above.

— To amend the last subsection of article 35 of the articles of association, which shall be drafted 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 policies and other applicable provisions shall be taken into account.

— To amend article 36 of the articles of association, which shall be drafted as follows:

All of the issues which may arise between shareholders and the Company, or directly between shareholders due to their capacity as such, shall be subjected to fair arbitration in accordance with the regulations stipulated by the applicable law, without prejudicing the parties' right to go to the Courts of Law, or the provisions of the legislation in force concerning challenges to company agreements.

— To amend articles 2, 4, 5, 6, 7, 8, 9, 10, 11, 13, 16 and 18 of the company's General Shareholders' Meeting Regulations, which shall be drafted as detailed in the report put together for this purpose by the Board of Directors.

— To authorize the Board of Directors so that, pursuant to the provisions of section 297 of the Revised Text of the Spanish Corporations Act, it can, 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 euros, equivalent to 50% of the share capital. The Board of Directors will 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 section 506 of the Revised Text of the Spanish Corporations 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 authorization involves the withdrawal of the authorization granted on 5th March 2011.

Likewise, the Board of Directors is hereby authorized to delegate the powers conferred by way of this resolution in favour of the

Steering Committee, pursuant to Article 249.2 of the Revised Text of the Spanish Corporations Act.

— To 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, pursuant to Article 27 b) of the Stock Exchange Regulations, as worded in Royal Decree 1536/81, and in the terms and conditions as provided for under the said article. It is expressly agreed that, in the event of a subsequent application to exclude the shares from being listed, such decision shall be made with the same formalities, and in this case the interests of any objecting shareholders or 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.

— To authorize the Board of Directors so that, pursuant to the provisions of section 146 and similar of the Revised Text of the Spanish Corporations Act, the Company may proceed, directly or through affiliates, to acquire treasury stock, subject to the following limits and requirements:

Methods: acquisition by sale, or by any other transaction inter vivos for good and valuable consideration, of shares free of any liens or encumbrances.

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.

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

Duration of the authorization: five years as from the date of the resolution herein.

This authorization involves the withdrawal of the authorization granted on 5th March 2011.

Likewise, the Board of Directors is hereby authorized to delegate the powers conferred by way of this resolution in favour of the Steering Committee, pursuant to Article 249.2 of the Revised Text of the Spanish Corporations Act.

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

— To extend the appointment of the firm Ernst & Young, S.L. as the Company's Auditors, both for the Individual Annual Accounts and for the Consolidated Accounts, for a new one-year period, that is, for the financial year 2012, although the appointment may be revoked by the Annual General Meeting before the end of said period if a justifiable reason for doing so exists.

— To confer the broadest powers on the Board of Directors so that, with regard to the preceding capital increase resolution, passed by this Annual General Meeting, it may:

a) Complete, in general terms, the preceding resolutions in any matters necessary for them to be valid and enforceable.

b) Delegate wherever it deems appropriate to the Company's Executive Committee or to members of the Board of Directors.

— Delegate the broadest powers to the Chairman and to the Secretary to the Board of Directors so that either of them may appear before a Notary and proceed to execute and submit to the public the present agreements by executing the necessary public and private documents required to register them in the Company Register; with the express authority to make as many amendments, clarifications, rectifications and corrections as are requires or necessary in order to adapt the agreements to the description of the Company Registrar and thereby obtain their full or partial registration as set out in section 63 of the Company Register Regulations.

— To authorize the Board of Directors to clarify and interpret the preceding resolutions.

— To thank those involved in the management of the company for their loyal co-operation during this financial year.

Moreover, at the said AGM, the following resolution was passed by a majority of 80.71%. Two shareholders, holding 4,235 shares (0.000138% of the share capital) voted against the resolution:

— To amend the first paragraph of article 1 of the articles of association, which shall be drafted as follows:

By the name of MAPFRE, S.A. a company is set up that is governed by these articles of association and by the regulations which apply to limited companies.

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

MAPFRE Group Corporate 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
– Complies in part

According to the Regulations of the Board of Directors of MAPFRE, S.A., the Board is responsible for approving the Group's corporate, management and operating structures, and the Executive Committee is responsible for resolving especially important conflicts between Group entities.

Title IV of the MAPFRE Code of Good Governance provides detailed regulations regarding the rules of conduct applicable to directors and especially regarding the situations in which they are in conflict of interest. The full text of the Corporate Governance Code is available on the company website (www.mapfre.com).

However, a document that specifically regulates the relationship between FUNESPAÑA, S.A. and other MAPFRE Group companies will be drafted and published in the financial year 2013.

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) 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) 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 section: 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 y 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 section: 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 sections: B.1.3, A.2 and A.3
– Complies

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). It is considered that, in view of the company's shareholding structure of the, the number of independent directors (6), only one lower than one third of the total, is sufficient to ensure adequate participation in Board committees and guarantee the defence of the interests of minority shareholders. Also, the number of independent directors (6) represents 28.57% of the members of the Board of Directors and 37.5% of external directors, although the free float amounts to 20.27% of the share capital.

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

According to the MAPFRE Code of Good Governance, the Appointment and Remuneration Committee must ensure that, when vacancies arise on the Board of Directors, it must guarantee equal opportunities for candidates regardless of their gender, and seek to achieve an effective presence of directors of both genders.

On 6th February 2013 the Board of Directors resolved, at the Committee's request, to propose to the AGM the appointment of Mrs. Adriana Casademont Ruhi as an independent director in consideration of her personal and professional qualities, as set out in the MAPFRE Code of Good Governance.

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: B.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 section: 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

Messrs. Martínez Martínez and Gayarre explained their decision verbally to the plenary Board meeting and subsequently sent their letters of resignation to the Chairman of the Board of Directors. Mr. Martínez Martínez resigned on the occasion of his retirement and Mr. Gayarre owing to the 5-year limit for ex-executives provided in the Code of Good Governance. At the Board meeting held on 9th May 2012, Mr. De Rato explained the grounds for his resignation, which was accepted unanimously at the meeting. Mr. Moral Santín sent a letter of resignation to the Chairman of the Board of Directors, in which he explained the grounds for his resignation, which were then passed onto the other board members. Both resigned as a consequence of their having resigned from their posts in BANCO FINANCIERO Y DE AHORROS-BANKIA.

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 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. and its subsidiaries 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 2012.

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 y B.2.3
– Complies in part

The whole recommendation is complied with except for sections b) and c) regarding the Appointments and Remuneration Committee. The Committee has two executive directors out of a total of seven members and its chairman is currently the Chairman of the Board. It is considered that the large majority of external directors guarantees the independence of the Committee.

It is also considered appropriate that the Committee is chaired by the Group's Chief Executive to ensure proper coordination between the Committee and the management team. However, the MAPFRE Code of Good Governance lays down rules, according to which executive members must refrain from participating in any proceedings and decision-making concerning issues that affect them personally.

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 y 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. The majority of appointments committee members – or appointments & remuneration committee members as the case may be – should be independent directors.

→ 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 and recommendation 44). Additionally, the number of independent directors who are currently Committee members (2 out of 7) is directly proportional to the total number of independent directors on the board (6 out of 21).

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 is 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.

The company adheres to and complies with the content of the Code of Good Taxation Practices approved and sponsored by the Forum for Large Companies and the Spanish Tax Agency.

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 its report.

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 06/02/2013.

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 2012

Introduction

Additional information to the MAPFRE, S.A. Corporate Governance annual report for the financial year 2012 is provided to complete the new minimum content to be offered in that report pursuant to Article 61 bis of Act 24/1988, on the Securities Market, as amended by the Sustainable Economy Act 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 on 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 on securities that are not traded in a regulated community market.

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 General Shareholders' Meeting is called.

At the same time, pursuant to the MAPFRE, S.A. Regulation on the General Shareholders' Meeting 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. 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 key 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 key 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 key 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 1 August, which regulates the special Key Management employment relationship will apply, paragraph d) of which permits the key 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 with comprise the risk management and control systems with respect the company's procedure for the issue of financial information (SCIIF).

1 Company's control environment

11.1 Bodies and offices responsible for: (i) the existence and maintenance of an appropriate and effective SCIIF; (ii) its implantation and (iii) its supervision.

MAPFRE's Internal Control system is a set of ongoing procedures, which are the responsibility of the Board of Directors, Key Management and all other MAPFRE personnel, as set out in the Group's Internal Control Policy approved by the Board of Directors in 2010.

The Board of Directors delegates ordinary management to the Steering Committee and to Key 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 owing to its status as a listed company.

Meanwhile the Audit Committee, in its capacity as a delegated body of the Board of Directors, and 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; to periodically the internal oversight and risk management systems to ensure the main risks are identified, managed and sufficiently well known.

The Internal Audit Statute, updated and approved by the Audit Committee and the Board of Directors in 2011, includes the main Internal Control System supervisory activities of the Audit Committee, which are listed in section 5.1 of this document.

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 key 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.

Jobs and duties are distributed in line with "Structure and job organizational model" drawn up by the management of Administration and Organization Department and approved by the Resources and Means Area. This applies to all the Group's companies in Spain, and work is now underway on its overseas implementation in international companies.

Jobs are organized according to the Job Level, complemented with the subdivision of hierarchical levels of the post. Furthermore, posts are grouped into three activity groups that result in Job Families, depending on to activities, functions and purpose of the work performed.

The organizational structure corresponds to the formal representation of the Group's organization, as it is defined by the Governing Bodies.

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 was approved by the Steering Committee in 2009. 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.

During 2009 and 2010, communication campaigns were organized to ensure all employees know about the Code, and since then it is available to them on the intranet or internal portal.

The Code sets out specific principles that are binding for all employees, regarding the processing of the Group's financial information so as to ensure its confidentiality, integrity and availability in accordance with the MAPFRE's information security policy. It also states that all employees are the responsible for ensuring that the information provided is accurate, clear and truthful.

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. Any employee who has questions about the application of the Code, or who observes a situation that might involve a breach or violation of any of the principles and rules of ethics or conduct, must report it to the Ethics Committee, which acts within the scope of its advisory functions or resolves any complaints that may arise regarding breaches of the Code.

Every year the Ethics Committee reports to the Executive Committee on the activities carried out during the year.

In 2011 the company organized an e-learning course on the Code of Ethics and Conduct, which applies to all the Group's employees. Until December 2012, this course has been completed by 3,131 employees in Spain and 2,672 employees in other countries, and the other Group's employees are scheduled to complete it by the year 2014.

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 Financial and Accounting Whistleblower Channel lets Group employees report any potentially important financial and accounting irregularities they observe to the Audit Committee, via email or written correspondence to a specific address.

The modus operandi of the MAPFRE Group Whistleblower Channel for Financial and Accounting Complaints, approved by the Audit Committee in 2011, is published on the Group's Intranet or internal portal.

The Audit Committee receives the complaints and therefore resolves them by treating each one as it deems appropriate. In order to perform its duties properly, it relies on assistance from the General Secretariat and the Directorate General of Internal Audit.

In cases of complaints concerning the Group's subsidiaries which have their own, mandatory Whistleblower Channel, the Audit Committee and the competent body of the subsidiary liaise in handling and resolving any complaints received.

The parties involved in the Channel have controls for restricting access to the information, and the confidentiality of the whistleblower's identity is assured through the collection of personal data provided in accordance with the requirements set by current data protection legislation.

Every year the General Secretariat issues a report for the Audit Committee, outlining the Whistleblower Channel's activities as well as the final result of the complaints made.

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, that are prepared both in-house and externally, for the different groups collectives in the company based on their professional needs.

During 2012, MAPFRE organized several presence training schemes in Spain on finance, risk and internal control issues that lasted a total of 8,983 hours and were attended by 748 people.

One of the main e-learning schemes is the course on internal control rules that all Group employees must follow, and which in 2012 was attended by 5,958 people (316 in Spain and 5,642 in the other countries) who received 5,958 hours of training. In the last five years, a total of 33,410 people (employees and brokers) have completed this course (16,434 in Spain and 16,976 in other countries), and received 33,410 hours of training.

In addition, the Internal Audit Department organizes a training seminar every year for auditors in Spain and every two years for audit managers abroad, and during which internal control and financial reporting issues are studied.

Specifically, with regard to the preparation of financial information, the Secretariat General issues circulars containing instructions, and includes an update of the rules 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 (which includes applicable accounting rules and policies) and the Accounting Models that are updated annually.

2 Financial information risk assessment

The main characteristics of the risk identification procedure, including error or fraud, in relation to:

2.1 If the process exists and is documented.

MAPFRE has a Risk Management System (SGR) 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 risks have been grouped under four areas, or categories, as detailed below:

TYPE OF RISK	Description	Process	Frequency of updates
Insurance Activity Risks	This groups the following risks separately for Life and Non-Life: • Sufficiency of premiums • Sufficiency of technical provisions • Reinsurance	Quantification of the risk	Quarterly
Financial Risks	Includes the following risks: • Interest Rate • Liquidity • Exchange rate • Market • Credit	Quantification of the risk	Quarterly
Operational and business processes risks	Includes the risks arising out of faulty or inadequate systems, people, internal processes or external events. These have been grouped into 10 risk areas (Actuarial, Legal, Technology, Staff, Associates, Procedures, Information, Fraud, Market, and Material Assets.)	Assessment and control (encompassing risk assessment, identification of internal controls, appraisal of degree of effectiveness of the controls and establishment of corrective measures).	Identification: continuous Evaluation: biannual
Strategic and Corporate Governance Risks	Includes the following risks: • Business ethics and corporate governance related risks • Organizational structure • Alliances, mergers and acquisitions • Regulatory environment-related • Competence	Identification, mitigation and evaluation of impact	Continuous

The SGR in place in MAPFRE applies to the Group undertakings in accordance with the internal regulations issued for each of the previous risk categories.

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.

Any risks liable to affect the reliability of financial information are identified during the evaluation of operational business processes risks, inasmuch as these include the objectives of existence and occurrence, integrity; valuation; presentation, breakdown and comparability; and rights and obligations.

Each risk is linked, where appropriate, to the item of the financial statements that would be impacted if the potential risk materialized, the main sections being: premiums, provisions, financial returns, acquisition costs, administration expenses and benefit expenses.

All the Group companies, both in Spain and overseas, handle operational and business process risks through the Riskm@p IT application, developed in-house by MAPFRE. The management model is based on a dynamic analysis by processes, in which the managers of each area or department identify and evaluate potential risks that affect both business and support processes, as well as the key economic magnitudes by completing risk assessment questionnaires.

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.) insofar as they affect financial statements.

As described in section 2.1 above, the MAPFRE Risk Management System takes into account the types of operational, technological, financial, legal, reputational and environmental risks, as well as the risks inherent in the insurance and reinsurance business.

Specifically, for the "Operational and Business Process Risks" category it states that it includes the risks arising out of faulty or inadequate systems, people, internal processes or external events. These risks have been grouped into 10 areas: Actuarial, Legal, Technology, Staff, Associates, Procedures, Information, Fraud, Market, and Material Assets.

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 control internal systems and the risk identification and management systems. The Internal Control System and Risk Management System is reviewed at least once a year.

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 closing calendar drawn up by the Secretariat General details the main activities in the consolidation procedure and preparation of the half-yearly and annual accounts and its controls, and sets deadlines for compliance.

The different Group undertakings report, through the assigned officers, the financial information that the Financial Area consolidates in order to prepare the reports. During the consolidation process, controls are in place to detect any errors liable to significantly affect the financial statements; and during the risk management process, manuals and other descriptive documents are prepared that set out the existing procedures and activities in terms of the tasks and parties involved in them, identifying associated risks and controls for mitigating them, including the fraud and accounting close process-related risks.

Financial reports on the annual financial statements and half-yearly and quarterly information prepared by the Financial Area, are presented to the Audit Committee, and then submitted to the Board of Directors.

In the case of the annual individual and consolidated financial statements, both the Financial Area and the Director General of Internal Audit certify their accuracy and integrity to the Board of Directors.

The Board of Directors bases its estimates and assumptions on hypotheses about the future and on uncertainties that basically refer to losses from impairment of certain assets; the calculation of provisions for liabilities and charges; the useful life of intangible assets and of tangible fixed asset items; and the fair value of certain non-listed assets.

The estimates and assumptions used are given in the instructions for close of accounts, are reviewed regularly, and are based on historical experience and on other factors that may be considered more reasonable from time to time. If the review leads to changes in estimates in a given period, their effect is applied during that period and, as the case may be, subsequent 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 Information 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 in 2004.

The information systems are subject to three types of security procedures and controls: preventive, informative and reactive, resulting in the publication of standards, monitoring of systems and the review of any measures and controls in place.

Consequently, the Information Security Regulations establishes the following, among other issues: information systems must be tracked and monitored through inventory procedures to identify the resources and the information contained therein; verification of the identity of the people who use it; and the use of passwords in keeping with the password strength criteria laid down in the regulations, that contributes to maintain an appropriate segregation of duties.

In turn, as a development of the obligations laid in the Security Regulations, there is a General Control Centre that monitors activity in the Group's Information Systems.

Also, every year the Department of Safety and the Environment draws up a safety checks plan aimed at verifying the security controls in place and discovering any vulnerabilities in information systems.

Both the policy and the rules and standards of these Information Security Regulations are published on the internal portal to enable all employees to access them.

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 a high-impact incident, so that its damage will be minimal.

Every year the Internal Audit Area verifies appropriate functioning of the Internal Control System of the main Computer Systems whose scope are the general controls of information technology (IT), the IT control environment, and the application controls.

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 managed through web platforms, specific portals, our own or outsourced call centres and specific telephone lines. Each business area is run by a manager who applies the established internal procurement rules.

All services subcontracted materialise under specific contracts, and providers are supervised directly by the contracting Units or Areas.

Suppliers are selected on the basis of objective criteria that assess factors such as quality, price, supplier infrastructure, market recognition and, in particular, membership of the groups of associates that collaborate with the Group's companies entities and their track record in terms of service quality.

Compliance with prevailing legislation in the various countries and implementation of safety and hygiene measures where warranted are prerequisites. Other highly rated attributes include response times, after-sales service, geographic reach and the added value they can contribute.

The Resources and Means Area is currently developing a global purchasing and service contracting plan that includes any services that are identified with a possible financial impact.

In 2011, Mapfre began rolling out a general supplier approval and selection operating model in Spain, using a supplier assessment and classification questionnaire, and has designed its own technology platform to manage them, meaning it does not have to rely on any external reports. Other countries have specific selection and procurement procedures and criteria, depending on their scope.

The Plan will be implemented gradually throughout the Group in the coming years.

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 Subdirectorate General of Accounting Coordination, which reports to the Secretariat General's Global Corporate Area, is entrusted with updating accounting policies and rules applicable that concern the Group's Financial 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 different Units and with the Global Corporate Areas, to which it communicates formally established accounting procedures and rules.

The Group's subsidiaries receive the information about the applicable procedures and regulations through the parent companies of the Subgroups, which receive the instructions directly from the Subdirectorate General of Accounting Coordination.

The Subdirectorate General of Accounting Coordination updates the individual and consolidated annual accounts models applicable to the various Group companies, which include accounting policies and breakdowns of information to be presented. The Subdirectorate 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.

At least once a year, and during the last quarter of the financial year, the Model Annual Financial Statements and the Consolidation Manual are reviewed and any changes are reported to the parties involved. However, whenever there are changes that affect periods of time of less than one year, these changes are reported immediately.

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 MAPFRE Group companies' financial information is managed using the corporate consolidation application, a tool that represents a centralised database (common and single data repository). This application has been programmed to automatically execute the consolidation entries and process controls, which guarantees that the criteria set out in the Consolidation Manual are applied homogeneously to all the automatic entries and minimizes the likelihood of errors.

Within the procedure for preparation of financial information, the consolidation certificates represent the medium for communication of the information necessary in the consolidation procedure or in the preparation of consolidated financial statements. The certificates are reviewed and updated At least one a year.

Based on the information contained in the consolidation certificates and using the accounts model approved by the Subdirectorate General of Accounting Coordination, the Subdirectorate General of Control and Economic Information prepares the annual accounts and all other financial statements.

Work continues on improving the process of capturing and preparing the SCIIF-related report.

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.

MAPFRE S.A. has a Subdirectorate 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 Group's Internal Audit Area reports directly to the Board of Directors of MAPFRE S.A. through the Audit Committee (The Board's Delegate Body) and the Group's Executive Chairman.

The Directors of the Auditing Services and Units report to the Director General of Internal Audit.

The Audit Committee supervises the following information:

— The management report and individual and consolidated annual accounts of MAPFRE S.A. and its dependent companies.

— The report on review of intermediate, summarised, consolidated financial statements of MAPFRE S.A. corresponding to the intermediate period ending on 30 June of each financial year.

— The information that MAPFRE S.A. sends to the Spanish Securities and Exchange Commission (CNMV) every quarter. Previously, this economic-financial information is reviewed by the Internal Audit Department, 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.

— 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.

The Audit Plan outlines the supervisory work that the Internal Audit Area will carry out during the financial year, the content and scope being established in terms of risks identified, requests received and own experience. The Plan is managed uniformly from a single, Group-wide technological platform that allows the information to be processed according to levels of access according to the established responsibilities.

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 the MAPFRE GROUP.

  – 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, Dependent Companies and Corporate Areas, as well as the validity, sufficiency and application of accounting and legal principles and rules.

The Evaluation and assessment conducted by the Directorate General of Internal Audit follows a pre-established methodology based on variables such as the revision of the IT internal control, the assessment of audits conducted in the year and compliance with recommendations, which is first approved by the Audit Committee. The result of this review is reflected in an annual report on the effectiveness of Internal Control procedures. Whenever appropriate, individual recommendations are made to the company with a view to improve the Internal Control System. Subsequently, the Audit Committee monitors their compliance.

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.

The Internal Audit Area checks the operation of the internal control system of the main IT systems as indicated in section 3.2 above.

Additionally, in 2011 the Directorate General of Internal Audit analysed the work conducted over a year by internal audit and its impact on the consolidated financial statements, obtaining a high level of correlation.

The external auditor, as part of the audit procedures performed to validate the annual financial statements, issues a memorandum of recommendations in its interim visit that is submitted to the Audit Committee.

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 the MAPFRE GROUP. 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. The external auditor attends the Audit Committee when it discusses issues regarding the audit of the annual and half-yearly accounts, their preliminary review, as well as whenever required on account of other issues.

6 Other relevant information

There is no other relevant information about the SCIIF that has not been included in this report.

7 External auditor's report

7.1 Whether the SCIIF information sent to the markets has been reviewed by the external auditor. If so, the entity should attach the relevant report hereto. Otherwise, state the reasons.

The SCIIF information has been reviewed by the external auditor, whose report is attached hereto.

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Translation of Auditor's report on information relating to the internal control system for financial reporting (SCIIF) of MAPFRE, S.A. for 2012, originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the Directors,

At the request of the Board of Directors of MAPFRE, S.A. (the parent) and subsidiaries (the Group) in accordance with our proposal dated October 29, 2012, we applied certain procedures to the accompanying "SCIIF-related information" included in the additional information to the 2012 Annual Corporate Governance Report (pages 243 to 264) of MAPFRE, S.A., which summarizes the Company's internal control procedures regarding annual financial information.

Securities Market Law 24/1988, amended by Sustainable Economy Act 2/2011, of March 4, 2011, requires that for the financial years from January 1, 2011 onwards, Annual Corporate Governance Reports (ACGR) include a description of the main characteristics of the internal control and risk management systems for issuing regulated financial information. On October 26, 2011, the Spanish Securities Exchange Commission (CNMV), published its draft circular modifying the Annual Corporate Governance Report model to include the manner in which an entity must describe the main characteristics of its SCIIF. In its letter dated December 28, 2011, CNMV reiterated the aforementioned legal modifications to be taken into account when preparing SCIIF -related information, until the CNMV's circular defining the new ACGR model is published.

The CNMV's draft circular Subsection 7, regarding SCIIF contents of the Annual Corporate Governance Report model of the CNMV's draft circular requires entities to state whether their SCIIF description was reviewed by an external auditor, and if so, to include the report; the professional entities representing auditors published their Draft Guidelines and corresponding model audit report on October 28, 2011 (Draft Guidelines). In addition, on January 25, 2012, in its Circular E01/2012, the Instituto de Censores Jurados de Cuentas de España (I.C.J.C.E.) established additional considerations regarding the above.

The Board of Directors is responsible for taking appropriate measures to reasonably ensure the implementation, maintenance, supervision, and improvement of a correct internal control system, as well as preparing and establishing the content of all the related accompanying SCIIF data.

It is worth noting that apart from the quality of design and operability of the Company's internal control system as a far as annual financial reporting is concerned, it only provides a reasonable, rather than absolute, degree of security regarding its objectives due to the inherent limitations to the internal control system as a whole.

Throughout the course of our audit work on the financial statements, and in conformity with Technical Auditing Standards, the sole purpose of our evaluation of MAPFRE's internal control system was to establish the scope, nature, and timing of the audit procedures performed on the Company's financial statements. Therefore, our internal control assessment performed for the audit of the aforementioned financial statements was not sufficiently extensive to enable us to issue a specific opinion on the effectiveness of the internal control over the regulated annual financial information issued.

For the purpose of issuing this report, we exclusively applied the following specific procedures described in the Guidelines draft issued by I.C.J.C.E., which indicate the work to be carried out, its scope, and contents. Given that the scope of the abovementioned procedures performed was limited and substantially less than that of an audit carried out in accordance with generally accepted accounting principles, we have not expressed an opinion regarding its efficacy, design, or operational effectiveness regarding the Entity's 2012 financial data described in the accompanying SCIIF information. Consequently, had we performed procedures additional to those shown below, or carried out an audit or review of the internal review system of regulated annual financial information, other matters might have come to our attention which would have been reported to you.

Since this special engagement does not constitute an audit of the financial statements or a review in accordance with Royal Decree 1/2011, dated July 1, enacting the revised Audit Law, we do not express an opinion in the terms established therein

The following procedures were applied:

1. Read and comprehend the information prepared by the Company regarding the accompanying SCIIF -related information and evaluate whether it encompasses all information required as established in the model Annual Corporate Governance Report in the CNMV's draft circular.

2. Question personnel in charge of preparing the information described in the above section 1, to: (i) obtain an understanding of its preparation process; (ii) obtain information making it possible to evaluate whether the terminology employed is in line with reference framework definitions (iii) gather information regarding whether the described control procedures are implemented and functioning within the MAPFRE Group.

3. Review the explanatory documentation supporting the information described in section 1 above, which should basically include everything directly provided to those in charge of preparing the descriptive SCIIF information. This documentation includes reports prepared by the internal audit function, top management and other internal/external specialists in their role supporting the audit committee.

4. Compare the information contained in section 1 above with the Company's SCIIF knowledge obtained as a result of performing the procedures within the framework of auditing the financial statements.

5. Read the minutes of the Board Meetings, Audit Committees, and other Company commissions in order to evaluate the consistency between issues related to the SCIIF and information discussed in section 1.

6. Obtain the representation letter related to the work performed, duly signed by those responsible for preparing and authorizing the information discussed in section 1.

As a result of the procedures applied on the SCIIF -related information, no inconsistencies or incidents have come to our attention which might affect it.

This report was prepared exclusively within the context of the requirements of Securities Market Law 24/1988, amended by Sustainable Economy Act 2/2011, of March 4, 2011, as well as those established in the CNMV's draft circular dated October 26, 2011, for the purposes of describing the SCIIF in the Annual Corporate Governance Reports.

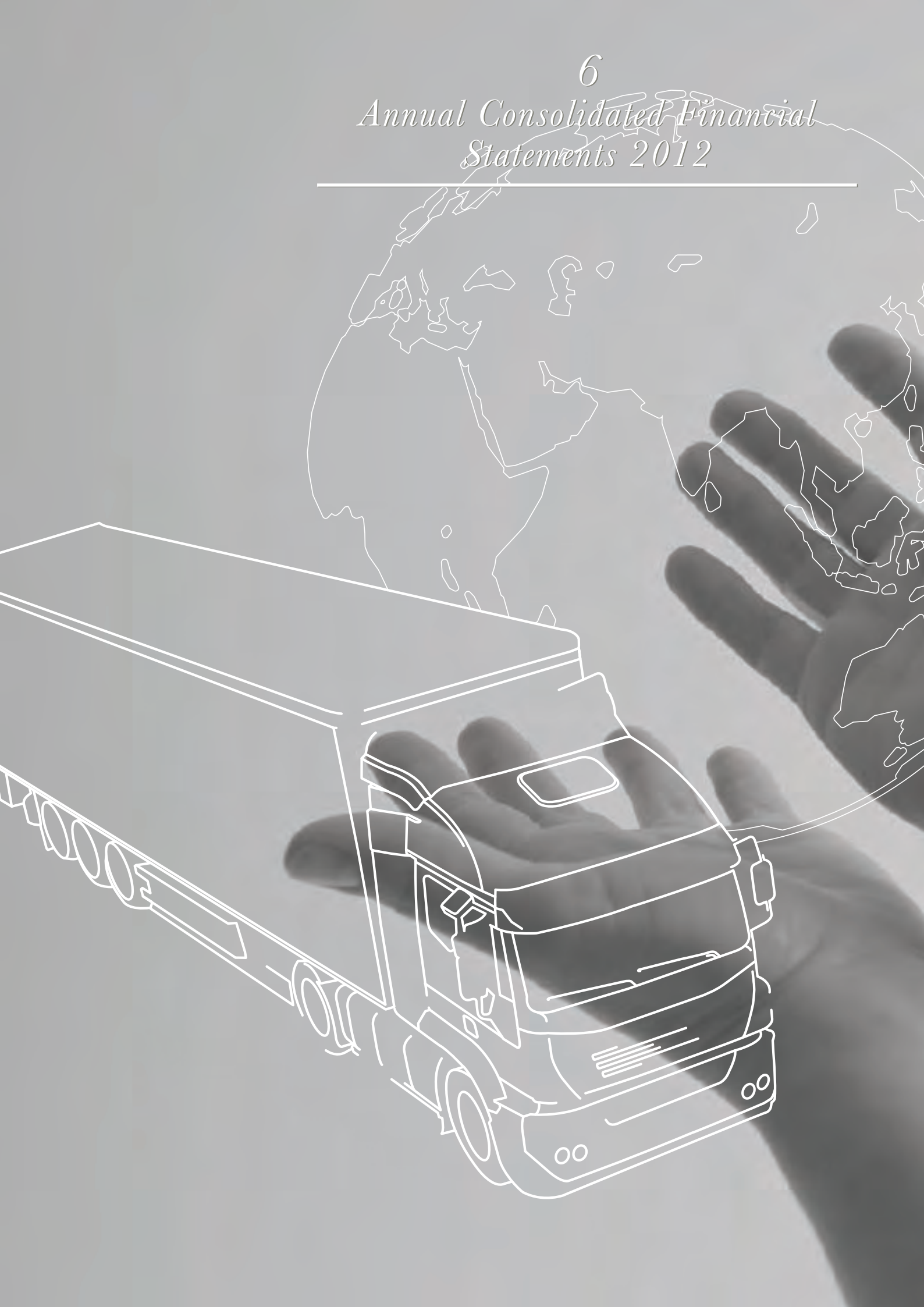
ERNST & YOUNG, S.L.

(signed in the original issued in spanish language)

Alfredo Martínez Cabra

February 7, 2013

6
Annual Consolidated Financial Statements 2012



A) Consolidated balance sheet as at 31 December 2012 and 2011

ASSETS	Notes	2012	2011
A) INTANGIBLE ASSETS	**6.10**	**4,410.36**	**4,716.52**
I. Goodwill	6.10	2,146.15	2,266.41
II. Other intangible assets	6.10	2,264.21	2,450.11
B) PROPERTY, PLANT AND EQUIPMENT	**6.20**	**1,434.87**	**1,441.98**
I. Property for own use	6.20	1,128.12	1,060.02
II. Other property, plant and equipment	6.20	306.75	381.96
C) INVESTMENTS		**35,573.03**	**33,758.38**
I. Investments in property	6.20	1,286.23	1,443.13
II. Financial investments			
1. Portfolio held to maturity	6.40	1,373.34	1,766.97
2. Portfolio available for sale	6.40	28,372.24	26,888.45
3. Trading portfolio	6.40	3,830.71	2,998.64
III. Investments recorded applying the equity method	3.10	92.98	130.44
IV. Deposits established for accepted reinsurance		282.03	256.96
V. Other investments		335.50	273.79
D) INVESTMENTS ON ACCOUNT OF LIFE ASSURANCE POLICYHOLDERS BEARING THE INVESTMENT RISK	**6.50**	**2,044.53**	**1,878.65**
E) INVENTORIES	**6.60**	**81.42**	**123.62**
F) PARTICIPATION OF REINSURANCE IN TECHNICAL PROVISIONS	**6.14**	**3,275.84**	**3,305.34**
G) DEFERRED TAX ASSETS	**6.21**	**1,236.27**	**1,264.25**
F) CREDITS AND RECEIVABLES	**6.70**	**5,891.26**	**5,376.88**
I. Credits on direct insurance and co-insurance operations	6.70	3,538.97	3,266.70
II. Credits on reinsurance operations	6.70	859.34	711.00
III. Tax Credits			
1. Tax on profits to be collected	6.21	240.51	126.50
2. Other tax credits		121.68	69.60
IV. Corporate and other credits	6.70	1,130.76	1,203.08
V. Shareholders, called capital		--	--
I) CASH AND BANK	**6.90**	**1,018.04**	**1,254.35**
J) ACCRUAL ADJUSTMENTS	**5.12**	**1,625.22**	**1,574.17**
K) OTHER ASSETS		**105.12**	**150.23**
L) NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	**6.10**	**287.22**	**11.28**
TOTAL ASSETS		**56,983.18**	**54,855.65**

FIGURES IN MILLION EUROS

LIABILITIES AND EQUITY	Notes	2012	2011
A) EQUITY	**6.11**	**10,136.31**	**9,726.62**
I. Share capital	6.11	307.95	307.95
II. Share premium reserve, other reserves and interim dividends	6.11	6,976.27	6,161.17
III. Treasury stock		--	--
IV. Retained earnings	4.1	665.69	962.96
V. Other equity instruments		--	--
VI. Valuation adjustment reserves		59.20	(399.60)
VII. Translation differences	6.23	(198.63)	10.42
Equity attributable to the controlling Company's shareholders		**7,810.48**	**7,042.90**
Minority interests		**2,325.83**	**2,683.72**
B) SUBORDINATED LIABILITIES	**6.12**	**605.61**	**607.90**
C) TECHNICAL PROVISIONS	**6.14**	**35,931.46**	**34,572.67**
I. Provisions for unearned premiums and for risks in progress	6.14	7,275.15	7,074.66
II. Provisions for life assurance	6.14	19,906.35	18,623.31
III. Provision for outstanding claims	6.14	8,118.99	8,286.36
IV. Other technical provisions	6.14	630.97	588.34
D) TECHNICAL PROVISIONS FOR LIFE ASSURANCE WHERE POLICYHOLDERS BEAR THE INVESTMENT RISK	**6.14**	**2,044.53**	**1,878.65**
E) PROVISIONS FOR LIABILITIES AND CHARGES		**1,054.02**	**1,153.31**
F) DEPOSITS RECEIVED ON CEDED AND RETROCEDED REINSURANCE		**120.68**	**129.79**
G) DEFERRED TAX LIABILITIES		**1,773.07**	**1,730.83**
H) DEBT		**4,833.43**	**4,774.40**
I. Issuance of debentures and other negotiable securities	6.13	1,151.16	153.71
II. Due to credit institutions	6.13	151.28	1,153.37
III. Other financial liabilities	6.13	58.04	392.82
IV. Due on direct insurance and reinsurance operations	6.17	852.16	831.02
V. Due on re-insurance operations	6.17	802.77	687.89
VI. Tax payable			
1. Tax on profits to be paid	6.21	275.91	249.00
2. Other tax debts		379.18	321.42
VII. Other debts	6.17	1,162.93	985.17
I) ACCRUAL ADJUSTMENTS	**5.12**	**264.76**	**281.39**
J) NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	**6.10**	**219.31**	**0.09**
TOTAL LIABILITIES AND EQUITY		**56,983.18**	**54,855.65**

FIGURES IN MILLION EUROS

B) Consolidated income statement for years ended 31 December 2012 and 2011

B.1) Consolidated income statement

ITEM	NOTES	2012	2011
I. REVENUES FROM INSURANCE BUSINESS			
1. Insurance premiums, net			
a) Written premiums, direct insurance	7.2	19,081.31	17,283.85
b) Premiums from accepted reinsurance	7.2	2,498.47	2,316.39
c) Premiums from ceded reinsurance	6.20	(2,636.25)	(2,140.90)
d) Variations in provisions premiums an risks in progress, net			
Direct insurance	6.14	(666.87)	(365.97)
Accepted reinsurance	6.14	(107.41)	(71.97)
Ceded reinsurance	6.20	102.71	71.67
2. Profits from companies recorded by the equity method		3.00	4.12
3. Income from investments			
a) From operations	6.18	2,332.03	2,303.32
b) From equity	6.18	227.74	301.40
4. Unrealised gains on investments on account of life assurance policyholders bearing the investment risk	6.5	102.35	129.72
5. Other technical revenues		84.05	289.64
6. Other non-technical revenues		147.98	76.51
7. Positive translation differences	6.23	287.69	307.68
8. Reversal of the asset impairment provision	6.8	14.02	2.89
TOTAL REVENUES FROM INSURANCE BUSINESS		**21,470.82**	**20,508.35**
II. EXPENSES FROM INSURANCE BUSINESS			
1. Claims, net			
a) Claims paid and variation in provision for claims, net			
Direct insurance	5.15	(11,893.93)	(11,449.24)
Accepted reinsurance	5.15	(1,546.17)	(1,890.33)
Ceded reinsurance	6.20	1,136.41	1,414.53
b) Claims-related expenses	5.15	(736.60)	(676.98)
2. Variation in other technical provisions, net	5.15	(487.56)	(476.67)
3. Profit sharing and returned premiums		(61.96)	(68.82)
4. Net operating expenses	6.19		
a) Acquisition expenses		(4,097.06)	(3,609.13)
b) Administration expenses		(871.44)	(761.29)
c) Commissions and participation in the reinsurance	6.20	338.81	295.17
5. Sharing in losses from companies recorded by the equity method		(23.14)	(8.16)
6. Expenses from investments			
a) From operations	6.18	(641.26)	(616.10)
b) From equity and financial accounts	6.18	(82.21)	(90.47)
7. Unrealised losses on investments on account of life assurance policyholders bearing the investment risk	6.5	(20.02)	(113.53)
8. Other technical expenses		(164.73)	(117.50)
9. Other non technical expenses		(117.52)	(80.44)
10. Negative translation differences	6.23	(284.14)	(302.92)
11. Allowance to the asset impairment provision	6.8	(256.72)	(232.77)
TOTAL EXPENSES FROM INSURANCE BUSINESS		**(19,809.24)**	**(18,784.65)**
RESULT OF THE INSURANCE BUSINESS		**1,661.58**	**1,723.70**
III. OTHER ACTIVITIES			
1. Operating Revenues		454.20	412.23
2. Operating Expenses	6.19	(436.36)	(383.51)
3. Net financial revenues			
a) Financial revenues	6.18	57.80	96.67
b) Financial expenses	6.18	(114.25)	(119.72)
4. Results from minority interests			
a) Profits from companies recorded by the equity method		0.17	0.03
b) Losses from companies recorded by the equity method		--	(1.07)
5. Reversal of asset impairment provision	6.8	14.15	5.89

ITEM	NOTES	2012	2011
6. Allowance to the asset impairment provision	6.8	(251.58)	(78.43)
7. Result from the disposal of non current assets classified as held for sale, not included in discontinued operations		(3.81)	--
RESULT FROM OTHER ACTIVITIES		**(279.68)**	**(67.91)**
IV. RESULT ON RESTATEMENT OF FINANCIAL ACCOUNTS	**3.2**	**(9.89)**	**(18.85)**
V. RESULT BEFORE TAX FROM ONGOING OPERATIONS		**1,372.01**	**1,636.94**
VI. TAX ON PROFIT FROM ONGOING OPERATIONS	**6.21**	**(396.52)**	**(414.83)**
VII. RESULT AFTER TAX FROM ONGOING OPERATIONS		**975.49**	**1,222.11**
VIII. RESULT AFTER TAX FROM DISCONTINUED OPERATIONS	**6.10**	**(12.69)**	**(2.35)**
IX. RESULT FOR THE YEAR		**962.80**	**1,219.76**
1. Attributable to minority shareholders		(297.11)	(256.80)
2. Attributable to the controlling Company	4.1	665.69	962.96

FIGURES IN MILLION EUROS

Basic and diluted gains per share (euros)	4.1	0.22	0.32

B.2) Consolidated statement of recognised income and expense

	GROSS AMOUNT		TAX ON PROFITS		ATTRIBUTABLE TO MINORITY SHAREHOLDERS		ATTRIBUTABLE TO THE CONTROLLING COMPANY	
ITEM	2012	2011	2012	2011	2012	2011	2012	2011
A. CONSOLIDATED RESULT IN THE YEAR	**1,357.60**	**1,634.59**	**(394.80)**	**(414.83)**	**(297.11)**	**(256.80)**	**665.69**	**962.96**
B. OTHER RECOGNISED REVENUE (EXPENSE)	**350.85**	**(299.44)**	**(232.01)**	**81.73**	**130.91**	**22.52**	**249.75**	**(195.19)**
1. Financial assets available-for-sale	**1,418.10**	**(462.66)**	**(434.11)**	**147.82**	**(124.36)**	**(4.16)**	**859.63**	**(319.00)**
a) Valuation gains (losses)	1,483.10	(574.63)	(432.32)	172.67				
b) Amounts transferred to the income statement	(91.71)	102.21	6.22	(32.21)				
c) Other reclassifications	26.71	9.76	(8.01)	7.36				
2. Translation differences	**(389.22)**	**(79.08)**	**(0.15)**	**0.01**	**180.32**	**23.11**	**(209.05)**	**(55.96)**
a) Valuation gains (losses)	(373.73)	(80.08)	(0.15)	0.02				
b) Amounts transferred to the income statement	(2.72)	0.01	--	--				
c) Other reclassifications	(12.77)	0.99	--	(0.01)				
3. Shadow accounting	**(674.17)**	**247.16**	**202.25**	**(78.68)**	**72.65**	**1.30**	**(399.27)**	**169.78**
a) Valuation gains (losses)	(681.03)	276.56	204.31	(82.97)				
b) Amounts transferred to the income statement	6.86	(27.07)	(2.06)	8.12				
c) Other reclassifications	--	(2.33)	--	(3.83)				
4. Entities measured by the equity method	**0.44**	**(5.49)**	**--**	**12.62**	**(0.01)**	**2.73**	**0.43**	**9.86**
a) Valuation gains (losses)	0.69	(35.94)	--	12.62				
b) Amounts transferred to the income statement	--	24.33	--	--				
c) Other reclassifications	(0.25)	6.12	--	--				
5. Other recognised income and expense	**(4.30)**	**0.63**	**--**	**(0.04)**	**2.31**	**(0.46)**	**(1.99)**	**0.13**
TOTALS	**1,708.45**	**1,335.15**	**(626.81)**	**(333.10)**	**(166.20)**	**(234.28)**	**915.44**	**767.77**

FIGURES IN MILLION EUROS

C) Consolidated statement of changes in equity as at 31 December 2012 and 2011

ITEM	EQUITY ATTRIBUTABLE TO THE CONTROLLING COMPANY				MINORITY INTERESTS	TOTAL NET EQUITY
	OWN FUNDS			VALUATION AND CURRENCY TRANSLATION ADJUSTMENTS		
	SHARE CAPITAL	SHARE PREMIUM, RESERVES AND INTERIM DIVIDEND	RESULT ATTRIBUTABLE TO THE CONTROLLING COMPANY			
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 INCOME (EXPENSE)	**--**	**--**	**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. Distribution 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 and 6.13)	--	--	--	--	(13.11)	(13.11)
CLOSING BALANCE AT 31 DECEMBER 2011	**307.95**	**6,161.17**	**962.96**	**(389.18)**	**2,683.72**	**9,726.62**
OPENING BALANCE AS AT 1 JANUARY 2012	**307.95**	**6,161.17**	**962.96**	**(389.18)**	**2,683.72**	**9,726.62**
1. Changes in accounting policies	--	--	--	--	--	--
2. Correction of errors	--	--	--	--	--	--
RESTATED OPENING BALANCE	**307.95**	**6,161.17**	**962.96**	**(389.18)**	**2,683.72**	**9,726.62**
I. TOTAL RECOGNISED INCOME (EXPENSE)	**--**	**--**	**665.69**	**249.75**	**166.20**	**1,081.64**
II. TRANSACTIONS WITH CONTROLLING COMPANY'S AND MINORITY SHAREHOLDERS	**--**	**(207.04)**	**--**	**--**	**(478.86)**	**(685.90)**
1. Capital increases (decreases) (Note 6.11)	--	--	--	--	(55.47)	(55.47)
2. Distribution pay-out (Note 4.2)	--	(369.54)	--	--	(228.94)	(598.48)
3. Increases (decreases) from business combinations	--	143.32	--	--	(138.90)	4.42
4. Other transactions with controlling Company's and minority shareholders	--	19.18	--	--	(55.55)	(36.37)
III. OTHER VARIATIONS IN EQUITY	**--**	**1,022.14**	**(962.96)**	**--**	**(45.23)**	**13.95**
1. Transfers among equity items	--	962.96	(962.96)	--	--	--
2. Other variations	--	59.18	--	--	(45.23)	13.95
CLOSING BALANCE AS AT 31 DECEMBER 2012	**307.95**	**6,976.27**	**665.69**	**(139.43)**	**2,325.83**	**10,136.31**

FIGURES IN MILLION EUROS

D) Cash flow statement for years ended 31 December 2012 and 2011

ITEMS	2012	2011
1. Insurance activities:	**1,591.36**	**1,128.87**
Cash received from insurance activities	21,897.51	21,194.75
Cash payments from insurance activities	(20,306.15)	(20,065.88)
2. Other operating activities:	**229.87**	**218.77**
Cash received from other operating activities	521.62	735.34
Cash received from other operating activities	(291.75)	(516.57)
3. Payment (receipt) of corporation tax	**(535.17)**	**(684.32)**
NET CASH FLOWS FROM OPERATING ACTIVITIES	**1,286.06**	**663.32**
1. Proceeds from investment activities:	**14,623.75**	**13,929.62**
Plant and equipment	32.78	85.99
Investments in property	32.30	148.04
Intangible fixed assets	5.16	0.32
Financial instruments	13,158.92	12,158.94
Shareholdings	37.98	84.20
Controlled companies and other business units	15.80	117.61
Interest collected	1,059.00	1,086.91
Dividends collected	140.74	150.96
Other receipts related to investment activities	141.07	96.65
2. Payments from investment activities:	**(15,127.11)**	**(14,326.76)**
Plant and equipment	(78.73)	(128.11)
Investments in property	(25.38)	(14.42)
Intangible fixed assets	(136.24)	(101.92)
Financial instruments	(14,466.67)	(13,413.81)
Shareholdings	(192.12)	(317.06)
Controlled companies and other business units	(78.13)	(267.81)
Other payments related to investment activities	(149.84)	(83.63)
NET CASH FLOWS FROM INVESTMENT ACTIVITIES	**(503.36)**	**(397.14)**
1. Proceeds from financing activities	**1,459.40**	**1,538.43**
Debenture bonds	--	--
Proceeds from issuance of equity instruments and capital increase	1.21	172.03
Proceeds from sale of treasury stock	--	--
Other proceeds related to financing activities	1,458.19	1,366.40
2. Payments from financing activities	**(2,376.86)**	**(2,009.47)**
Dividends paid to shareholders	(577.14)	(528.91)
Interest paid	(97.44)	(80.81)
Debenture bonds	(0.89)	(5.82)
Payments on return of shareholders' contributions	--	--
Purchase of treasury stock	--	--
Other proceeds related to financing activities	(1,701.39)	(1,393.93)
NET CASH FLOW EFFECT OF FINANCING ACTIVITIES	**(917.46)**	**(471.04)**
Translation differences in cash flow and cash balances	**(101.55)**	**(38.20)**
NET INCREASE (DECREASE) IN CASH FLOW	**(236.31)**	**(243.06)**
OPENING CASH BALANCE	**1,254.35**	**1,497.41**
CLOSING CASH BALANCE	**1,018.04**	**1,254.35**

FIGURES IN MILLION EUROS

E) Financial information by segments - Consolidated balance sheet

	DIRECT INSURANCE					
	LIFE		MOTOR		OTHER NON-LIFE	
ASSETS	2012	2011	2012	2011	2012	2011
A) INTANGIBLE ASSETS	**2,260.48**	**2,691.30**	**1,085.46**	**1,086.82**	**585.63**	**713.11**
I. Goodwill	744.10	928.63	812.73	843.70	191.08	313.93
II. Other intangible assets	1,516.38	1,762.67	272.73	243.12	394.55	399.18
B) PROPERTY, PLANT AND EQUIPMENT	**88.96**	**118.91**	**576.11**	**589.54**	**392.68**	**382.56**
I. Property for own use	68.27	92.19	471.55	467.30	288.83	291.78
II. Other property, plant and equipment	20.69	26.72	104.56	122.24	103.85	90.78
C) INVESTMENTS	**23,093.17**	**23,018.51**	**6,884.82**	**6,418.11**	**10,439.54**	**11,637.64**
I. Investment property	284.13	264.47	232.00	226.52	116.01	134.52
II. Financial investments						
1. Portfolio held to maturity	909.68	775.43	64.70	418.85	395.92	582.96
2. Portfolio available for sale	17,871.46	17,068.61	4,238.92	4,055.04	3,213.58	3,177.16
3. Trading portfolio	1,991.86	1,635.45	768.37	415.13	975.55	913.56
III. Investments recorded applying the equity method	1.44	1.44	--	--	30.08	32.54
IV. Deposits established for accepted reinsurance	--	--	0.29	0.07	18.23	15.40
V. Other investments	2,034.60	3,273.11	1,580.54	1,302.50	5,690.17	6,781.50
D) INVESTMENTS ON ACCOUNT OF LIFE ASSURANCE POLICYHOLDERS BEARING THE INVESTMENT RISK	**2,044.53**	**1,878.65**	**--**	**--**	**--**	**--**
E) INVENTORIES	**--**	**--**	**--**	**--**	**--**	**--**
F) PARTICIPATION OF REINSURANCE IN TECHNICAL PROVISIONS	**233.03**	**201.47**	**146.84**	**342.02**	**3,295.18**	**3,104.81**
G) DEFERRED TAX ASSETS	**681.82**	**672.81**	**222.14**	**242.87**	**281.89**	**276.33**
H) CREDITS AND RECEIVABLES	**1,020.70**	**808.14**	**1,895.72**	**1,962.79**	**2,566.75**	**2,352.67**
I. Receivables on direct insurance and co-insurance operations	602.85	426.21	1,403.79	1,373.63	1,532.33	1,466.86
II. Receivables on reinsurance operations.	32.28	56.88	127.20	70.66	470.65	408.87
III. Tax Credits	96.29	19.60	44.50	48.29	111.63	48.95
IV. Corporate and other credits	289.28	305.45	320.23	470.21	452.14	427.99
V. Shareholders, called capital	--	--	--	--	--	--
I) CASH AND BANKS	**257.41**	**512.26**	**181.56**	**269.31**	**595.81**	**444.91**
J) ACCRUAL ADJUSTMENTS	**370.98**	**207.81**	**427.28**	**556.34**	**651.42**	**647.42**
K) OTHER ASSETS	**22.99**	**84.41**	**47.51**	**6.63**	**190.37**	**134.65**
L) NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	**32.25**	**--**	**0.05**	**0.07**	**240.42**	**0.02**
TOTAL ASSETS BY SEGMENTS	**30,106.32**	**30,194.27**	**11,467.49**	**11,474.50**	**19,239.69**	**19,694.12**

FIGURES IN MILLION EUROS

as at 31 December 2012 and 2011

REINSURANCE		OTHER ACTIVITIES		CONSOLIDATION ADJUSTMENTS		TOTAL	
2012	2011	2012	2011	2012	2011	2012	2011
6.94	**7.37**	**473.30**	**358.76**	**(1.45)**	**(140.84)**	**4,410.36**	**4,716.52**
--	--	399.32	338.50	(1.08)	(158.35)	2,146.15	2,266.41
6.94	7.37	73.98	20.26	(0.37)	17.51	2,264.21	2,450.11
26.26	**24.89**	**255.46**	**247.03**	**95.40**	**79.05**	**1,434.87**	**1,441.98**
17.72	14.98	186.35	114.72	95.40	79.05	1,128.12	1,060.02
8.54	9.91	69.11	132.31	--	--	306.75	381.96
3,193.27	**2,848.17**	**12,722.24**	**12,366.32**	**(20,760.01)**	**(22,530.37)**	**35,573.03**	**33,758.38**
7.11	6.45	760.77	915.59	(113.79)	(104.42)	1,286.23	1,443.13
0.86	1.13	6.66	18.90	(4.48)	(30.30)	1,373.34	1,766.97
2,645.46	2,234.92	355.74	382.70	47.08	(29.98)	28,372.24	26,888.45
36.62	31.90	54.00	2.86	4.31	(0.26)	3,830.71	2,998.64
8.81	9.06	0.10	--	52.55	87.40	92.98	130.44
373.88	345.63	4.84	--	(115.21)	(104.14)	282.03	256.96
120.53	219.08	11,540.13	11,046.27	(20,630.47)	(22,348.67)	335.50	273.79
--	**--**	**--**	**--**	**--**	**--**	**2,044.53**	**1,878.65**
--	**--**	**83.08**	**123.75**	**(1.66)**	**(0.13)**	**81.42**	**123.62**
993.85	**989.04**	**--**	**--**	**(1,393.06)**	**(1,332.00)**	**3,275.84**	**3,305.34**
15.26	**46.87**	**113.69**	**70.45**	**(78.53)**	**(45.08)**	**1,236.27**	**1,264.25**
467.69	**376.34**	**440.21**	**436.64**	**(499.81)**	**(559.70)**	**5,891.26**	**5,376.88**
--	--	--	--	--	--	3,538.97	3,266.70
390.63	330.23	--	--	(161.42)	(155.64)	859.34	711.00
19.50	17.75	95.81	60.68	(5.54)	0.83	362.19	196.10
57.56	28.36	344.40	375.96	(332.85)	(404.89)	1,130.76	1,203.08
--	--	--	--	--	--	--	--
173.07	**174.40**	**307.19**	**167.59**	**(497.00)**	**(314.12)**	**1,018.04**	**1,254.35**
168.82	**161.24**	**18.56**	**15.42**	**(11.84)**	**(14.06)**	**1,625.22**	**1,574.17**
5.15	**15.04**	**64.05**	**105.22**	**(224.95)**	**(195.72)**	**105.12**	**150.23**
--	**--**	**14.50**	**11.19**	**--**	**--**	**287.22**	**11.28**
5,050.31	**4,643.36**	**14,492.28**	**13,902.37**	**(23,372.91)**	**(25,052.97)**	**56,983.18**	**54,855.65**

E) Financial information by segments - Consolidated balance sheet

	DIRECT INSURANCE					
	LIFE		MOTOR		OTHER NON-LIFE	
LIABILITIES AND TOTAL EQUITY	2012	2011	2012	2011	2012	2011
A) EQUITY	**4,859.25**	**6,230.72**	**5,113.06**	**4,956.36**	**7,819.65**	**8,691.32**
I. Share capital	1,751.00	1,775.92	927.53	1,179.60	4,108.17	4,658.81
II. Share premium reserve, other reserves and interim dividends	2,282.84	3,099.88	3,699.44	3,241.49	3,743.32	3,390.77
III. Treasury stock	(0.41)	(0.41)	(0.63)	(0.63)	(3.10)	(3.10)
IV. Retained earnings	140.97	302.56	234.34	301.30	279.66	454.49
V. Other equity instruments	--	--	--	--	--	--
VI. Valuation change adjustments	(142.12)	(155.53)	191.91	209.22	(427.78)	(153.86)
Equity attributable to the controlling Company's shareholders	**4,032.28**	**5,022.42**	**5,052.59**	**4,930.98**	**7,700.27**	**8,347.11**
Minority interests	**826.97**	**1,208.30**	**60.47**	**25.38**	**119.38**	**344.21**
B) SUBORDINATED LIABILITIES	**6.04**	**6.03**	**1.60**	**1.62**	**0.87**	**0.86**
C) TECHNICAL PROVISIONS	**20,965.08**	**19,376.63**	**5,046.22**	**5,099.26**	**7,874.01**	**8,164.56**
Provisions for unearned premiums and for risks in progress	242.73	98.93	2,901.86	2,915.64	3,242.97	3,285.58
Provision for life assurance	19,632.27	18,404.34	3.54	1.08	29.89	29.80
Provision for outstanding claims	1,022.99	810.02	2,136.36	2,181.02	4,040.61	4,325.57
Other technical provisions	67.09	63.34	4.46	1.52	560.54	523.61
D) TECHNICAL PROVISIONS FOR LIFE ASSURANCE WHERE POLICYHOLDERS BEAR THE INVESTMENT RISK	**2,044.53**	**1,878.61**	**--**	**--**	**--**	**--**
E) PROVISIONS FOR RISKS AND EXPENSES	**260.20**	**493.33**	**248.94**	**326.71**	**555.28**	**307.51**
F) DEPOSITS RECEIVED ON CEDED AND RETROCEDED REINSURANCE	**42.56**	**39.47**	**6.85**	**6.19**	**95.42**	**101.55**
G) DEFERRED TAX LIABILITIES	**1,088.16**	**1,124.74**	**276.51**	**217.89**	**336.36**	**326.74**
H) DEBT	**836.85**	**1,035.15**	**737.39**	**820.67**	**2,188.19**	**1,955.09**
I. Issuance of debenture bonds and other negotiable securities	--	--	--	--	149.34	153.71
II. Due to credit institutions	6.02	7.32	36.68	45.40	31.49	49.80
III. Other financial liabilities	39.51	152.22	0.35	0.70	10.65	18.67
IV. Due on direct insurance and reinsurance transactions	192.07	153.37	399.47	338.91	260.64	338.77
V. Due on re-insurance transactions	41.58	64.76	60.74	93.11	615.40	522.89
VI. Tax payable	52.58	91.89	24.56	53.30	518.24	377.87
VII. Other debts	505.09	565.59	215.59	289.25	602.43	493.38
I) ACCRUAL ADJUSTMENTS	**3.65**	**9.59**	**36.92**	**45.80**	**155.04**	**146.49**
J) LIABILITIES LINKED TO NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	**--**	**--**	**--**	**--**	**214.87**	**--**
TOTAL LIABILITIES AND EQUITY BY SEGMENTS	**30,106.32**	**30,194.27**	**11,467.49**	**11,474.50**	**19,239.69**	**19,694.12**

FIGURES IN MILLION EUROS

as at 31 December 2012 and 2011

REINSURANCE		OTHER ACTIVITIES		CONSOLIDATION ADJUSTMENTS		TOTAL	
2012	2011	2012	2011	2012	2011	2012	2011
1,127.69	**993.64**	**11,165.18**	**10,913.86**	**(19,948.52)**	**(22,059.28)**	**10,136.31**	**9,726.62**
315.89	318.54	3,599.31	3,470.09	(10,393.95)	(11,095.01)	307.95	307.95
711.13	680.03	7,289.26	7,111.51	(10,749.72)	(11,362.51)	6,976.27	6,161.17
--	--	(0.09)	(0.09)	4.23	4.23	--	--
106.59	90.69	405.52	330.06	(501.39)	(516.14)	665.69	962.96
--	--	0.34	0.26	(0.34)	(0.26)	--	--
(11.90)	(100.67)	(5.97)	10.51	256.43	(198.85)	(139.43)	(389.18)
1,121.71	**988.59**	**11,288.37**	**10,922.34**	**(21,384.74)**	**(23,168.54)**	**7,810.48**	**7,042.90**
5.98	**5.05**	**(123.19)**	**(8.48)**	**1,436.22**	**1,109.26**	**2,325.83**	**2,683.72**
--	**--**	**630.78**	**599.39**	**(33.68)**	**--**	**605.61**	**607.90**
3,444.63	**3,261.73**	**--**	**--**	**(1,398.48)**	**(1,329.51)**	**35,931.46**	**34,572.67**
1,358.30	1,229.33	--	--	(470.71)	(454.82)	7,275.15	7,074.66
257.66	200.90	--	--	(17.01)	(12.81)	19,906.35	18,623.31
1,828.67	1,830.75	--	--	(909.64)	(861.00)	8,118.99	8,286.36
--	0.75	--	--	(1.12)	(0.88)	630.97	588.34
--	**--**	**--**	**--**	**--**	**0.04**	**2,044.53**	**1,878.65**
2.94	**2.71**	**47.49**	**36.74**	**(60.83)**	**(13.69)**	**1,054.02**	**1,153.31**
72.83	**79.50**	**13.40**	**7.22**	**(110.38)**	**(104.14)**	**120.68**	**129.79**
11.87	**4.14**	**56.12**	**50.48**	**4.05**	**6.84**	**1,773.07**	**1,730.83**
317.69	**218.54**	**2,566.35**	**2,287.16**	**(1,813.04)**	**(1,542.21)**	**4,833.43**	**4,774.40**
--	--	1,001.82	--	--	--	1,151.16	153.71
2.28	1.18	74.81	1,049.67	--	--	151.28	1,153.37
--	0.01	524.20	400.57	(516.67)	(179.35)	58.04	392.82
--	--	--	--	(0.02)	(0.03)	852.16	831.02
246.47	162.86	--	--	(161.42)	(155.73)	802.77	687.89
23.44	20.04	49.78	40.83	(13.51)	(13.51)	655.09	570.42
45.50	34.45	915.74	796.09	(1,121.42)	(1,193.59)	1,162.93	985.17
72.66	**83.10**	**8.52**	**7.43**	**(12.03)**	**(11.02)**	**264.76**	**281.39**
--	**--**	**4.44**	**0.09**	**--**	**--**	**219.31**	**0.09**
5,050.31	**4,643.36**	**14,492.28**	**13,902.37**	**(23,372.91)**	**(25,052.97)**	**56,983.18**	**54,855.65**

E) Financial information by segments - Consolidated balance sheet

	DIRECT INSURANCE					
	LIFE		MOTOR		OTHER NON-LIFE	
ITEM	2012	2011	2012	2011	2012	2011
I. REVENUES FROM INSURANCE BUSINESS						
1. Insurance premiums, net						
a) Written premiums, direct insurance	5,638.39	4,758.31	6,281.93	5,576.27	7,160.99	6,949.27
b) Premiums from accepted reinsurance	1.49	--	18.30	13.96	677.36	588.23
c) Premiums from ceded reinsurance	(272.84)	(264.95)	(59.95)	(212.75)	(2,744.32)	(2,060.09)
d) Variation in provisions for premiums and risks in progress, net						
Direct insurance	(396.90)	(65.44)	(146.23)	(64.94)	(123.74)	(235.60)
Accepted reinsurance	(0.04)	--	(0.98)	0.58	(27.94)	(57.64)
Ceded reinsurance	2.23	10.89	5.16	23.23	93.79	70.63
2. Profits from companies recorded by the equity method	0.38	--	--	--	--	--
3. Revenues from investments						
From operations	1,369.53	1,416.91	290.23	348.53	572.32	421.05
From equity	50.35	111.06	87.26	112.57	89.45	153.88
4. Unrealised gains on investments on account of life assurance policyholders bearing the investment risk	121.82	143.62	--	--	--	--
5. Other technical revenues	36.57	245.44	18.44	17.60	30.58	53.78
6. Other non-technical revenues	84.99	38.57	93.78	67.92	70.55	76.34
7. Positive translation differences	4.21	3.63	4.61	4.78	36.79	42.40
8. Reversal of the asset impairment provision	0.03	0.90	3.99	1.42	14.33	39.82
TOTAL REVENUES FROM INSURANCE BUSINESS	**6,640.21**	**6,398.94**	**6,596.54**	**5,889.17**	**5,850.16**	**6,042.07**
II. EXPENSES FROM INSURANCE BUSINESS						
1. Claims, net						
a) Claims paid and variation in provision for claims, net						
Direct insurance	(4,240.92)	(3,979.23)	(4,080.02)	(3,771.93)	(3,572.99)	(3,698.45)
Accepted reinsurance	(0.62)	--	(13.29)	(9.41)	(318.44)	(434.82)
Ceded reinsurance	183.82	148.41	27.53	131.81	1,138.22	1,137.33
b) Claims-related expenses	(22.96)	(20.65)	(353.27)	(339.76)	(316.54)	(264.43)
2. Variation in other technical provisions, net	(455.12)	(460.08)	7.57	(0.53)	(37.65)	(41.45)
3. Profit sharing and returned premiums	(56.21)	(63.38)	(0.07)	(0.09)	(2.92)	(4.09)
4. Net operating expenses						
a) Acquisition expenses	(937.33)	(583.87)	(1,184.84)	(1,072.60)	(1,462.64)	(1,495.96)
b) Administration expenses	(132.99)	(127.64)	(341.22)	(307.90)	(383.52)	(304.79)
c) Commissions and participation in the reinsurance	53.21	70.02	2.62	25.16	340.89	266.44
5. Losses from companies recorded by the equity method	(10.02)	--	--	--	(8.04)	--
6. Expenses from investments						
a) From operations	(392.32)	(491.08)	(116.09)	(80.51)	(162.78)	(92.22)
b) From equity and financial accounts	(27.94)	(37.97)	(20.80)	(17.28)	(36.40)	(42.46)
7. Unrealised losses on investments on account of life assurance policyholders bearing the investment risk	(20.02)	(113.53)	--	--	--	--
8. Other technical expenses	(16.95)	(13.80)	(34.95)	(4.30)	(112.70)	(117.82)
9. Other non technical expenses	(2.56)	(18.90)	(120.73)	(88.75)	(86.30)	(66.63)
10. Negative translation differences	(2.33)	(1.69)	(1.28)	(2.85)	(39.96)	(36.83)
11. Allowance to the asset impairment provision	(152.93)	(124.12)	(34.33)	(16.54)	(180.59)	(22.09)
TOTAL EXPENSES FROM INSURANCE BUSINESS	**(6,234.19)**	**(5,817.51)**	**(6,263.17)**	**(5,555.48)**	**(5,242.36)**	**(5,218.27)**
RESULT OF THE INSURANCE BUSINESS	**406.02**	**581.43**	**333.37**	**333.69**	**607.80**	**823.80**

FIGURES IN MILLION EUROS

as at 31 December 2012 and 2011

REINSURANCE		OTHER ACTIVITIES		CONSOLIDATION ADJUSTMENTS		TOTAL	
2012	2011	2012	2011	2012	2011	2012	2011
--	--	--	--	--	--	19,081.31	17,283.85
3,292.84	2,978.35	--	--	(1,491.52)	(1,264.15)	2,498.47	2,316.39
(1,050.77)	(867.26)	--	--	1,491.63	1,264.15	(2,636.25)	(2,140.90)
--	0.01	--	--	--	--	(666.87)	(365.97)
(84.46)	(28.39)	--	--	6.01	13.48	(107.41)	(71.97)
7.54	(19.60)	--	--	(6.01)	(13.48)	102.71	71.67
--	2.28	--	--	2.62	1.84	3.00	4.12
145.14	127.32	--	--	(45.19)	(10.49)	2,332.03	2,303.32
16.34	29.94	--	--	(15.66)	(106.05)	227.74	301.40
--	--	--	--	(19.47)	(13.90)	102.35	129.72
--	0.01	--	--	(1.54)	(27.19)	84.05	289.64
4.49	4.91	--	--	(105.83)	(111.23)	147.98	76.51
242.08	256.87	--	--	--	--	287.69	307.68
1.30	--	--	--	(5.63)	(39.25)	14.02	2.89
2,574.50	**2,484.44**	**--**	**--**	**(190.59)**	**(306.27)**	**21,470.82**	**20,508.35**
--	0.37	--	--	--	--	(11,893.93)	(11,449.24)
(1,924.64)	(2,000.22)	--	--	710.82	554.12	(1,546.17)	(1,890.33)
497.66	551.10	--	--	(710.82)	(554.12)	1,136.41	1,414.53
(48.99)	(55.67)	--	--	5.16	3.53	(736.60)	(676.98)
(2.36)	25.39	--	--	--	--	(487.56)	(476.67)
(2.76)	(1.26)	--	--	--	--	(61.96)	(68.82)
(808.92)	(701.01)	--	--	296.67	244.31	(4,097.06)	(3,609.13)
(22.03)	(25.41)	--	--	8.32	4.45	(871.44)	(761.29)
225.48	168.75	--	--	(283.39)	(235.20)	338.81	295.17
(0.31)	--	--	--	(4.77)	(8.16)	(23.14)	(8.16)
(47.37)	(20.99)	--	--	77.30	68.70	(641.26)	(616.10)
(5.15)	(10.18)	--	--	8.08	17.42	(82.21)	(90.47)
--	--	--	--	--	--	(20.02)	(113.53)
(2.57)	(1.63)	--	--	2.44	20.05	(164.73)	(117.50)
(3.64)	(5.74)	--	--	95.71	99.58	(117.52)	(80.44)
(240.57)	(261.55)	--	--	--	--	(284.14)	(302.92)
(30.76)	(12.08)	--	--	141.89	(57.94)	(256.72)	(232.77)
(2,416.93)	**(2,350.13)**	**--**	**--**	**347.41**	**156.74**	**(19,809.24)**	**(18,784.65)**
157.57	**134.31**	**--**	**--**	**156.82**	**(149.53)**	**1,661.58**	**1,723.70**

E) Financial information by segments - Consolidated balance sheet

	DIRECT INSURANCE					
	LIFE		MOTOR		OTHER NON-LIFE	
ITEM	2012	2011	2012	2011	2012	2011
III. OTHER ACTIVITIES						
1. Operating Revenues	--	--	--	--	--	--
2. Operating Expenses	--	--	--	--	--	--
3. Net financial revenues						
a) Financial income	--	--	--	--	--	--
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	(0.24)	(0.25)	(5.16)	(9.59)	(4.36)	(8.98)
V. RESULT BEFORE TAX FROM ONGOING OPERATIONS	405.78	581.18	328.21	324.10	603.44	814.82
VI. TAX ON PROFIT FROM ONGOING OPERATIONS	(84.41)	(114.78)	(49.75)	(18.93)	(253.14)	(241.78)
VII. RESULT AFTER TAX FROM ONGOING OPERATIONS	321.37	466.40	278.46	305.17	350.30	573.04
VIII. RESULT AFTER TAX FROM DISCONTINUED OPERATIONS	--	--	--	--	(9.92)	--
IX. RESULT FOR THE YEAR	321.37	466.40	278.46	305.17	340.38	573.04
1. Attributable to minority shareholders	(180.40)	(163.84)	(44.12)	(3.87)	(60.72)	(118.55)
2. Attributable to the controlling Company	140.97	302.56	234.34	301.30	279.66	454.49

FIGURES IN MILLION EUROS

as at 31 December 2012 and 2011

REINSURANCE		OTHER ACTIVITIES		CONSOLIDATION ADJUSTMENTS		TOTAL	
2012	2011	2012	2011	2012	2011	2012	2011
--	--	992.40	915.63	(538.20)	(503.40)	454.20	412.23
--	--	(897.24)	(825.14)	460.88	441.63	(436.36)	(383.51)
--	--	468.76	482.94	(410.96)	(386.27)	57.80	96.67
--	--	(145.46)	(141.61)	31.21	21.89	(114.25)	(119.72)
--	--	--	--	0.17	0.03	0.17	0.03
--	--	--	--	--	(1.07)	--	(1.07)
--	--	76.35	38.69	(62.20)	(32.80)	14.15	5.89
--	--	(272.60)	(176.42)	21.02	97.99	(251.58)	(78.43)
--	--	(9.74)	--	5.93	--	(3.81)	--
--	**--**	**212.47**	**294.09**	**(492.15)**	**(362.00)**	**(279.68)**	**(67.91)**
--	**--**	**(0.11)**	**(0.03)**	**(0.02)**	**--**	**(9.89)**	**(18.85)**
157.57	**134.31**	**212.36**	**294.06**	**(335.35)**	**(511.53)**	**1,372.01**	**1,636.94**
(43.32)	**(36.88)**	**73.65**	**29.98**	**(39.55)**	**(32.44)**	**(396.52)**	**(414.83)**
114.25	**97.43**	**286.01**	**324.04**	**(374.90)**	**(543.97)**	**975.49**	**1,222.11**
--	**(0.07)**	**(2.77)**	**(2.28)**	**--**	**--**	**(12.69)**	**(2.35)**
114.25	**97.36**	**283.24**	**321.76**	**(374.90)**	**(543.97)**	**962.80**	**1,219.76**
(7.66)	(6.67)	122.28	8.30	(126.49)	27.83	(297.11)	(256.80)
106.59	90.69	405.52	330.06	(501.39)	(516.14)	665.69	962.96

F) Financial information by geographical areas

1. Consolidated ordinary revenues from external clients in financial years ended 31st December 2012 and 2011

GEOGRAPHICAL AREA	2012	2011
I. Spain	8,201.25	8,708.85
II. United States of America	2,100.93	1,887.28
III. Brazil	5,063.18	3,725.99
IV. Mexico	780.27	738.50
V. Venezuela	929.69	718.44
VI. Colombia	692.70	578.91
VII. Argentina	447.12	547.40
VIII. Turkey	486.01	394.75
IX. Chile	410.63	362.01
X. Other countries	2,922.20	2,350.34
TOTAL	**22,033.98**	**20,012.47**

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 2012 and 2011

GEOGRAPHICAL AREA	2012	2011
I. Spain	2,626.47	2,869.38
II. United States of America	340.89	235.85
III. Brazil	958.26	997.95
IV. Mexico	92.80	70.84
V. Venezuela	234.85	179.56
VI. Colombia	25.30	28.07
VII. Argentina	292.40	61.81
VIII. Turkey	40.55	38.26
IX. Chile	61.51	61.05
X. Other countries	422.96	333.46
TOTAL	**5,095.99**	**4,876.23**

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") 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 in Majadahonda (Madrid), Carretera de Pozuelo 52.

The MAPFRE GROUP's business activities are carried out through three main Divisions: Insurance Spain, 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, Strategy and Development, Technologies and Procedures and Communication) 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 6 February 2013. They are expected to be approved by the General Shareholders 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 2012 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
- Others 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 securities and real estate asset management and medical services, care services, funeral services, technology services, 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

In the financial year 2012 there were no changes in accounting policies, estimates or significant errors that could have had an effect on the Group's 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 IFRS 7, regarding financial asset transfer disclosures, applicable to the financial years starting from 1st July 2012 onwards, 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.

On the date of issue of the consolidated annual financial statements, the following approved rules, amendments and interpretations were not mandatory: the amendment to IAS 1, applicable to the financial years starting from 1st July 2012; IFRS 13 and the amendments to IFRS 7 and IAS 12, applicable to the financial years starting 1st January 2013; the revision of IAS 19, applicable to the financial years starting from 1st July 2013; IFRS 10, 11 and 12, the revision of IAS 28 and the amendment to IAS 32, applicable to the financial years starting 1st January 2014.

The Group will adopt any applicable rules, amendments and interpretations when they come into force. It is estimated that their initial application will not have a significant impact 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 2012 and 2011, 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 consolidated group's equity, financial situation and results in 2012 and 2011 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 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 2012 and 2011.

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 2012 and 2011 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 2012 and 2011 amounts to €9.89 and €18.85 million, respectively. This restatement has entailed an increase of €40.12 and €37.26 million in the Group's equity as at 31 December 2012 and 2011, 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	2012	2011
Net profit attributable to the controlling Company's shareholders (million euros)	665.69	962.96
Weighted average number of ordinary shares in issue (million)	3,079.55	3,048.46
Basic earnings per share (Euros)	0.22	0.32

The weighted average number of ordinary shares in issue in the financial year 2011 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:

	TOTAL DIVIDEND (MILLION EUROS)		DIVIDEND PER SHARE (EUROS)	
ITEM	2012	2011	2012	2011
Interim dividend	123.18	215.57	0.04	0.07
Final dividend	215.57	246.36	0.07	0.08
TOTAL	**338.75**	**461.93**	**0.11**	**0.15**

The total dividend for financial year 2012 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 2012, the controlling Company has distributed an interim dividend for a total amount of €123,182,130.92, 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 26-10-2012
Cash available on the date of the resolution	**17.30**
Increases in cash forecast within one year	**1,331.11**
(+) From expected current collection transactions	618.95
(+) From financial transactions	712.16
Decreases in cash forecast within one year	**(1,132.47)**
(-) From expected current payment transactions	(39.00)
(-) From expected financial transactions	(1,093.47)
CASH AVAILABLE WITHIN ONE YEAR	**215.94**

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.

Goodwill differences

GOODWILL IN 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 1 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 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 cost, including deferred payments, whether certain or contingent, on 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 the consolidated income statement. Moreover, any valuation change adjustments to be charged to profit or loss for the financial year are transferred to the consolidated income statement.

When at the balance sheet date, the valuation process necessary to apply the acquisition method cannot be completed, the annual financial statements are prepared using provisional figures. These values are adjusted in the period necessary to complete the initial booking, and this period must not be more than one year from the acquisition date.

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 the business combination cost.

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.

VALUATION

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, or when the price is not sufficiently representative, the fair value is determined, if there is 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 the financial instrument is not recoverable. 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 fixed income securities in which there is default on interest and / or principal, the potential loss is estimated as a function of the issuer's situation. Other fixed income securities are valued on the basis of their credit rating and the degree of solvency of the issues, and any impairment is recorded when the risk of default is deemed likely.

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. Impairment of other assets

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 consists 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 value change 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 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 also 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 ASSURANCE 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
The provisions for benefits are established in the amounts reported by the assignor or, in the absence thereof, according to withheld deposits, and they include supplementary provisions for claims that have occurred and are not reported and for deviations of the existing provisions according to our 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 provisions, 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:

C.1) The liabilities arising from the insurance contracts are accounted for pursuant to IFRS 4;

C.2) 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

There is an incentive plan tied to the value of the controlling company's share, and this plan is 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 recognised 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 provisions 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 2012

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions or provisions	Disposals, cancellations or reductions	Closing balance
COST						
GOODWILL	2,343.31	(66.93)	58.97	30.48	(34.20)	2,331.63
OTHER INTANGIBLE ASSETS	--	--	--	--	--	--
Portfolio acquisition expenses	2,333.89	(344.90)	(4.75)	267.52	(68.24)	2,183.52
Software	414.38	(2.55)	0.77	142.01	(35.54)	519.07
Others	142.62	(3.48)	122.04	14.69	(34.05)	241.82
TOTAL COST	**5,234.20**	**(417.86)**	**177.03**	**454.70**	**(172.03)**	**5,276.04**
CUMULATIVE DEPRECIATION						
OTHER INTANGIBLE ASSETS						
Portfolio acquisition expenses	(190.56)	(7.21)	2.63	(114.78)	--	(309.92)
Software	(225.00)	(3.74)	(0.75)	(47.24)	20.33	(256.40)
Others	(23.49)	0.75	(70.68)	(2.17)	1.06	(94.53)
TOTAL CUMULATIVE DEPRECIATION	**(439.05)**	**(10.20)**	**(68.80)**	**(164.19)**	**21.39**	**(660.85)**
IMPAIRMENT						
GOODWILL	(76.90)	(3.16)	3.16	(108.58)	--	(185.48)
OTHER INTANGIBLE ASSETS	--	--	--	--	--	--
Portfolio acquisition expenses	--	--	--	(17.58)	--	(17.58)
Software	--	--	--	--	--	--
Others	(1.73)	(0.04)	--	--	--	(1.77)
TOTAL IMPAIRMENT	**(78.63)**	**(3.20)**	**3.16**	**(126.16)**	**--**	**(204.83)**
TOTAL GOODWILL	**2,266.41**	**(70.09)**	**62.13**	**(78.10)**	**(34.20)**	**2,146.15**
TOTAL OTHER INTANGIBLE ASSETS	**2,450.11**	**(361.17)**	**49.26**	**242.45**	**(116.44)**	**2,264.21**
TOTAL INTANGIBLE ASSETS	**4,716.52**	**(431.26)**	**111.39**	**164.35**	**(150.64)**	**4,410.36**

FIGURES IN MILLION EUROS

The amounts shown as changes in the scope of financial year 2012 mainly arise from the acquisition of interests in the entities CENTURY AUTOMOTIVE SERVICE CORP. (hereinafter CENTURY AUTOMOTIVE), BANKINTER SEGUROS GENERALES y FUNESPAÑA, S.A., whose goodwill amounts to €23.0, €12.72 and €17.88 million, respectively.

The amount shown in the "Others" item of the "Changes to scope" column is the result of FUNESPAÑA, S.A. being added to the consolidated group's scope and refers to assets allocated to a temporary administrative concession awarded by public bodies, normally Local Councils, in connection with the public service provided at cemeteries, funeral homes and associated facilities that are subject to reversal.

The portfolio acquisition expenses added in the financial year 2012 stem from the final allocation of the purchase price of the interests in BB ALIANÇA PARTICIPAÇOES, S.A. (merged in 2012 with BB MAPFRE SH1 PARTICIPAÇOES, S.A., hereinafter BB MAPFRE SH1) and in BB ALIANÇA REV. PARTICIPAÇOES, S.A. (merged in 2012 with MAPFRE BB SH2 PARTICIPAÇOES, S.A., hereinafter MAPFRE BB SH2), for the amount of €210.97 million, and the reclassification of the Finisterre merger goodwill as an intangible asset with a finite useful life to this item, for the amount of €56.55 million.

Financial year 2011

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions or provisions	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 PARTICIPAÇOES, S.A. and BB ALIANÇA REV. PARTICIPAÇOES, S.A., as part of the agreement with BANCO DO BRASIL, whose provisional goodwill amounts to €109.50 and €124.66 million, respectively; and whose portfolio acquisition expenses amount to €1,471.54 million 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).

In 2012 and 2011, the adjustments to the opening balance of goodwill mainly stem from exchange differences in goodwill in foreign currencies (mainly from MAPFRE USA CORPORATION INC., hereinafter, MAPFRE USA; GENEL SIGORTA; BB MAPFRE SH1 and MAPFRE BB SH2).

Portfolio acquisition expenses are amortised over the life of the portfolios, approximately 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 use of administrative concessions	57	1.75%

The depreciation of intangible assets with finite useful life has been recorded in the expenses account "Depreciation charges".

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	
	31/12/2012	31/12/2011
Goodwill in consolidation	2,080.19	2,149.54
Goodwill on merger	65.96	116.87

FIGURES IN MILLION EUROS

The following tables provide detailed information on the cash generating units to which the different goodwill items and portfolio acquisition expenses are allocated, as well as their book value and, if applicable, the impairment amount and amortisation over the last two years.

GOODWILL

CASH GENERATING UNIT	Business and geographical area	Balance 31.12.2010	FINANCIAL YEAR 2011		Balance 31.12.2011	FINANCIAL YEAR 2012		Balance 31.12.2012
			Entries/ (cancellations)	Net impairment for period		Entries/ (cancellations)	Net impairment for period	
Goodwill in consolidation								
MAPFRE VIDA	Life Assurance (Spain)	212.57	--	--	212.57	--	--	212.57
MAPFRE GLOBAL RISKS	Business insurance (Global)	40.17	--	--	40.17	--	--	40.17
GRUPO CORPORATIVO LML	Non-Life Insurance (Mexico)	25.46	(2.86)	--	22.60	1.14	--	23.74
BRICKELL FINANCIAL SERVICES	Travel Assistance (U.S.A.)	19.03	(4.69)	--	14.34	(0.28)	--	14.06
MAPFRE WARRANTY	Coverage Extension (Italy)	11.08	--	--	11.08	--	--	11.08
MAPFRE NOSSA CAIXA	Life Assurance (Brazil)	100.22	(100.22)	--	--	--	--	--
BB MAPFRE SH1	Life Assurance (Brazil)	--	109.50	--	109.50	(28.12)	--	81.38
MAPFRE BB SH2	Non-Life insurance (Brazil)	--	124.66	--	124.66	4.90	--	129.56
ABRAXAS	Travel Assistance (UK)	16.49	(3.01)	--	13.48	0.32	--	13.80
GENEL SIGORTA	Insurance (Turkey)	75.79	(11.60)	--	64.19	2.40	--	66.59
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
MAPFRE USA	Non-Life Insurance (U.S.A.)	660.39	21.58	--	681.97	(13.18)	--	668.79
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)	6.72	0.23	--	6.95	(0.13)	--	6.82
CATALUNYACAIXA LIFE	Life Assurance (Spain)	432.63	(93.19)	--	339.44	--	(63.84)	275.60
CATALUNYACAIXA ASSEGURANCES GENERALS	General Insurance (Spain)	97.62	--	--	97.62	--	(19.33)	78.29
INSURE AND GO	Insurance (UK)	31.30	5.50	--	36.80	0.87	--	37.67
CENTURION AUTOMOTIVE	Insurance and reinsurance (USA)	--	--	--	--	23.01	--	23.01
BANKINTER General Insurance	Non-Life insurance (Spain)	--	--	--	--	12.72	--	12.72
FUNESPAÑA	Undertaker services (Spain)	--	--	--	--	17.88	--	17.88
Others	--	78.18	(9.77)	(28.70)	39.71	(7.71)	--	32.00
TOTAL GOODWILL ON CONSOLIDATION		**2,142.11**	**36.13**	**(28.70)**	**2,149.54**	**13.82**	**(83.17)**	**2,080.19**
Goodwill on merger								
MAPFRE FINISTERRE	Burial insurance (Spain)	87.93	--	--	87.93	(62.52)	(25.41)	--
ASEICA	Medical assistance (Canary Islands)	12.73	--	--	12.73	--	--	12.73
FUNESPAÑA GROUP	Undertaker services (Spain)	--	--	--	--	37.00	--	37.00
Others	--	15.62	0.59	--	16.21	0.02	--	16.23
TOTAL MERGER GOODWILL		**116.28**	**0.59**	**--**	**116.87**	**(25.50)**	**(25.41)**	**65.96**
TOTAL GOODWILL		**2,258.39**	**36.72**	**(28.70)**	**2,266.41**	**(11.68)**	**(108.58)**	**2,146.15**
Goodwill in associated undertakings								
IBERICAR	Services (Spain)	10.29	1.26	--	11.55	--	(6.08)	5.47
FUNESPAÑA	Undertaker services (Spain)	5.53	2.74	--	8.27	(8.27)	--	--
Others	--	3.93	2.99	--	6.92	7.68	(2.04)	12.56
TOTAL GOODWILL IN ASSOCIATED UNDERTAKINGS (EQUITY METHOD) (*)		**19.75**	**6.99**	**--**	**26.74**	**(0.59)**	**(8.12)**	**18.03**

FIGURES IN MILLION EUROS

(*) Goodwill related to acquisitions of associated undertakings is stated as a greater value of investments booked by the equity method.

PORTFOLIO ACQUISITION EXPENSES

CASH GENERATING UNIT	Business and geographical area	Balance 31.12.2010	FINANCIAL YEAR 2011		Balance 31.12.2011	FINANCIAL YEAR 2012		Balance 31.12.2012
			Cash generating unit	Business and geographical area		Entries/ (cancellations)	Depreciation and Impairment in the period	
BANKINTER VIDA	Life Assurance (Spain)	115.47	--	(5.29)	110.18	--	(5.37)	104.81
CCM VIDA Y PENSIONES	Life Insurance and Pensions (Spain)	82.55	--	(2.96)	79.59	--	(13.47)	66.12
MAPFRE USA	Non-Life insurance (USA)	22.73	0.45	(3.60)	19.58	(0.31)	(3.29)	15.98
DUERO VIDA	Life Assurance (Spain)	44.48	--	(2.63)	41.85	--	(2.57)	39.28
DUERO PENSIONES	Pension fund manager (Spain)	13.94	--	(0.61)	13.33	--	(0.66)	12.67
CATALUNYACAIXA LIFE	Life Assurance (Spain)	347.34	--	(20.07)	327.27	(68.24)	(22.18)	236.85
BB MAPFRE SH1	Life Assurance (Brazil)	--	1,471.54	(60.94)	1,410.60	(152.58)	(67.49)	1,190.53
MAPFRE BB SH2	Non-Life insurance (Brazil)	--	103.29	(16.69)	86.60	15.73	(12.05)	90.28
GENEL SIGORTA	Insurance (Turkey)	33.95	(5.08)	(2.92)	25.95	1.02	(2.91)	24.06
ASEGURADORA MUNDIAL	Insurance (Central America)	29.51	--	(3.59)	25.92	(0.42)	(3.76)	21.74
FINISTERRE	Non-Life insurance (Spain)	--	--	--	--	56.55	(2.85)	53.70
OTHERS	--	1.24	2.46	(1.24)	2.46	(2.12)	(0.34)	--
TOTAL		**691.21**	**1,572.66**	**(120.54)**	**2,143.33**	**(150.37)**	**(136.94)**	**1,856.02**

FIGURES IN MILLION EUROS

The book value, net of any impairment, of each of the goodwill and portfolio acquisition expense items described above 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 their value in use.

The value in use of goodwill has been calculated on the basis of the following hypotheses:

- The cashflow projections for the first five years consider growth rates based on historical experience, while in subsequent years the residual value is calculated, establishing a perpetual income based on the cashflows of the last period of the estimates, with a growth rate based on the inflation rate forecast in the geographical market in which each cash-generating unit operates. The projections are calculated in the currency in which they are generated.

- The discount rate is based on the risk free rate, which generally is the corresponds to the actual yield of the 10-year Treasury bonds in local currency issued in the country in which the cash-generating unit operates, on the country risk premium, and on the sector risk premium, calculated from the beta of comparable firms and the market risk premium. The cost of debt is based on the actual cost of debt at the date of the impairment test, equivalent to the interest rates of the loans that the cash-generating unit must return.

The risk-free rate applied varies between 2.57% and 9.50% in 2012 and between 3.69% and 7.64% in 2011.

The resulting discount rate applied in the most significant cases has been as follows:

GOODWILL AND/OR PORTFOLIO ACQUISITION EXPENSES	DISCOUNT RATE	
	2012	2011
MAPFRE USA	8.95%	6.13%
MAPFRE VIDA, BANKINTER VIDA, CCM VIDA Y PENSIONES, DUERO VIDA, DUERO PENSIONES, CATALUNYACAIXA VIDA and CATALUNYACAIXA ASSEGURANCES GENERALS	10.34%	8.12%
MAPFRE GLOBAL RISKS	10.34%	7.19%
BB MAPFRE SH1 and MAPFRE BB SH2	14.07%	12.80%
GENEL SIGORTA	12.01%	12.64%

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 2012

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions or provisions	Disposals, cancellations or reductions	Closing balance	Market value
COST							
PROPERTY FOR OWN USE							
Land and natural resources	125.68	(1.08)	--	9.84	(15.54)	118.90	135.31
Buildings and other structures	1,119.16	(8.59)	73.89	85.49	(55.28)	1,214.67	1,228.49
OTHER TANGIBLE FIXED ASSETS							
Vehicles	190.87	(1.38)	(119.17)	6.62	(19.71)	57.23	22.02
Furniture and fittings	429.49	(4.46)	16.55	26.44	(17.91)	450.11	181.55
Other tangible fixed assets	223.43	(11.31)	2.58	35.08	(7.71)	242.07	91.56
Advances and fixed assets in progress	8.36	0.01	4.72	20.84	(4.69)	29.24	28.80
TOTAL COST	**2,096.99**	**(26.81)**	**(21.43)**	**184.31**	**(120.84)**	**2,112.22**	**1,687.73**
CUMULATIVE DEPRECIATION							
PROPERTY FOR OWN USE	(180.22)	6.06	(23.62)	(18.38)	17.87	(198.29)	--
OTHER TANGIBLE FIXED ASSETS	(467.08)	9.38	18.77	(53.11)	23.90	(468.14)	--
TOTAL CUMULATIVE DEPRECIATION	**(647.30)**	**15.44**	**(4.85)**	**(71.49)**	**41.77**	**(666.43)**	**--**
IMPAIRMENT							
PROPERTY FOR OWN USE							
Land and natural resources	--	--	--	--	--	--	--
Buildings and other structures	(4.57)	(0.11)	--	(2.78)	0.30	(7.16)	--
OTHER TANGIBLE FIXED ASSETS							
Vehicles	(0.66)	1.07	--	(6.81)	6.35	(0.05)	--
Furniture and fittings	(0.07)	(0.01)	--	(0.02)	--	(0.10)	--
Other tangible fixed assets	(2.41)	(1.16)	--	(0.10)	0.06	(3.61)	--
TOTAL IMPAIRMENT	**(7.71)**	**(0.21)**	**--**	**(9.71)**	**6.71**	**(10.92)**	**--**
TOTAL PROPERTY FOR OWN USE	**1,060.05**	**(3.72)**	**50.27**	**74.17**	**(52.65)**	**1,128.12**	**1,363.80**
TOTAL OTHER PROPERTY, PLANT & EQUIPMENT	**381.93**	**(7.86)**	**(76.55)**	**28.94**	**(19.71)**	**306.75**	**323.93**
TOTAL PROPERTY, PLANT & EQUIPMENT	**1,441.98**	**(11.58)**	**(26.28)**	**103.11**	**(72.36)**	**1,434.87**	**1,687.73**

FIGURES IN MILLION EUROS

The disposals of vehicles due to changes to the scope were the result of FINLOG changing from being a controlled company to an associated company, and therefore being removed from the consolidated Group's scope.

Financial year 2011

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions or provisions	Disposals, cancellations or reductions	Closing balance	Market value
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

The fully depreciated cost of tangible fixed assets as at 31 December 2012 and 2011 amounts to €128.84 million and €110.45 million, respectively.

Impairment losses amount to €9.71 and €2.89 million for financial years 2012 and 2011 respectively, and reversals amount to €6.71 and €1.01 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.

The market value of investment property and property for own use basically represents the appraised value determined by an authorised independent appraisal entity. Appraisals are performed on a regular basis in accordance with the rules applicable to insurance companies in connection with the valuation of assets to cover technical provisions.

INVESTMENT PROPERTY

The following tables detail the movement of this heading during the last two financial years:

Financial year 2012

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions or provisions	Disposals, cancellations or reductions	Closing balance	Market value
COST							
INVESTMENT PROPERTY							
Land and natural resources	655.29	(0.08)	0.01	5.86	(5.90)	655.18	584.01
Buildings and other structures	1,067.27	4.68	--	(0.83)	(42.40)	1,028.72	1,385.44
OTHER INVESTMENT PROPERTY	63.46	1.51	--	18.26	(3.33)	79.90	83.40
TOTAL COST	**1,786.02**	**6.11**	**0.01**	**23.29**	**(51.63)**	**1,763.80**	**2,052.85**
CUMULATIVE DEPRECIATION							
INVESTMENT PROPERTY	(235.99)	(1.39)	--	(15.22)	4.06	(248.54)	--
OTHER INVESTMENT PROPERTY	(0.78)	--	--	(0.60)	(0.10)	(1.48)	--
TOTAL CUMULATIVE DEPRECIATION	**(236.77)**	**(1.39)**	**--**	**(15.82)**	**3.96**	**(250.02)**	**--**
IMPAIRMENT							
INVESTMENT PROPERTY							
Land and natural resources	(77.12)	1.60	--	(125.55)	3.39	(197.68)	--
Buildings and other structures	(29.00)	0.13	--	(11.63)	10.63	(29.87)	--
TOTAL IMPAIRMENT	**(106.12)**	**1.73**	**--**	**(137.18)**	**14.02**	**(227.55)**	**--**
TOTAL INVESTMENT PROPERTY	**1,443.13**	**6.45**	**0.01**	**(129.71)**	**(33.65)**	**1,286.23**	**2,052.85**

FIGURES IN MILLION EUROS

Impairment items show the impairment losses booked in 2012, main in land, as a result of the appraisals conducted.

Financial year 2011

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	Additions or provisions	Disposals, cancellations or reductions	Closing balance	Market value
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

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 2012 and 2011 are shown in the following table.

ITEM	Type of Investment							
	OPERATING INVESTMENTS		EQUITY INVESTMENTS		INVESTMENT IN OTHER ACTIVITIES		TOTAL	
	2012	2011	2012	2011	2012	2011	2012	2011
Revenues from investment property								
From rentals	30.26	42.75	1.23	1.53	17.30	14.97	48.79	59.25
Others	1.80	0.11	0.03	--	1.65	1.61	3.48	1.72
Gains on disposals"	9.71	32.81	0.48	1.05	0.85	32.77	11.04	66.63
TOTAL REVENUES FROM INVESTMENT PROPERTY	**41.77**	**75.67**	**1.74**	**2.58**	**19.80**	**49.35**	**63.31**	**127.60**
Expenses from investment property								
Direct operating expenses	21.03	25.90	4.73	0.68	--	--	25.76	26.58
Other expenses	14.19	11.97	--	5.12	12.11	9.88	26.30	26.97
Losses on disposals	4.34	3.23	0.40	1.22	12.49	4.04	17.23	8.49
TOTAL EXPENSES FROM INVESTMENT PROPERTY	**39.56**	**41.10**	**5.13**	**7.02**	**24.60**	**13.92**	**69.29**	**62.04**

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	
	2012	2011	2012	2011	2012	2011
Investment property	750.31	802.28	25	25	17	16

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	2012	2011
Less than one year	43.46	56.53
More than one year but less than five	115.51	173.42
More than five years	124.81	182.16
TOTAL	**283.78**	**412.11**

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	2012	2011
Less than one year	23.71	29.51
More than one year but less than five	98.33	105.91
More than five years	103.11	105.76
TOTAL	**225.15**	**241.18**

FIGURES IN MILLION EUROS

There are no contingent payments registered as expense in financial years 2012 and 2011.

6.4. Financial investments

As at 31st December 2012 and 2011, financial investments break down as follows:

ITEM	BOOK VALUE	
	2012	2011
PORTFOLIO HELD TO MATURITY		
Fixed-income securities	1,361.24	1,763.25
Other investments	12.10	3.72
TOTAL PORTFOLIO HELD TO MATURITY	**1,373.34**	**1,766.97**
PORTFOLIO AVAILABLE FOR SALE		
Shares	976.46	1,021.53
Fixed-income securities	26,743.46	25,170.40
Mutual funds	564.15	479.96
Others	88.17	216.56
TOTAL PORTFOLIO AVAILABLE FOR SALE	**28,372.24**	**26,888.45**
TRADING PORTFOLIO		
Derivatives (non hedging):		
Financial swaps	356.17	73.41
Options	5.38	11.13
Other investments:		
Shares	146.55	112.87
Fixed-income securities	3,133.86	2,330.66
Mutual funds	186.78	470.57
Others	1.97	--
TOTAL TRADING PORTFOLIO	**3,830.71**	**2,998.64**

FIGURES IN MILLION EUROS

PORTFOLIO HELD TO MATURITY

The portfolio held to maturity, as at 31st December 2012 and 2011, breaks down as follows:

ITEM	BOOK VALUE		FAIR VALUE		INTEREST INCOME		Impairment			
							RECORDED LOSS		REVERSAL GAINS	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Fixed-income securities	1,361.24	1,763.25	1,511.24	1,763.50	178.63	201.40	--	--	--	--
Other investments	12.10	3.72	11.87	3.32	2.44	9.95	--	--	--	--
TOTAL	**1,373.34**	**1,766.97**	**1,523.11**	**1,766.82**	**181.07**	**211.35**	**--**	**--**	**--**	**--**

FIGURES IN MILLION EUROS

PORTFOLIO AVAILABLE FOR SALE

A breakdown is given below of investments allocated to the portfolio available for sale, as at 31 December 2012 and 2011:

ITEM	Market capitalisation (book value)						Total book value (fair value)		Impairment			
	SHARE PRICE		OBSERVABLE DATA		OTHER MEASUREMENTS				RECORDED LOSS		REVERSAL GAINS	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Shares	766.11	903.48	100.24	--	110.11	118.05	976.46	1,021.53	(139.86)	(0.67)	1.75	1.92
Fixed-income securities	22,175.30	23,167.42	4,499.65	1,720.37	68.51	282.61	26,743.46	25,170.40	(6.38)	(119.37)	0,03	0.93
Mutual Funds	564.15	479.96	--	--	--	--	564.15	479.96	--	--	--	--
Others	81.00	117.58	6.81	97.43	0.36	1.55	88.17	216.56	--	--	--	--
TOTAL	**23,586.56**	**24.668.44**	**4,606.70**	**1,817.80**	**178.98**	**402.21**	**28,372.24**	**26,888.45**	**(146.24)**	**(120.04)**	**1.78**	**2.85**

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, whose carrying amount represented around 50% of its face value. During the financial year 2012, these bonds were sold on the market, and therefore the year end balance was zero.

Valuation adjustments in the portfolio investments amount to €15.6 million and (€1,402.50) million as at 31st December 2012 and 2011 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 2012 and 2011, amount to €91.71 and (€102.21) million, respectively.

TRADING PORTFOLIO

The following table details the investments allocated to the trading portfolio as at 31 December 2012 and 2011:

ITEM	Market capitalisation (book value)						Total book value (fair value)		Capital gains (losses) allocated to results			
	SHARE PRICE		OBSERVABLE DATA		OTHER MEASUREMENTS				UNREALISED		REALISED	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Derivatives (non hedging)												
Financial swaps	356.17	73.41	--	--	--	--	356.17	73.41	42.27	79.97	--	(0.78)
Options	5.38	11.13	--	--	--	--	5.38	11.13	--	--	--	0.04
TOTAL DERIVATIVES (NOT FOR HEDGING)	**361.55**	**84.54**	**--**	**--**	**--**	**--**	**361.55**	**84.54**	**42.27**	**79.97**	**--**	**(0.74)**
Other investments												
Shares	146.55	112.87	--	--	--	--	146.55	112.87	7.81	--	--	(2.46)
Fixed-income securities	3,133.86	2,330.66	--	--	--	--	3,133.86	2,330.66	19.07	0.31	17.85	30.07
Mutual funds	186.78	470.57	--	--	--	--	186.78	470.57	14.74	--	0.76	1.22
Others	1.97	--	--	--	--	--	1.97	--	0.02	--	--	1.88
TOTAL OTHER INVESTMENTS	**3,469.16**	**2,914.10**	**--**	**--**	**--**	**--**	**3,469.16**	**2,914.10**	**41.64**	**0.31**	**18.61**	**30.71**
TOTAL TRADING PORTFOLIO	**3,830.71**	**2,998.64**	**--**	**--**	**--**	**--**	**3,830.71**	**2,998.64**	**83.91**	**80.28**	**18.61**	**29.97**

FIGURES IN MILLION EUROS

As at 31st December 2012 and 2011, the fixed-income securities item of the three financial portfolios investments included securities issued by the governments listed below:

FIXED-INCOME SECURITIES ISSUED BY GOVERNMENTS	BOOK VALUE	
	2012	2011
Spain	9,348.54	8,430.30
Brazil	2,646.82	2,458.60
Italy	984.10	719.30
United States	765.10	727.40
Portugal	463.69	369.50
Malta	418.71	354.58
Colombia	381.47	360.18
France	323.05	17.83
Ireland	205.80	413.10
Greece	--	251.60
Other countries	1,362.59	1,662.51
TOTAL	**16,899.87**	**15,764.90**

FIGURES IN MILLION EUROS

Sovereign debt has been valued at 31st December 2012 at its market value. The maturity of fixed interest securities is broken down in Note 7 "Risk Management".

6.5. Investments on account of life assurance policyholders 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 2012 and 2011:

ITEM	BOOK VALUE (FAIR VALUE)		Gains/losses			
			UNREALISED		REALISED	
	2012	2011	2012	2011	2012	2011
Shares	19.29	17.79	2.07	(3.21)	--	--
Fixed-income securities	1,433.64	616.63	68.55	--	--	3.93
Mutual fund holdings	591.60	1,244.23	7.88	(41.10)	3.84	56.57
TOTAL	**2,044.53**	**1,878.65**	**78.50**	**(44.31)**	**3.84**	**60.50**

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 2012

ITEMS	Opening balance	Adjustments to the opening balance	Changes to the scope	Receipts	Payments	Impairment (Allocation)/Reversal	Closing balance
Land	98.63	--	4.06	1.02	--	(53.68)	50.03
Developments and works in progress	22.05	(0.02)	0.69	0.82	--	--	23.54
Finished products	2.58	--	--	4.39	(3.13)	(1.48)	2.36
Raw materials	0.36	0.01	5.24	0.01	(0.13)	--	5.49
TOTAL	**123.62**	**(0.01)**	**9.99**	**6.24**	**(3.26)**	**(55.16)**	**81.42**

FIGURES IN MILLION EUROS

The impairment loss booked under "Land" represents the appraisal made by an independent expert.

Financial year 2011

ITEMS	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

Capitalised interest costs in financial years 2012 and 2011 amounted to €0.72 million and €0.89 million, respectively. The capitalisation rate used in financial years 2012 and 2011 to determine the interest costs eligible for capitalisation was 2.00% on both years.

6.7. Loans

The following table lists the loans as at 31st December 2012 and 2011; 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	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Receivables on direct insurance and co-insurance transactions	3,613.47	3,320.81	(74.50)	(54.11)	3,538.97	3,266.70	(12.11)	(5.56)	11.66	2.61
Credits on reinsurance operations	862.81	714.73	(3.47)	(3.73)	859.34	711.00	--	(1.62)	0.14	--
Tax Credits	362.19	196.10	--	--	362.19	196.10	--	--	--	--
Corporate and other credits	1,146.46	1,221.70	(15.70)	(18.62)	1,130.76	1,203.08	(6.60)	(2.97)	6.17	2.08
TOTAL	**5,984.93**	**5,453.34**	**(93.67)**	**(76.46)**	**5,891.26**	**5,376.88**	**(18.71)**	**(10.15)**	**17.97**	**4.69**

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 2012

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	**78.63**	**3.19**	**(3.16)**	**126.16**	**--**	**--**	**204.82**
I. Goodwill	76.90	3.15	(3.16)	108.58	--	--	185.47
II. Other intangible assets	1.73	0.04	--	17.58	--	--	19.35
Property, plant and equipment	**7.71**	**0.21**	**--**	**9.71**	**(4.11)**	**(2.60)**	**10.92**
I. Property for own use	4.57	0.11	--	2.78	(0.30)	--	7.16
II. Other tangible fixed assets	3.14	0.10	--	6.93	(3.81)	(2.60)	3.76
Investments	**290.05**	**(1.91)**	**(0.82)**	**291.96**	**(2.85)**	**(150.06)**	**426.37**
I. Investment property	106.12	(1.73)	--	137.18	(0.44)	(13.58)	227.55
II. Financial investments							
- Portfolio held to maturity	(5.45)	5.45	--	--	--	--	--
- Portfolio available for sale	174.57	(2.91)	(0.82)	146.24	(1.78)	(136.48)	178.82
- Trading portfolio	2.29	(2.29)	--	--	--	--	--
III. Investments recorded by the equity method	--	--	--	8.12	--	--	8.12
IV. Deposits established for accepted reinsurance	--	--	--	--	--	--	--
V. Other investments	12.52	(0.43)	--	0.42	(0.63)	--	11.88
Stocks	**10.46**	**9.32**	**--**	**58.40**	**(3.24)**	**--**	**74.94**
Loans	**76.47**	**1.90**	**17.75**	**18.71**	**(17.97)**	**(3.19)**	**93.67**
I. Receivables on direct insurance and co-insurance transactions	54.11	2.19	17.75	12.11	(11.66)	--	74.50
II. Receivables on reinsurance operations	3.74	(0.13)	--	--	(0.14)	--	3.47
III. Tax Credits	--	--	--	--	--	--	--
IV. Corporate and other credits	18.62	(0.16)	--	6.60	(6.17)	(3.19)	15.70
Other assets	**8.67**	**(6.85)**	**--**	**3.36**	**--**	**--**	**5.18**
TOTAL IMPAIRMENT	**471.99**	**5.86**	**13.77**	**508.30**	**(28.17)**	**(155.85)**	**815.90**

FIGURES IN MILLION EUROS

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 tangible fixed assets	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. Receivables 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

6.9. Cash and banks

During financial years 2012 and 2011, 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 2012				
MAPFRE, S.A.	MAPFRE AMÉRICA	10.36%	Holding de entidades de seguros	122.00
MAPFRE AMÉRICA	MAPFRE MUNDIAL HOLDING, S.A.	35.00%	Holding de entidades de seguros	65.96
MAPFRE ASISTENCIA	CENTURY AUTOMOTIVE	100%	Seguros y reaseguros (USA)	23.48
MAPFRE FAMILIAR	FUNESPAÑA, S.A.	54.68%	Servicios funerarios	54.83
MAPFRE FAMILIAR	BANKINTER SEGUROS GENERALES	25.10%	Seguros No Vida	9.01
MAPFRE EMPRESAS	BANKINTER SEGUROS GENERALES	25.00%	Seguros No Vida	8.98
Financial year 2011				
MAPFRE, S.A.	MAPFRE INTERNACIONAL	12.50%	Holding de entidades de seguros	188.60

FIGURES IN MILLION EUROS

The investments described have been financed with own funds. The amount disbursed in acquiring the interest in MAPFRE AMERICA represents 50% of the price agreed with the seller, and the remaining 50% will be paid on 13 March 2013.

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 31 December 2012 and 2011, are as follows:

ITEM	NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE		DISCONTINUED OPERATIONS		TOTAL	
	2012	2011	2012	2011	2012	2011
Assets						
Intangible assets	--	--	0.26	--	0.26	--
Property, plant and equipment	9.75	1.45	1.04	8.85	10.79	10.30
Investments	32.25	--	193.77	--	226.02	--
Loans	--	--	36.99	--	36.99	--
Cash and banks	--	--	6.88	--	6.88	--
Other assets	0.10	0.98	6.18	--	6.28	0.98
TOTAL ASSETS	**42.10**	**2.43**	**245.12**	**8.85**	**287.22**	**11.28**
Related liabilities						
Technical provisions	--	--	176.17	--	176.17	--
Provisions for liabilities and charges	--	--	12.33	--	12.33	--
Debts	--	0.09	30.81	--	30.81	0.09
Total liabilities and stockholders' equity	**--**	**0.09**	**219.31**	**--**	**219.31**	**0.09**

FIGURES IN MILLION EUROS

The assets and liabilities described in connection with discontinued operations relate mainly to the "Other Non Life direct insurance" segment, and come from the business activities conducted in Argentina by the subsidiaries MAPFRE ARGENTINA ART and MAPFRE SALUD, whose sale to the Galen group was formalized on 23rd October 2012. The sale of MAPFRE ARGENTINA ART has to authorised by the following Argentinean regulatory bodies: the National Insurance Supervisor and Argentine National Anti-Trust Commission. On 29th January 2013, the National Insurance Supervisor authorised the sale, which still has to be authorised by the Argentine National Anti-Trust Commission.

The sale of non-current assets held for sale is envisaged within 12 months, no significant realisation losses being expected.

During financial years 2012 and 2011, these assets have generated total revenues of €276.23 million and €0.06 million, respectively, and net results of (€12.69) million and (€2.35) million, respectively. Net cash flows generated by these assets in the same periods amounted to €4.96 million and (€0.25) 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 Company's share capital as at 31st December 2012 was represented by 3,079,553,273 shares, each with a face value of €0.10, fully subscribed and paid-up. All the shares confer the same voting and dividend rights.

CARTERA MAPFRE held 64.70% and 64.70% in the share capital as at 31st December 2012 and 2011, respectively, and BANCO FINANCIERO Y DE AHORROS, S.A. held 14.99% as at 31st December 2012 and 2011.

All the shares representing the controlling Company's capital are listed on the Madrid and Barcelona stock exchanges.

As at 31 December 2012 and 2011, there is no Group company holding shares in the controlling Company.

CAPITAL INCREASES CARRIED OUT DURING FINANCIAL YEARS 2011 AND 2012

The capital increase expenses, amounting, net of the tax effect, to €0.08 million in 2011 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, a capital increase was carried out on 28th June 2011 with the issue of 67,398,922 ordinary new shares, each with a face value of €0.10, that 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 CHANGE ADJUSTMENTS

This 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 as at 31 December 2012 and 2011, 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

The Group has an internal capitalisation and dividend policy that is designed to provide the Divisions with the capital necessary in 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 Division 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 2012 and 2011 amounts to €9,542.57 million and €9,936.81 million, respectively. These figures exceed the required minimum (which amounts to €3,656.54 million and €3,460.25 million, respectively) by 2.61 times in 2012 and by 2.87 times in 2011.

6.12. Subordinated liabilities

As at 31st December 2012 and 2011, 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: 24 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: BB (Standard & Poor's).

During financial years 2012 and 2011, 31 and 194 securities, respectively were purchased in the market, for a nominal amount of €1.55 million and €9.70 million, respectively, which generated a pre-tax profit of €0.66 million and €3.85 million, respectively. As at 31st December 2012 and 2011, the total number of securities purchased on the market amounted to 2,431 and 2,400, respectively.

Interest accrued pending payment as at 31st December 2012 and 2011 amounts to €15.01 million and €15.05 million, respectively. As at 31st December 2012, the securities were listed at 82.05% of their face value.

6.13. Financial liabilities

The following table shows the fair value of financial liabilities:

ITEM	BOOK VALUE		FAIR VALUE	
	2012	2011	2012	2011
Issuance of debentures and other negotiable securities	1,151.16	153.71	1,295.78	157.42
Due to credit institutions	151.28	1,153.37	151.28	1,155.18
Other financial liabilities	58.04	392.82	57.83	378.78
TOTAL	**1,360.48**	**1,699.90**	**1,504.89**	**1,691.38**

FIGURES IN MILLION EUROS

ISSUANCE OF DEBENTURES AND OTHER NEGOTIABLE SECURITIES

As at 31st December 2012 and 2011, the balance of this account includes the depreciated cost of the simple debentures issued by MAPFRE USA, net of that corresponding to the securities bought in the market. As at 31st December 2012 it also shows 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) MAPFRE USA

- 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: S & P BB+; AM Best bbb.

b) MAPFRE, S.A.

- Nature of the issue: simple debentures represented by book entries.
- Total amount: €1,000 million.
- Number of securities: 10,000.
- Nominal per security: €100,000.
- Issuance date: 16 November 2012.
- Term: 3 years.

- Maturity: 16 November 2015.
- Repayment: In a lump sum at maturity, at par, free of expenses for holders.
- Listing: AIAF Fixed Security Market.
- Coupon: 5.125% per annum, payable on the anniversaries of the issuance date until the final maturity date inclusive.
- Rating of issue: BBB- (Standard & Poor's).

The accrued interest outstanding as at 31st December 2012 amount to €6.32 million.

DUE TO CREDIT INSTITUTIONS

The amounts owed to credit institutions as at 31st December 2012 and 2011 break down as follows:

CLASS OF DEBT	BOOK VALUE		AVERAGE INTEREST RATE		SECURITY GIVEN	
	2012	2011	2012	2011	2012	2011
Financial lease	2.35	4.60	1.00%	6.72%	--	--
Loans	62.45	1,015.04	7.80%	2.30%	--	--
Loans	11.71	24.85	3.25%	8.02%	--	--
Others	74.77	108.88	4.00%	3.00%	--	--
TOTAL	**151.28**	**1,153.37**	**--**	**--**	**--**	**--**

FIGURES IN MILLION EUROS

As at 31st December 2012 and 2011, this borrowing heading includes the amount drawn down under several credit facilities, the main ones being as follows:

BANK	MATURITY	LIMIT		DRAWN DOWN	
		2012	2011	2012	2011
Société Générale	18,06,2014	500.00	500.00	--	500.00
Bankia	21,05,2013	--	500.00	--	485.00
Bankia	03,04,2013	50.00	64.00	--	--
TOTAL		**550.00**	**1,064.00**	**--**	**985.00**

FIGURES IN MILLION EUROS

Société Générale and Bankia are the agent banks of the first two credit facilities, which are syndicated with other entities. The Bankia credit facility was cancelled in advance on 29th November 2012. 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.

At 31st December 2011 the most significant item under "Other financial liabilities" referred to obligations relating to several sale options on interests held by minorities in dependent companies, for the amount of €305.31 million. During the financial year 2012, the minorities exercised the put option, and therefore at 31st December 2012 there were no related liabilities.

6.14. Technical provisions

1. DETAIL OF THE TECHNICAL PROVISIONS BALANCE

The following table breaks down the balance of each one of the technical provisions recorded on the balance sheet in the last two financial years.

ITEM	DIRECT INSURANCE		ACCEPTED REINSURANCE		CEDED AND RETROCEDED REINSURANCE	
	2012	2011	2012	2011	2012	2011
Provisions for unearned premiums and for risks in progress Non-Life						
1.1 Provision for unearned premiums	6,105.15	6,049.86	1,159.72	1,015.28	1,179.30	1,064.71
1.2 Reserve for risks in progress	9.55	8.63	0.73	0.89	--	--
Life Assurance Provisions						
2.1 Provisions for unearned premiums and for risks in progress						
2.1.1. Provision for unearned premiums	727.28	352.97	174.42	121.41	29.20	23.96
2.1.2. Provision for current risks	0.26	0.54	--	--	--	--
2.2 Mathematical reserves	18,932.53	18,084.58	71.86	63.81	49.10	50.99
2.3 Provisions for profit sharing	--	--	--	--	--	0.25
Provisions for claims						
3.1 Pending settlement or payment	5,406.27	5,387.38	1,578.93	1,635.11	1,824.29	1,962.12
3.2 Claims incurred but unreported (IBNR)	903.92	1,076.49	73.92	58.64	155.32	163.63
3.3 For claim settlement internal expenses	149.91	125.28	6.04	3.46	10.56	15.98
Other technical provisions						
4.1.Deaths	501.77	471.01	--	--	--	--
4.2 Rest	129.20	116.59	--	0.74	28.07	23.70
TOTAL	**32,865.84**	**31,673.33**	**3,065.62**	**2,899.34**	**3,275.84**	**3,305.34**

FIGURES IN MILLION EUROS

2. MOVEMENT OF EACH TECHNICAL PROVISION

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 2012

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	7,065.14	(241.94)	103.50	7,665.14	(7,326.97)	7,264.87
1.2 Reserve for risks in progress	9.52	(0.07)	0.08	10.28	(9.53)	10.28
Life Assurance Provisions						
2.1 Provisions for unearned premiums and for risks in progress						
2.1.1. Provision for unearned premiums	474.38	(8.30)	--	916.99	(481.37)	901.70
2.1.2. Provision for current risks	0.54	(0.02)	--	0.26	(0.52)	0.26
2.2.Mathematical reserves	18,148.39	(53.76)	(52.84)	3,258.15	(2,295.55)	19,004.39
2.3 Provision for profit sharing	--	--	--	--	--	--
Provisions for claims						
3.1 Direct insurance Life	810.24	(11.91)	(1.34)	993.83	(803.03)	987.79
3.2 Direct insurance Non Life	5,778.91	49.11	--	5,486.61	(5,842.32)	5,472.31
3.3 Accepted reinsurance	1,697.21	(0.38)	0.01	2,505.33	(2,543.28)	1,658.89
Other technical provisions	588.34	2.22	--	630.58	(590.17)	630.97
TOTAL	**34,572.67**	**(265.05)**	**49.41**	**21,467.17**	**(19,892.74)**	**35,931.46**

FIGURES IN MILLION EUROS

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 current risks	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

B) CEDED AND RETROCEDED REINSURANCE

Financial year 2012

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	Provisions	Applications	Closing balance
Provision for unearned premiums	1,064.71	11.88	--	1,592.73	(1,490.02)	1,179.30
Provision for Life assurance	75.20	1.80	(0.54)	90.09	(88.25)	78.30
Provision for claims	2,141.73	5.69	(0.81)	2,841.19	(2,997.63)	1,990.17
Other technical provisions	23.70	7.76	--	28.00	(31.39)	28.07
TOTAL	**3,305.34**	**27.13**	**(1.35)**	**4,552.01**	**(4,607.29)**	**3,275.84**

FIGURES IN MILLION EUROS

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

2.2. Mathematical provisions

ITEM	DIRECT INSURANCE AND ACCEPTED REINSURANCE		CEDED AND RETROCEDED REINSURANCE	
	2012	2011	2012	2011
MATHEMATICAL RESERVE AT BEGINNING OF YEAR	**18,148.39**	**17,424.83**	**50.99**	**13.60**
Adjustments to the opening balance	(53.76)	118.67	(14.20)	0.80
Consolidation (balance of reserve on consolidation date)	--	1,520.98	--	3.34
Premiums	1,999.59	2,837.86	13.68	25.32
Technical interest	529.64	445.33	3.20	--
Allocated to profit sharing	29.49	19.06	0.01	--
Claim payments/collections	(2,295.55)	(3,786.41)	(4.62)	(4.14)
Reserve adequacy test	--	2.37	--	--
Shadow accounting adjustments	681.03	(276.56)	--	--
Others	18.40	21.84	0.04	12.06
Deconsolidation (balance of reserve on deconsolidation date)	(52.84)	(179.58)	--	--
MATHEMATICAL RESERVE AT END OF YEAR	**19,004.39**	**18,148.39**	**49.10**	**50.99**

FIGURES IN MILLION EUROS

2.3. Burial insurance provision

ITEM	DIRECT INSURANCE AND ACCEPTED REINSURANCE	
	2012	2011
RESERVE AT BEGINNING OF YEAR	**471.01**	**444.46**
Adjustments to the opening balance	--	--
Consolidation (balance of reserve on consolidation date)	--	--
Premiums	54.81	122.54
Technical interest	12.10	20.15
Claim payments	(18.95)	(85.20)
Reserve adequacy test	--	--
Others	(17.20)	(30.94)
Deconsolidation (balance of reserve on deconsolidation date)	--	--
RESERVE AT END OF YEAR	**501.77**	**471.01**

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	
	2012	2011
RESERVE AT BEGINNING OF YEAR	**1,878.65**	**1,716.73**
Adjustments to the opening balance	(60.86)	(3.37)
Consolidation (balance of reserve on consolidation date)	--	66.03
Premiums	774.72	451.40
Payment of claims	(690.95)	(371.76)
Asset valuation changes	98.83	22.63
Others	44.14	(3.01)
Deconsolidation (balance of reserve on deconsolidation date)	--	--
RESERVE AT END OF YEAR	**2,044.53**	**1,878.65**

FIGURES IN MILLION EUROS

3.2. Provision for risks in progress

The provision 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 provision for life assurance, 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 2012 and 2011. 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	Form of distribution
Individual contracts, with regular premium , with profit sharing:					
- Combined insurance with regular premium	(1)	GKM-80	6.00%	--	(3)
Individual contracts, single premium, without profit sharing:					
- Life with single premium	(4)	GKM-95/ PASEM-2010	4.10% (2)	--	--
- Life with counterinsurance, single premium-PPA	(5)	GKM-95/ PASEM-2010	4.11% (2)	--	--
- Unit link	(6)	GKM-95	(7)	--	--
Collective annuity contracts, single premium: Survival without profit sharing and without counterinsurance					
- Exteriorization annuity	(8)	PERM/ F-2000 P/C	4.59% (2)	--	--
- Collective annuity contracts	(8)	PERM/ F-2000 P/C	3.89% (2)	--	--
Survival without profit sharing and with counterinsurance					
- Pension annuity	(8)	PERM/ F-2000 P/C	5.37% (2)	--	--

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) 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. Therefore the weighted mean interest of the type is given.

(3) The distribution of profit sharing is instrumented in deferred capital insurance policies with reimbursement of single premium reserves.

(4) 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.

(5) 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 per full elapsed years.

(6) The following guarantees are included:

- Survival: 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.

- Death: If the insured person dies before the maturity date, the beneficiaries of the policy will receive a capital resulting from the addition of:
  - 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 5% of the single premium, with the limit of €30,000.

(7) Unit link schemes where the policyholder bears the risk of the market-linked investment, in terms of the units of account allocated to the policy.

(8) Temporary and for life annuities, in case of survival.

TECHNICAL CONDITIONS AT 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	3.61%	--	--
- Combined insurance	(2)	GKM/F-95 y 55% PASEM 2010 HOMBRES (5)	3.60%	--	--
Collective contracts, multi-year and complementary risks with technical profit sharing:					
- Risk insurance	(3)	GKM/F-95 (6)	2.00%	27.35	(7)
- Annuity insurance	(3)	GRM/F-95 y PERM/F-95 (6)	3.44%	--	--
Collective contracts, single premium without profit sharing:					
- Annuity insurance	(4)	GRMF-95 y PERM/F-95	3.60%	--	--

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 3% of the premium and €6,010.12.

(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 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. With the possibility of the technical interest rate being revised after 3, 5 or 10 years.

(3) 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.

(4) Group insurance guaranteeing payment of temporary annuities until the insured person reaches the age of 64.

(5) For new business from 17th December 2012, the table applied is 55% of the male PASEM 2010 for both genders, applying the Ruling issued on 6th July 2012 by the Directorate General for Insurance and Pension Funds, ruling the non-admissibility of the GKM95 and GKF95 mortality tables, and promoting the use of the PASEM 2010 tables. Furthermore, the European Court of Justice judgment on equal treatment is applied.

(6) Tables: GKM/F-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.

(7) 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.

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%	3.13	(3)
Individual contracts, regular/single premium, without profit sharing:					
- Endowment insurance (Y058+Y059)	(4)	(5)	2.20%-3.50% (6)	--	--
- Risk life assurance (Y037)	(7)	(2)	2.00%	--	--
Individual contracts, single premium, without profit sharing:					
- Survival with premium counterinsurance (Y069)	(8)	(9)	1.45%-5.00% (6)	--	--
- Endowment insurance (Y077+Y073)	(10)	(5)	(11)	--	--

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 31st December 2008, GK95 until 20th December 2012 and PASEM 2010 unisex 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) Table GK-95 is applied until 20th December 2012 and PASEM 2010 unisex from then on.

(6) The guaranteed rate of interest depends on the date that the premium enters into force.

(7) The Ascat Multivida product is a risk life insurance policy, where the main guarantee is the insured party's death, although additional guarantees such as absolute permanent disability and others can be contracted.

(8) Lifetime survivor annuities, with an insured capital assured in the case of death for the variable kind.

(9) Table GR-95 is applied until 20th December 2012 and GR-95 unisex from then on.

(10) Yield savings is a 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.

(11) Unit-linked life assurance.

TECHNICAL CONDITIONS AT BANKINTER VIDA

METHODS	COVERAGE	TABLES	TECHNICAL INTEREST
Individual contracts, single premium, without profit sharing. Insurance with counterinsurance	(4)	GK95/ PASEM 2010	3.05% (5)
Individual contracts, single premium, without profit sharing. Combined insurance	(1)	GR95	4.10% (2)
Individual contracts, single premium, without profit sharing. Combined insurance	(3)	GKM80/ GK95	(7)
Individual contracts, single premium, without profit sharing. Combined insurance	(3)	GK 95 / PASEM 2010	(7)
Individual contracts, regular premium, without profit sharing. Death insurance	(6)	GK80/ GK95/ PASEM 2010	2.12%

(1) In case of life, a capital at maturity is guaranteed. In case of death, payment of the capitalised initial premium plus additional capital is guaranteed.

(2) During the validity period of the insurance, for periods with guaranteed return, a fixed technical interest rate for each policy/period or a return indexed to the performance of certain indices or assets.

(3) In case of death, payment is guaranteed of mathematical reserve plus additional capital.

(4) 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.

(5) 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.

(6) 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.

(7) 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
Regular premium contracts with profit sharing:					
- Combined insurance CE04	(1)	GRM/ F-95	2.00%	0.52	(2)
- Combined insurance PPA	(3)	GKM/ F-95/ PASEM	1.50%	0.95	(2)
- Combined insurance AC02	(4)	GKM/ F-80/ PASEM	1.75%	0.75	(2)
Collective contracts treated individually, single premium without profit sharing:					
- Survival PVI1	(5)	GRM/ F-95/ PASEM	3,92%	--	--
- Endowment insurance UL04	(6)	GKM/ F-95	(7)	--	--
- Endowment insurance UL05	(6)	GKM/ F-95	(7)	--	--
- Endowment insurance UL06	(6)	PASEM MEN	(7)	--	--
- Endowment insurance LI01	(6)	GKM/ F-95 MEN	(7)	--	--
- Survival RFE1	(8)	GRM/ F-95/ PER2000	4.49%	--	--

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 receive a capital consisting of the sum of:

- 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 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%. The characteristics of the main types sold in 2012 and 2011 are listed below.

CONTRACT	Premium rate	Profit sharing	Type of Coverage	Mortality tables
Vida en Grupo	Monthly, two-monthly, quarterly, annual and single	Yes	Death and total or partial permanent disability	AT 83
Prestamista	Monthly, two-monthly, quarterly and annual	No	Death, invalidity and loss of income	AT 83 men
AP casas Bahía- Vida Protegida	Annual, semiannual, quarterly and monthly	No	Death and hospital care	AT 83 men
Vida Oro 2000	Monthly	No	Death and total or partial permanent disability	AT 83
Vida Oro Grupo especial	Monthly	No	Death and total or partial permanent disability	AT 83
BB Seguro Vida Mujer	Monthly	No	Death and total or partial permanent disability	AT 83
Vida Oro Garantía	Annual/divided into 8 periods	No	Death and total or partial permanent disability	AT 83
BB Seguro de Crédito protegido	Single	No	Death	AT 83
BB Seguro de Crédito protegido	Monthly	No	Death	AT 83

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. The characteristics of the main types sold in 2012 and 2011 are listed below.

CONTRACT	Premium rate	Profit sharing	Type of Coverage	Mortality tables	Technical interest
Individual	Single	Yes	Survival and death	Colombian mortality table of male/female annuitants- Colombian invalid mortality table	4.00%
Group	Periodic	Yes	Death	Colombian policyholder mortality table. Experience 1998-2003	4.00%

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 2012 and 2011; 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 2012

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
2002 and previous	Outstanding provision	3,001.25	1,472.31	952.89	681.51	515.18	403.12	321.94	219.79	188.24	157.22	124.90
	Cumulative payments	12,537.83	14,016.97	14,507.10	14,774.41	14,970.95	15,083.30	15,174.79	15,213.22	15,239.13	15,253.47	15,266.61
	TOTAL COST	**15,539.08**	**15,489.28**	**15,459.99**	**15,455.92**	**15,486.13**	**15,486.42**	**15,496.73**	**15,433.01**	**15,427.37**	**15,410.69**	**15,391.51**
2003	Outstanding provision	1,713.35	662.77	389.80	274.23	181.57	137.05	84.71	60.07	50.73	23.11	
	Cumulative payments	2,570.48	3,541.47	3,799.60	3,909.98	3,988.63	4,052.12	4,079.19	4,097.64	4,099.93	4,111.15	
	TOTAL COST	**4,283.83**	**4,204.24**	**4,189.40**	**4,184.21**	**4,170.20**	**4,189.17**	**4,163.90**	**4,157.71**	**4,150.66**	**4,134.26**	
2004	Outstanding provision	1,851.14	755.76	476.64	321.49	186.27	115.55	79.50	64.61	33.89		
	Cumulative payments	2,710.86	3,698.48	3,939.02	4,071.69	4,174.80	4,222.71	4,247.67	4,250.25	4,263.09		
	TOTAL COST	**4,562.00**	**4,454.24**	**4,415.66**	**4,393.18**	**4,361.07**	**4,338.26**	**4,327.17**	**4,314.86**	**4,296.98**		
2005	Outstanding provision	2,229.48	917.69	540.65	354.12	206.38	163.43	119.73	137.96			
	Cumulative payments	3,222.48	4,407.68	4,685.47	4,889.37	5,006.29	5,098.35	5,143.25	5,161.36			
	TOTAL COST	**5,451.96**	**5,325.37**	**5,226.12**	**5,243.49**	**5,212.67**	**5,261.78**	**5,262.98**	**5,299.32**			
2006	Outstanding provision	2,318.85	969.51	552.36	327.86	239.12	158.07	109.17				
	Cumulative payments	3,508.94	4,751.01	5,114.26	5,297.75	5,432.55	5,510.87	5,547.26				
	TOTAL COST	**5,827.79**	**5,720.52**	**5,666.62**	**5,625.61**	**5,671.67**	**5,668.94**	**5,656.43**				
2007	Outstanding provision	2,622.43	983.07	622.85	394.07	299.03	211.90					
	Cumulative payments	3,913.64	5,390.72	5,744.11	6,020.66	6,111.55	6,177.80					
	TOTAL COST	**6,536.07**	**6,373.79**	**6,366.96**	**6,414.73**	**6,410.58**	**6,389.70**					
2008	Outstanding provision	2,698.42	1,032.29	608.23	406.23	299.18						
	Cumulative payments	4,436.78	6,113.14	6,502.15	6,674.02	6,778.82						
	TOTAL COST	**7,135.20**	**7,145.43**	**7,110.38**	**7,080.25**	**7,078.00**						
2009	Outstanding provision	2,486.28	841.25	505.25	305.56							
	Cumulative payments	4,866.23	6,416.62	6,718.30	6,891.63							
	TOTAL COST	**7,352.51**	**7,257.87**	**7,223.55**	**7,197.19**							
2010	Outstanding provision	2,923.74	1,072.91	639.55								
	Cumulative payments	5,633.76	7,406.89	7,789.92								
	TOTAL COST	**8,557.50**	**8,479.80**	**8,429.47**								
2011	Outstanding provision	2,327.63	727.96									
	Cumulative payments	5,533.82	7,100.22									
	TOTAL COST	**7,861.45**	**7,828.18**									
2012	Outstanding provision	2,859.13										
	Cumulative payments	5,603.47										
	TOTAL COST	**8,462.60**										

FIGURES IN MILLION EUROS

31st December 2012

ITEM	YEAR OF OCCURENCE											
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002 and previous	Total
Provision for claims Non Life direct insurance	2.859,13	727,96	639,55	305,56	299,18	211,90	109,17	137,96	33,89	23,11	124,90	5.472,31

FIGURES IN MILLION EUROS

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 OCCURENCE											
	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

The percentage subject to be allocated to ceded reinsurance of the claims shown in the preceding tables amounts overall to 14.60% and 16.04% in financial years 2012 and 2011, 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 2012

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	666.26	(85.31)	--	64.58	--	(2.29)	(0.04)	643.20
Reserve for payments of liquidation agreements	13.63	(0.02)	--	16.85	--	(18.86)	--	11.60
Provisions for restructuring	10.69	(0.40)	--	13.04	--	(0.29)	--	23.04
Other provisions on staff related commitments	98.70	22.22	--	99.29	0.65	(92.65)	(1.04)	127.17
Other provisions	364.03	(14.93)	2.25	58.40	4.34	(163.82)	(1.26)	249.01
TOTAL	**1,153.31**	**(78.44)**	**2.25**	**252.16**	**4.99**	**(277.91)**	**(2.34)**	**1,054.02**

FIGURES IN MILLION EUROS

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

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.

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.

PROVISION FOR TAXES

As at 31st December 2012 and 2011, the "Provision for taxes" item included tax liabilities amounting to €589.00 and €489.00 million, respectively, relating to the tax contingencies that the Brazilian insurance companies have with their tax authorities. These contingencies refer to the taxes known as COFINS (Tax contribution used to fund social security) amounting to €563 million (€470 million at 31st December 2011) and the Social Integration Program (PIS) for the amount of €26 million (€19 million at 31st December 2011).

The companies in question have filed lawsuits arising from the provisions of Law Nº. 9718/98 that amended the way that PIS and COFINS are calculated, on the understanding that both premium revenues and financial returns fall outside the scope of application of both taxes.

After a series of previous and contradictory judicial decisions, the lawsuits are pending a decision by the Brazilian Supreme Court.

Management believes that insurance business revenues are not subject to such taxes, even if the lawyers handling this case consider the loss to be likely.

OTHER PROVISIONS

"Other provisions" show the following items:

- Contingent payments arising out of the business combinations carried out in 2012 and previous years, for the amount of €150.13 and €262.78 million as at 31st December 2012 and 2011, 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. This provision was applied for this purpose during the financial year 2012, and therefore the year end balance was zero.

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 2012 and 2011 is shown below:

REVENUES FROM INVESTMENTS

ITEM	Revenues from investments:				FINANCIAL REVENUES FROM OTHER ACTIVITIES		TOTAL	
	OPERATING INVESTMENTS		EQUITY INVESTMENTS					
	2012	2011	2012	2011	2012	2011	2012	2011
REVENUES FROM INTEREST, DIVIDENDS AND SIMILAR								
Investment property								
Rentals	30.26	42.75	1.23	1.53	17.30	14.97	48.79	59.25
Others	1.80	0.11	0.03	--	1.65	1.61	3.48	1.72
Revenues from portfolio held to maturity								
Fixed-income securities	175.03	169.84	3.56	31.56	0.04	--	178.63	201.40
Other investments	1.71	7.81	0.73	2.11	--	0.03	2.44	9.95
Revenues from portfolio available for sale	1,281.97	1,272.49	154.35	152.25	5.89	11.16	1,442.21	1,435.90
Revenues from the trading portfolio	334.44	352.36	--	47.10	0.71	--	335.15	399.46
Other financial returns	107.23	72.78	23.57	19.09	12.60	18.29	143.40	110.16
TOTAL INCOME	**1,932.44**	**1,918.14**	**183.47**	**253.64**	**38.19**	**46.06**	**2,154.10**	**2,217.84**
REALISED AND UNREALISED GAINS								
Net realised gains:								
Investment property	9.71	32.81	0.48	1.05	0.85	32.77	11.04	66.63
Financial investments portfolio held to maturity	0.37	0.41	--	--	--	--	0.37	0.41
Financial investments portfolio available for sale	280.15	228.48	36.99	16.77	6.26	11.77	323.40	257.02
Financial investments trading portfolio	18.10	36.77	0.07	--	11.28	--	29.45	36.77
Others	2.11	6.00	3.95	29.64	0.94	5.84	7.00	41.48
Unrealised gains:								
Increase in fair value of the trading portfolio and gains in derivatives	83.73	79.99	--	0.30	0.25	--	83.98	80.29
Others	5.42	0.72	2.78	--	0.03	0.23	8.23	0.95
TOTAL GAINS	**399.59**	**385.18**	**44.27**	**47.76**	**19.61**	**50.61**	**463.47**	**483.55**
TOTAL REVENUES FROM INVESTMENTS	**2,332.03**	**2,303.32**	**227.74**	**301.40**	**57.80**	**96.67**	**2,617.57**	**2,701.39**

FIGURES IN MILLION EUROS

EXPENSES FROM INVESTMENTS

ITEM	Expenses from investments:				FINANCIAL EXPENSES FROM OTHER ACTIVITIES		TOTAL	
	OPERATING INVESTMENTS		EQUITY INVESTMENTS					
	2012	2011	2012	2011	2012	2011	2012	2011
FINANCIAL CHARGES								
Investment property								
Direct operating expenses	21.03	25.90	4.73	0.68	--	--	25.76	26.58
Other expenses	14.19	11.97	--	5.12	12.11	9.88	26.30	26.97
Expenses from portfolio held to maturity								
Fixed-income securities	51.55	37.18	1.36	7.03	0.02	--	52.93	44.21
Other investments	0.48	0.05	0.05	0.06	--	--	0.53	0.11
Expenses from portfolio available for sale	104.46	88.38	48.21	43.08	0.12	0.35	152.79	131.81
Expenses from the trading portfolio	163.11	151.07	2.33	3.24	--	--	165.44	154.31
Other financial charges	100.78	96.87	8.76	20.50	80.10	100.11	189.64	217.48
TOTAL EXPENSES	**455.60**	**411.42**	**65.44**	**79.71**	**92.35**	**110.34**	**613.39**	**601.47**
REALISED AND UNREALISED LOSSES								
Net realised losses								
Investment property	4.34	3.23	0.40	1.22	12.49	4.04	17.23	8.49
Financial investments portfolio held to maturity	11.27	0.03	--	--	--	--	11.27	0.03
Financial investments portfolio available for sale	138.15	157.18	16.24	8.25	2.41	5.14	156.80	170.57
Financial investments trading portfolio	4.25	3.62	0.02	0.10	6.57	0.01	10.84	3.73
Others	25.62	32.88	0.10	1.04	0.43	0.19	26.15	34.11
Unrealised losses								
Decrease in fair value of trading portfolio and losses in derivatives	0.07	0.01	--	--	--	--	0.07	0.01
Others	1.96	7.73	0.01	0.15	--	--	1.97	7.88
TOTAL LOSSES	**185.66**	**204.68**	**16.77**	**10.76**	**21.90**	**9.38**	**224.33**	**224.82**
TOTAL EXPENSES FROM INVESTMENTS	**641.26**	**616.10**	**82.21**	**90.47**	**114.25**	**119.72**	**837.72**	**826.29**

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	
	2012	2011
Personnel expenses	1,536.39	1,319.57
Depreciation charges	251.50	341.72
TOTAL	**1,787.89**	**1,661.29**

FIGURES IN MILLION EUROS

The following table breaks down the depreciation charges by operating segment:

ITEM	AMOUNT	
	2012	2011
Direct insurance		
a) Life	86.73	136.09
b) Motor	74.01	86.89
c) Others	63.31	63.35
Reinsurance	2.77	5.59
Other activities	24.68	49.80
TOTAL	**251.50**	**341.72**

FIGURES IN MILLION EUROS

6.20. Result of ceded and retroceded reinsurance

The result of ceded and retroceded reinsurance transactions in financial years 2012 and 2011 is shown below:

ITEM	NON-LIFE		LIFE		TOTAL	
	2012	2011	2012	2011	2012	2011
Premiums	(2,271.96)	(1,797.90)	(364.29)	(343.00)	(2,636.25)	(2,140.90)
Change in the reserve for unearned premiums and for risks in progress	99.86	47.54	2.85	24.13	102.71	71.67
Claims paid and change in the provision for claims	909.05	1,235.98	227.36	178.55	1,136.41	1,414.53
Change in mathematical reserve and other technical reserves	--	--	9.06	21.18	9.06	21.18
Participation of reinsurance in fees and expenses	240.89	195.55	97.92	99.62	338.81	295.17
RESULT OF CEDED AND RETROCEDED REINSURANCE	**(1,022.16)**	**(318.83)**	**(27.10)**	**(19.52)**	**(1,049.26)**	**(338.35)**

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 2012 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 2012 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 2012 and 2011, 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 2012	FINANCIAL YEAR 2011
Tax expense		
Result before tax from ongoing operations	1,372.01	1,636.94
30% of result before tax from ongoing operations	411.60	491.08
Tax effect of the permanent differences	1.38	15.02
Tax incentive for the financial year	(19.18)	(14.32)
Tax effect of tax rates other than 30%	13.71	(57.84)
Total expense from current tax originating in the financial year	407.51	433.94
Expense from current tax originating in previous years	(7.39)	(16.00)
Credits from negative tax bases not recognised from previous periods, deductions pending application or temporary differences	(3.60)	(3.11)
TOTAL TAX EXPENSE OF ONGOING OPERATIONS	**396.52**	**414.83**
Corporate income tax payable		
Taxes withheld and payments on account	(367.91)	(210.40)
Temporary differences	11.39	(74.19)
Tax credits and incentives applied, registered in previous years	(2.88)	(6.92)
Corporation tax on discontinued operations	(1.72)	(0.82)
NET CORPORATE INCOME TAX PAYABLE	**35.40**	**122.50**

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 2012 and 2011 in deferred tax assets, detailing their amount in relation to items directly debited or credited to equity accounts in each financial year.

Financial year 2012

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	FROM		Retirements	Closing balance
				Results	Equity		
Measurement difference in financial investments	695.00	(43.40)	(1.05)	(4.64)	(101.60)	(65.84)	478.47
Measurement difference of mathematical provisions:							
Adaptation to new tables	1.60	--	--	(1.60)	--	--	--
By shadow accounting	21.03	--	--	--	182.39	(13.11)	190.31
Measurement difference in the provision for burial insurance	5.12	--	--	--	--	--	5.12
Tax credits on negative tax bases	32.79	--	--	12.43	--	(19.84)	25.38
Credits on tax incentives	2.88	--	--	19.18	--	(22.01)	0.05
Pension complements and other staff related commitments	94.94	0.65	--	9.99	--	(3.43)	102.15
Reserves for uncollected premiums	6.41	--	--	7.83	--	(2.73)	11.51
Provisions for liabilities and others	71.96	5.77	--	38.81	--	(10.08)	106.46
Technical reserve for benefits	85.36	(1.62)	--	(7.63)	--	--	76.11
Other items	247.16	(20.28)	2.67	16.99	--	(5.83)	240.71
TOTAL	**1,264.25**	**(58.88)**	**1.62**	**91.36**	**80.79**	**(142.87)**	**1,236.27**

FIGURES IN MILLION EUROS

Financial year 2011

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	FROM		Retirements	Closing balance
				Results	Equity		
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

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 2012 and 2011, amount to €1,241.08 million and €1,272.67 million, respectively.

Of the total amount of deferred tax assets, the balance sheet and the equity or results accounts include €1,236.27 million as at 31st December 2012 and €1,264.25 million as at 31st December 2011.

The remaining deferred tax assets accumulated as at 31st December 2012 and 2011, which amount to €4.81 million and €8.42 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 2012 and 2011:

Financial year 2012

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	FROM		Retirements	Closing balance
				Results	Equity		
Measurement difference in financial investments	406.00	(9.42)	(0.02)	(10.86)	338.73	(109.90)	614.53
Measurement difference in mathematical provisions by shadow accounting	172.84	(1.73)	--	2.06	(21.92)	(83.40)	67.85
Stabilization and catastrophe provision	249.07	12.45	--	61.77	--	(43.16)	280.13
Portfolio acquisition expenses and other acquisition expenses	874.88	(140.86)	(3.73)	(54.03)	109.20	(27.85)	757.61
Other recognised income and expense	22.07	--	4.25	--	--	--	26.32
Others	5.97	--	(2.25)	49.42	--	(26.51)	26.63
TOTAL	**1,730.83**	**(139.56)**	**(1.75)**	**48.36**	**426.01**	**(290.82)**	**1,773.07**

FIGURES IN MILLION EUROS

Financial year 2011

ITEM	Opening balance	Adjustments to the opening balance	Changes to the scope	FROM		Retirements	Closing balance
				Results	Equity		
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

The full amount of deferred tax liabilities of fully consolidated companies as a consequence of cumulative timing differences as at 31st December 2012 and 2011 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	
		2012	2011	2012	2011	2012	2011	2012	2011
2005	2023	5.45	4.64	16.78	22.23	3.59	3.59	1.44	3.08
2006	2024	1.96	3.58	2.07	4.03	0.61	0.99	0.01	0.22
2007	2025	--	--	0.22	0.22	0.02	0.02	0.05	0.05
2008	2026	6.49	31.29	37.02	43.51	11.11	13.05	--	--
2009	2027	5.04	13.87	1.81	6.85	0.16	1.62	0.38	0.44
2010	2028	--	11.98	1.78	1.78	0.10	0.10	0.43	0.43
2011	2029	47.18	--	11.54	58.72	2.23	13.42	1.23	4.20
2012	2030	--	--	29.43	--	7.56	--	1.27	--
TOTAL		**66.12**	**65.36**	**100.65**	**137.34**	**25.38**	**32.79**	**4.81**	**8.42**

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 2012 and 2011 is as follows:

METHOD	AMOUNT APPLIED IN THE FINANCIAL YEAR		AMOUNT PENDING APPLICATION		AMOUNT NOT RECORDED		DEADLINE FOR THEIR APPLICATION
	2012	2011	2012	2011	2012	2011	
Double taxation deduction	53.40	24.3	--	--	--	--	--
Job creation and others	22.01	18.36	0.05	2.88	--	--	2027
TOTAL	**75.41**	**42.66**	**0.05**	**2.88**	**--**	**--**	**--**

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.

On 17th February 2012, the tax authorities began inspecting the Corporate Income Tax returns of the Tax Group 9/85 for the financial years 2007 of 2009, which affect MAPFRE S.A., as the controlling company, and the controlled companies MAPFRE ASISTENCIA; (2007-2009), MAPFRE GLOBAL RISKS; (2008 and 2009), MAPFRE VIDA (2008 and 2009) and MAPFRE FAMILIAR (2008 and 2009). The inspectors are also examining the other tax returns that the aforementioned companies had to file for the financial years 2008 and 2009. The tax inspections were still underway at the 2012 balance sheet date.

Therefore, on 31st December 2012, all of the Spanish companies' tax returns for the financial years 2008 to 2012, as well as the 2007 Corporate Income Tax return, remained open to inspection. In the opinion of the Group's advisers, the likelihood of fiscal liabilities affecting significantly consolidated companies' financial position as at 31st December 2012 is remote.

The most important amounts of the MAPFRE GROUP tax payment orders refers to the corporate income tax returns for financial years 1999, 2000 and 2001 of MAPFRE FAMILIAR (€2.70 million) and MAPFRE VIDA (€2.00 million). The group has filed an appeal against these payment orders before the Central Economic-Administrative Court and the High 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 year 2011, once the relevant proceedings were completed, MAPFRE S.A., as the controlling company of Tax Group 9/85, paid the Corporation Tax settlements for 1989 to 1993 and 1994 to 1997. The greater part of the settlements paid correspond to temporary differences generating a tax credit for the GROUP totalling €16.05 million.

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	
	2012	2011
Short term remuneration		
Wages and salaries	1,000.89	901.63
Social Security	219.65	192.79
Other remuneration	222.89	190.32
Post-employment benefits		
Defined contribution commitments	10.82	10.98
Defined benefit commitments	0.85	--
Other long term remuneration	9.66	0.07
Termination payments	71.95	23.30
Share-based payments	(0.32)	0.48
TOTAL	**1,536.39**	**1,319.57**

FIGURES IN MILLION EUROS

POST-EMPLOYMENT BENEFITS

A) Description of the defined benefit plans in force

The defined benefit plans in force throughout the Group, 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). They all refer to retired personnel.

B) Amounts recognised in the Balance Sheet

There are defined benefit plan-related obligations amounting to €60.75 million and €61.42 million, respectively, as at 31st December 2012 and 2011, 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 €14.21 million and €14.26 million as at 31st December 2012 and 2011, 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	2012	2011
PRESENT VALUE OF OBLIGATION AS AT 1ST JANUARY	**75.68**	**76.73**
Cost of services in the year under review	--	--
Interest cost	3.11	3.17
Contributions made by plan members	--	--
Actuarial losses and gains	0.81	0.01
Modifications due to exchange rate changes	--	--
Benefits paid	(4.24)	(4.23)
Cost of past services	--	--
Business combinations	--	--
Reductions	--	--
Settlements	--	--
Other items	(0.40)	--
PRESENT VALUE AS AT 31ST DECEMBER	**74.96**	**75.68**

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 assets allocated to the plan and reimbursement rights in the last two financial years.

ITEM	2012	2011
VALUE OF ASSETS ALLOCATED TO THE PLAN AND REIMBURSEMENT RIGHTS AS AT 1ST JANUARY	**75.68**	**76.73**
Expected return from assets allocated to the plan	3.11	3.17
Actuarial losses and gains	0.81	0.01
Modifications due to exchange rate changes	--	--
Contributions made by the employer	--	--
Contributions made by plan members	--	--
Benefits paid	(4.24)	(4.23)
Other items	(0.40)	--
VALUE OF ASSETS ALLOCATED TO THE PLAN AND REIMBURSEMENT RIGHTS AS AT 31ST DECEMBER	**74.96**	**75.68**

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 2012 and 2011.

ITEM	2012	2011
Cost of services in the year under review	--	--
Interest cost	3.11	3.17
Expected return from assets allocated to the plan	(3.11)	(3.17)
Actuarial losses and gains	--	--
Cost of past services recognised in the year	--	--
Other items	--	--
TOTAL EXPENSE RECOGNISED IN THE INCOME STATEMENT	--	--

FIGURES IN MILLION EUROS

D) Return

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 €3.11 million and €3.17 million in 2012 and 2011, respectively.

E) Assumptions

The main actuarial assumptions used on the closing date are as follows: survivorship tables PERM/F-2000, annual CPI of 3% in both financial years and discount rate, as well as expected return from allocated assets of 4.24% in 2012 and 4.25% in 2011.

F) Estimates

Contributions to the defined benefit plans in financial year 2013 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 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 31 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 3.42 shares 7,529,241, with a strike price of 3.42 euros per share.

During the financial year 2012 there were two cancellations, and no change during the financial year 2011.

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 (2011) and the closing share price of financial year 2012.
- Volatility of the underlying asset: that resulting from the performance of the MAPFRE share price during financial year 2012.

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 (€0.32) million and €0.48 million in 2012 and 2011, 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 2012 and 2011, the market value of the said equity swaps, amounting to €8.05 million and €6.82 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 of the last two financial years, classified by categories and sex, and distributed by geographical segments.

GEOGRAPHICAL AREA	Executives				Clerical Staff			
	MEN		WOMEN		MEN		WOMEN	
	2012	2011	2012	2011	2012	2011	2012	2011
Spain	864	806	307	279	559	561	1,597	1,573
United States of America	266	102	275	62	529	497	1,605	1,618
Brazil	304	319	214	195	908	652	1,869	1,560
Mexico	203	217	134	127	142	162	114	127
Venezuela	94	107	81	95	314	316	495	589
Colombia	84	81	75	74	109	68	97	87
Argentina	208	232	91	87	263	234	498	511
Turkey	57	66	33	30	75	54	146	145
Chile	54	57	33	31	82	128	136	247
Other countries	445	412	273	233	874	779	1,200	1,063
AVERAGE TOTAL NUMBER OF EMPLOYEES	**2,578**	**2,399**	**1,515**	**1,213**	**3,856**	**3,451**	**7,756**	**7,520**

GEOGRAPHICAL AREA	Sales Staff				Others			
	MEN		WOMEN		MEN		WOMEN	
	2012	2011	2012	2011	2012	2011	2012	2011
Spain	1,548	1,745	854	936	2,612	2,623	2,427	2,491
United States of America	43	45	106	121	447	593	458	648
Brazil	392	289	580	485	776	610	1,289	541
Mexico	196	137	296	243	509	491	325	317
Venezuela	57	9	129	17	126	163	105	117
Colombia	98	34	194	119	224	229	234	232
Argentina	325	296	255	237	456	482	332	339
Turkey	58	54	79	74	85	87	96	90
Chile	58	52	100	92	87	95	72	77
Other countries	625	497	652	509	1,024	1,107	912	892
AVERAGE TOTAL NUMBER OF EMPLOYEES	**3,399**	**3,158**	**3,243**	**2,833**	**6,345**	**6,480**	**6,250**	**5,744**

GEOGRAPHICAL AREA	Total			
	MEN		WOMEN	
	2012	2011	2012	2011
Spain	5,584	5,735	5,185	5,279
United States of America	1,285	1,237	2,444	2,449
Brazil	2,380	1,870	3,953	2,781
Mexico	1,049	1,007	869	814
Venezuela	592	595	809	818
Colombia	516	412	599	512
Argentina	1,251	1,244	1,175	1,174
Turkey	274	261	353	339
Chile	281	332	341	447
Other countries	2,967	2,795	3,036	2,697
AVERAGE TOTAL NUMBER OF EMPLOYEES	**16,178**	**15,488**	**18,764**	**17,310**

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 €287.69 million and €307.68 million in financial years 2012 and 2011, respectively.

Exchange losses other than those arising from financial instruments measured at fair value, allocated to the consolidated income statement, amount to €284.14 million and €302.92 million in financial years 2012 and 2011, respectively.

The reconciliation of the translation differences recognised in equity at the beginning and the end of the year, in 2012 and 2011, is shown below.

DESCRIPTION	AMOUNT	
	2012	2011
EXCHANGE DIFFERENCES AT THE BEGINNING OF THE YEAR	**10.42**	**66.38**
Net exchange differences on valuation of non-monetary items	(2.83)	1.02
Net exchange differences on translation of financial statements	(206.22)	(56.98)
EXCHANGE DIFFERENCES AT THE END OF THE YEAR	**(198.63)**	**10.42**

FIGURES IN MILLION EUROS

As at 31st December 2012 and 2011, 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	
		2012	2011	2012	2011	2012	2011
Fully consolidated companies:							
MAPFRE RE	Europe, America and rest of the World	10.20	7.59	(25.47)	(22.38)	(15.27)	(14.79)
MAPFRE AMERICA	America	51.15	13.49	(284.15)	(77.29)	(233.00)	(63.80)
MAPFRE INTERNACIONAL	Europe, America and rest of the World	174.30	210.31	(100.14)	(112.11)	74.16	98.20
OTHERS	--	7.22	3.46	(34.76)	(18.50)	(27.54)	(15.04)
Associated companies	--	--	--	--	--	--	--
TOTAL		**242.87**	**234.85**	**(444.52)**	**(230.28)**	**(201.65)**	**4.57**

FIGURES IN MILLION EUROS

6.24. Contingent assets and liabilities

At the end of financial years 2012 and 2011, 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

Transacted during financial years 2012 and 2011.

During financial years 2012 and 2011 several shareholding interests were acquired, the most significant ones being the stakes in CENTURY AUTOMOTIVE, BANKINTER SEGUROS GENERALES y FUNESPAÑA, S.A. in 2012, y BB MAPFRE SH1, MAPFRE BB SH2 and MIDDLESEA INSURANCE, P.L.C in 2011. The fair value of the identifiable assets and liabilities on the acquisition of the said interests is as follows:

ITEM	FINANCIAL YEAR 2012			FINANCIAL YEAR 2011		
	CENTURY AUTOMOTIVE	BANKINTER SEGURIS GENERALES	FUNESPAÑA, S.A.	BB MAPFRE SH1	MAPFRE BB SH2	MIDDLESEA INSURANCE, P.L.C.
ASSETS						
Portfolio acquisition expenses	--	--	--	1,663.01	122.79	--
Other intangible assets	--	--	90.32	213.89	113.13	43.06
Property, plant and equipment	0.28	--	60.83	9.82	1.96	3.26
Investments	16.71	--	15.86	920.17	453.57	1,028.92
Loans	1.24	--	15.97	329.94	483.84	15.02
Cash and banks	0.83	10.52	21.47	13.13	2.31	103.30
Other assets	92.32	--	8.18	220.11	159.53	38.49
TOTAL ASSETS	**111.38**	**10.52**	**212.63**	**3,370.07**	**1,337.13**	**1,232.05**
LIABILITIES						
Technical provisions	103.50	--	--	660.13	641.55	1,086.09
Debts	7.21	--	103.94	170.18	102.34	15.42
Other liabilities	0.20	--	41.11	217.30	142.38	21.86
TOTAL LIABILITIES	**110.91**	**--**	**145.05**	**1,047.61**	**886.27**	**1,123.37**
Fair value of the net assets	0.47	10.52	67.58	2.322.46	450.86	108.68
Interest purchased	100%	50.10%	54.68%	25.01%	50.00%	54.56%
Fair value of the percentage of purchased net assets	0.47	5.27	36.95	580.84	225.43	59.29
FIRST CONSOLIDATION DIFFERENCE	23.01	12.72	17.88	86.86	130.83	(13.09)
NET ACQUISITION COSTS	**23.48**	**17.99**	**54.83**	**667.70**	**356.26**	**46.20**

FIGURES IN MILLION EUROS

The FUNESPAÑA business combination was completed in stages, and therefore the previous interest held before the acquisition date have been valued at fair value on that date, which has resulted in a gain has been booked in the consolidated income statement.

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.

The definitive amounts of the BB MAPFRE SH1 and MAPFRE BB SH2 business combinations differ from the provisional amounts booked in the financial year 2011 due to the final allocation of the purchase price in the financial year 2012. The effect of the differences on the financial statements is not significant, and therefore the consolidated financial statements for the financial year 2011 have not been restated.

When applicable, the combination acquisition cost includes the amount of deferred payments.

The costs directly attributable to the combinations for the financial year 2012 and 2011, as independent professional, legal and financial advisory fees, for a total amount of €0.13 and €1.95 million, respectively, have been charged as expense to the consolidated income statement.

The interests acquired in CENTURY AUTOMOTIVE were added to the scope of consolidation on 1st September 2012, the interest in BANKINTER SEGUROS GENERALES was added on 1st December 2012, the interest in FUNESPAÑA, S.A. on 1st July 2012; the interest in BB MAPFRE SH1 and MAPFRE BB SH2 was added on 31st May 2011, and the one in MIDDLESEA INSURANCE P.L.C. on 29th July 2011; and in these financial years contributed €35.25 and €1,276.66 million to the Group's premiums and €0.27 and €44.82 million to the net profit, respectively. If said combinations had been carried out at the beginning of the year, they would have contributed €86.58 and €2,204.64 million to the Group's premiums and €3.67 and €75.73 million to net profit, respectively.

Other business combinations with a lower cost, carried out during financial year 2012 were MAPFRE ADMINISTRAÇOES DE CONSORCIO S.A., GENEL SERVIS YEDEK PARÇA DAGITIM TICARET ANONIM SIRKET, BIGELOW & OLD WORCESTER LLC, BAY FINANCE HOLDING COMPANY and MAPFRE ASSISTANCE USA INC.; and during the 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 and MAPFRE SERVICIOS MEXICANOS. (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	
	2012	2011	2012	2011
Received/provided services and other expenses/revenues	580.47	536.94	600.54	557.89
Expenses/revenues from investment property	16.68	16.98	19.44	13.23
Expenses/revenues from investments and financial accounts	38.26	25.21	38.87	30.14
Dividends distributed	--	--	1,225.95	723.79
TOTAL	**635.41**	**579.13**	**1,884.80**	**1,325.05**

FIGURES IN MILLION EUROS

REINSURANCE AND COINSURANCE TRANSACTIONS

Reinsurance and coinsurance transactions carried out between Group companies, which have been eliminated in the consolidation process, are shown below:

ITEM	AMOUNT	
	2012	2011
Ceded/accepted premiums	1,510.96	1,308.55
Features	719.15	766.43
Changes in technical reserves	3.32	(189.02)
Fees	289.91	247.69

FIGURES IN MILLION EUROS

The following tables detail the balances with reinsurers and ceding companies, deposits given and technical reserves on reinsurance transactions with Group companies, which have been eliminated in the consolidation process:

ITEM	ACCEPTED REINSURANCE		CEDED REINSURANCE	
	2012	2011	2012	2011
Credits and debts	(160.29)	(151.90)	160.29	151.90
Deposits	110.38	104.14	(110.38)	(104.14)
Technical provisions	(1,386.43)	(1,317.84)	1,386.43	1,317.84
TOTAL	**(1,436.34)**	**(1,365.60)**	**1,436.34**	**1,365.60**

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	
	2012	2011
Short term remuneration		
Wages	6.22	5.67
Fixed allowances	2.09	2.34
Attendance fees	0.74	0.98
Life Assurance	0.12	0.13
Other items	0.11	0.51
Post-employment remuneration		
Defined contribution	1.86	1.74
TOTAL	**11.14**	**11.37**

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 €45,453 in 2012 and to €45,003 in 2011. This amount is increased by 50% for directors serving as Chairman or Vice Chairman of the Board or chairing a Commission or Delegate 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 €4,545 in 2012 and €4,500 in 2011, for attending the Steering Committee; and €3,977 in 2012 and €3,938 in 2011 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 €4,545 in 2012 and €4,500 in 2011, as well as, when applicable, a fixed remuneration as Chairmen of the Regional Board. Furthermore, other remuneration consisting in non-recurrent items amounting to €2.46 million also accrued in the financial year 2012.

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.

6.27. Post-balance sheet events

The credit insurance joint venture, owned 50% by MAPFRE and 50% by EULER HERMES, officially began operating on 28th January 2013.

On 29th January 2013, National Insurance Supervisor authorised the sale of MAPFRE ARGENTINA ART, which still has to be authorised by the Argentine National Anti-Trust Commission.

7. Risk management

Risk management goals, policies, and processes

The consolidated group of insurance companies 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 risks have been grouped under 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, 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 Group's structure is based on Operational Divisions and Companies with a high level of autonomy in their management. The governing and management bodies of the Group approve the lines of activity of the Divisions and Companies with regard to risk management, and supervise their exposure to risks on a permanent basis by way 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 companies with the aim of complying with the future Solvency II requirements.

The Operational Divisions have a Risk Co-ordinator, reporting to the Administration Management, who implements the risk policies and management in each company. The Risk Quantification Model implementation activities are coordinated by the Group's Head of Risk Management. The degree of progress in projects and other significant aspects are reported to the Group's Senior Management through the controlling company's Audit Committee.

Broadly speaking, decisions regarding the subscription of insurable risks and re-insurance coverage are highly de-centralised at the Divisions. Operational Risk-related issues are handled centrally although responsibility for their implementation and monitoring is delegated to the Divisions. 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

The Group has an internal capitalisation and dividend policy that is designed to provide the divisions with the capital necessary in cover the risks that have been assumed, all in a rational and objective way. Risks are estimated using a standard fixed factors model that quantifies financial risks, credit risks and insurance activity risks. In addition, the level of capital allocated to each company will never be lower than the legally required minimum from time to time plus a margin of 10%.

Allocated capital is generally 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 Divisions 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 these cases, the controlling company's Steering 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 the Group, 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 process-based dynamic analysis of each company, 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

The Group 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 a distinction is made between those that seek to match the obligations arising from the insurance contracts and those where there is 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.

- The risk limitations are established in easily-observable quantitative terms of variables. However, a risk analysis in probabilistic terms is carried out in accordance with historic volatilities and correlations.

With respect to credit risk, the Group'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 Group's organisation, based on Divisions 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 divisions and Companies and in certain cases are also reviewed by independent experts. The preponderance of the personal injuries business at the Group, 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 Group's presence in countries highly likely to be prone to catastrophes (earthquakes, hurricanes, etc.) call for special treatment of these types of risks. The Divisions 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. The underwriting of catastrophic risks is made according to this information and to the economic capital available to the company that underwrites them, and where necessary, the take up of re-insurance cover limiting the impact on capital. 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. In addition, it has the protection of risk retrocession schemes for the coverage of variations or interests in catastrophic claims experience in the different territories.

In relation to reinsurance risk, the Group'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

Ethical principles applied to business management have been a permanent feature at the Group 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 Group's Governing Bodies 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 the Group to be the most efficient way to mitigate these kind 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
	2012	2011	
Insurance Spain			
Businesses	3.28	3.69	4.2%
Households	23.75	28.78	1.5%
Insurance International			
America	30.73	30.30	1.7%
International	14.98	11.26	2.5%
Global Businesses			
Reinsurance	10.54	11.28	2.3%
Assistance	4.46	3.41	0.7%
Global Risks	1.81	1.98	4.6%
CONSOLIDATED	**92.28**	**92.08**	**1.0%**

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 Euroswap curve interest 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 2011 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 2011 and 2010 (figures for 2012 are not available at the date of issuing the consolidated annual accounts). The figures for 2011 include the business of MAPFRE VIDA and its controlled companies.

ITEM	2011	2010	% change
Adjusted equity	947.60	777.40	21.9%
Present value of future profits	2,149.70	1,984.90	8.3%
Present value of options and guarantees granted to policyholders	(113.50)	(44.10)	157.4%
Cost of regulatory required capital	(254.80)	(227.70)	11.9%
TOTAL EMBEDDED VALUE	**2,729.00**	**2,490.50**	**9.6%**

FIGURES IN MILLION EUROS

The variables to which embedded value is most sensitive in 2011 are as follows:

- A 25 basis-point rise in the default probability of fixed-income securities would reduce the embedded value by €197.50 million.

- A 100 basis-point increase in interest rates, which would reduce the embedded value by €60.60 million in the existing portfolio and by €16.90 million in new business.

- A 10% reduction in the decline in the portfolio, which would increase the embedded value by €157.30 million in the existing portfolio and by €33.60 million in new business.

The International Insurance companies that operate in the Life line essentially operate in risk modalities.

2. Concentration of insurance risk

The Group has a high degree of insurance risk diversification since it operates in virtually all insurance lines in Spain and has a wide 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 2012

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	--	--	--	--	46.11	5,638.39	6,281.93	7,114.88	19,081.31
Reinsurance premiums accepted	461.37	388.74	1,648.36	2,498.47	--	--	--	--	--

FIGURES IN MILLION EUROS

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

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 2012

GEOGRAPHICAL AREA	DIRECT INSURANCE			Reinsurance	Total
	Life	Motor	Other Non-Life		
Spain	3,080.45	2,229.05	2,625.13	88.49	8,023.12
United States of America	--	1,244.84	610.76	204.27	2,059.87
Brazil	1,823.78	1,683.25	1,328.96	181.56	5,017.55
Mexico	88.75	283.35	325.17	79.94	777.21
Venezuela	8.98	332.11	489.08	81.68	911.85
Colombia	287.90	56.39	256.06	83.80	684.15
Argentina	34.54	131.25	170.58	87.12	423.49
Turkey	4.19	170.57	216.85	81.63	473.24
Chile	5.02	39.16	290.73	71.43	406.34
Other countries	306.27	130.26	788.18	1,578.25	2,802.96
TOTAL	**5,639.88**	**6,300.23**	**7,101.50**	**2,538.17**	**21,579.78**

FIGURES IN MILLION EUROS

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

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	
	2012	2011
Euros	8,192.96	8,462.50
US Dollar	2,653.30	1,979.29
Brazilian real	4,761.36	3,561.33
Mexican peso	534.28	547.13
Argentine peso	336.39	457.92
Venezuelan bolivar	798.83	640.03
Turkish lira	329.25	238.58
Colombian peso	499.43	459.50
Chilean peso	335.90	279.36
Pound sterling	269.05	178.50
Other currencies	370.56	479.71
TOTAL	**19,081.31**	**17,283.85**

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	
	2012	2011
Provision for Life assurance	78.30	75.20
Provision for outstanding claims	1,990.17	2,141.73
Other technical provisions	28.07	23.70
Credits on ceded and retroceded reinsurance transactions	502.33	339.84
Debts on ceded and retroceded reinsurance transactions	(646.40)	(679.41)
TOTAL NET POSITION	**1,952.47**	**1,901.06**

FIGURES IN MILLION EUROS

The following table breaks down loans to reinsurers based on their financial solvency:

RATING	BOOK VALUE	
	2012	2011
AAA	3.89	6.06
AA	544.64	531.92
A	714.88	1,024.17
BBB	346.67	147.98
BB or lower	16.64	13.78
No credit rating	325.75	177.15
TOTAL NET POSITION	**1,952.47**	**1,901.06**

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	
	2012	2011
Letters of credit	2.66	2.75
Guarantees	21.11	119.63
Pledging of assets	--	--
Other guarantees	246.05	298.99
TOTAL	**269.82**	**421.37**

FIGURES IN MILLION EUROS

The balances corresponding to credits from direct insurance and coinsurance transactions amount to €3,538.97 million and €3,266.70 million as at 31st December 2012 and 2011, 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 PORTFO		CASH AND BANKS	
	2012	2011	2012	2011	2012	2011	2012	2011
AAA	1,046.63	1,297.03	2,388.60	3,784.51	2,006.39	1,414.90	57.18	211.38
AA	139.64	177.72	2,902.32	14,003.87	309.57	225.42	73.74	92.23
A	58.30	57.00	4,832.88	3,819.44	569.58	473.33	138.47	428.29
BBB	56.87	87.38	15,303.20	2,212.50	123.75	105.22	272.34	277.78
BB or lower	39.32	63.38	1,191.42	1,258.65	72.43	96.65	183.51	44.79
No credit rating	20.48	80.74	125.04	91.43	52.14	15.16	292.80	199.88
TOTAL	**1,361.24**	**1,763.25**	**26,743.46**	**25,170.40**	**3,133.86**	**2,330.66**	**1,018.04**	**1,254.35**

FIGURES IN MILLION EUROS

3. Fixed-income securities in default

As at 31st December 2012 and 2011, there were no fixed-income securities in default for significant amounts.

4. Loans

The following table breaks down the loans and receivables as at 31st December 2012 and 2011, 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			
	2012	2011	2012	2011	2012	2011	2012	2011
Receivables on direct insurance and co-insurance transactions	3.538,97	3.266,70	(12,11)	(5,56)	11,66	2,61	18,25	17,20
Credit on reinsurance transactions	859,34	711,00	--	(1,62)	0,14	--	--	--
Tax Credits	362,19	196,10	--	--	--	--	--	--
Corporate and other credits	1.130,76	1.203,08	(6,60)	(2,97)	6,17	2,08	--	--
TOTAL	**5.891,26**	**5.376,88**	**(18,71)**	**(10,15)**	**17,97**	**4,69**	**18,25**	**17,20**

FIGURES IN MILLION EUROS

C) LIQUIDITY RISK

As regards liquidity risk, the Group'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 2012, the cash and cash equivalent balance amounted to €1,018.04 million (€1,254.35 million in the preceding year), equivalent to 2.94% 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 are investment grade 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, the controlling company has in place credit facilities, not drawn down in full, 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 2012 and 2011 are as follows, without taking into account the financial discount in the case of the life assurance provisions.

Financial year 2012

ITEM	CASH OUTFLOWS ESTIMATED IN YEAR							Closing balance
	2013	2014	2015	2016	2017	2018 to 2022	Subsequent	
Reserve for life assurance	3,127.14	1,896.68	1,816.42	1,656.53	1,638.40	4,938.16	11,428.68	26,502.01
Provision for claims	4,507.41	1,444.04	635.49	399.10	287.66	698.81	146.48	8,118.99
Other technical provisions	188.90	26.57	24.62	24.45	24.49	118.98	288.53	696.54
Due on direct insurance and reinsurance transactions	825.42	6.15	5.51	4.24	3.75	6.28	0.81	852.16
Due on re-insurance transactions	787.51	3.69	3.20	2.36	2.08	3.48	0.45	802.77
TOTAL	**9,436.38**	**3,377.13**	**2,485.24**	**2,086.68**	**1,956.38**	**5,765.71**	**11,864.95**	**36,972.47**

FIGURES IN MILLION EUROS

Financial year 2011

ITEM	CASH OUTFLOWS ESTIMATED IN YEAR							Closing balance
	2012	2013	2014	2015	2016	2017 a 2021	Posteriores	
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

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 2012

ITEM	MATURITY IN:						Total
	2013	2014	2015	2016	2017	Posteriores	
Subordinated liabilities	37.22	34.68	34.68	34.68	616.17	4.70	762.13
Issuance of debentures and other negotiable securities	211.38	51.25	1,051.25	--	--	--	1,313.88
Due to credit institutions	132.05	3.71	2.40	2.38	2.32	13.80	156.66
Other financial liabilities	33.45	1.98	2.76	4.61	16.60	4.95	64.35
TOTAL	**414.10**	**91.62**	**1,091.09**	**41.67**	**635.09**	**23.45**	**2,297.02**

FIGURES IN MILLION EUROS

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

D) MARKET RISK

The Group'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	
	2012	2011	2012	2011	2012	2011
Held to maturity	1,331.84	1,760.44	41.50	6.53	1,373.34	1,766.97
Available for sale	21,875.27	20,812.60	6,496.97	6,075.85	28,372.24	26,888.45
Trading	2,526.95	2,590.08	1,303.76	408.56	3,830.71	2,998.64
TOTAL	**25,734.06**	**25,163.12**	**7,842.23**	**6,490.94**	**33,576.29**	**31,654.06**

FIGURES IN MILLION EUROS

ITEM	Amount of assets exposed to interest rate risk in fair value					
	FIXED INTEREST RATE		NOT EXPOSED TO RISK		TOTAL	
	2012	2011	2012	2011	2012	2011
Subordinated liabilities	597.10	599.39	8.51	8.51	605.61	607.90
Issuance of debentures and other negotiable securities	1,151.16	153.71	--	--	1,151.16	153.71
Due to credit institutions	62.64	33.61	88.64	1,119.76	151.28	1,153.37
Other financial liabilities	47.31	74.84	10.73	317.98	58.04	392.82
TOTAL	**1,858.21**	**861.55**	**107.88**	**1,446.25**	**1,966.09**	**2,307.80**

FIGURES IN MILLION EUROS

The following tables break down the financial investments by maturities, average interest rate and modified duration, for the financial years 2012 and 2011:

31st December 2012

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	1,361.24	203.43	263.74	139.66	136.94	152.72	464.76	7.48	4.27
Other investments	12.10	8.81	0.01	0.01	0.31	--	2.95	2.85	4.25
TOTAL PORTFOLIO HELD TO MATURITY	**1,373.34**	**212.24**	**263.75**	**139.67**	**137.25**	**152.72**	**467.71**	**--**	**--**
PORTFOLIO AVAILABLE FOR SALE									
Fixed-income securities	26,743.46	1,808.06	1,930.16	2,361.33	2,283.36	2,476.85	15,883.71	4.75	6.11
Other investments	88.17	60.79	--	--	--	0.23	27.14	3.81	0.32
TOTAL PORTFOLIO AVAILABLE FOR SALE	**26,831.63**	**1,868.85**	**1,930.16**	**2,361.33**	**2,283.36**	**2,477.08**	**15,910.85**	**--**	**--**
TRADING PORTFOLIO									
Financial swaps	355.92	(187.16)	(218.70)	(194.17)	(225.70)	(207.60)	1,389.24	0.08	0.21
Options	5.38	--	5.38	--	--	--	--	--	--
Fixed-income securities	3,133.86	1,391.49	257.37	262.43	327.59	158.77	736.22	7.50	--
TOTAL TRADING PORTFOLIO	**3,495.16**	**1,204.33**	**44.05**	**68.26**	**101.89**	**(48.83)**	**2,125.46**	**--**	**--**

FIGURES IN MILLION EUROS

31st December 2011

ITEM	Closing balance	MATURITY IN: 1 year	2 years	3 years	4 years	5 years	Subsequent or without maturity	Average interest rate %	Modified term %
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

The modified duration shows the sensitivity of the value of the assets to interest rate changes and represents an approach to the percentage change in the value of financial assets per each percentage point (100 bp) change 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 in the section "Liquidity risk arising from subordinated and financial liabilities".

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 2012	ASSETS 2011	LIABILITIES 2012	LIABILITIES 2011	NET TOTAL 2012	NET TOTAL 2011
Euros	35,773.06	36,100.70	30,167.08	31,012.28	5,605.98	5,088.42
US Dollar	6,052.15	4,824.00	3,712.40	2,683.04	2,339.75	2,140.96
Mexican peso	869.70	812.16	779.44	749.06	90.26	63.10
Brazilian real	8,534.18	8,154.37	6,658.50	5,921.93	1,875.68	2,232.44
Turkish lira	736.69	624.64	462.26	354.01	274.43	270.63
Chilean peso	870.78	758.46	876.90	751.14	(6.12)	7.32
Venezuelan bolivar	781.40	546.52	558.88	405.72	222.52	140.80
Argentine peso	488.98	460.57	554.06	501.49	(65.08)	(40.92)
Colombian peso	1,076.08	818.70	1,121.21	866.53	(45.13)	(47.83)
Pound sterling	325.96	264.30	280.37	229.85	45.59	34.45
Canadian dollar	40.34	38.38	27.17	19.22	13.17	19.16
Philippine Peso	84.93	74.74	59.72	49.95	25.21	24.79
Peruvian sol	489.02	208.70	429.52	170.17	59.50	38.53
Other currencies	859.91	1,169.41	1,159.36	1,414.64	(299.45)	(245.23)
TOTAL	**56,983.18**	**54,855.65**	**46,846.87**	**45,129.03**	**10,136.31**	**9,726.62**

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 2012 and 2011 to €381.71 and €596.71 million, respectively.

4. Property risk

The Group has property assets representing approximately 6.07% of total investments and cash, of which approximately 46.73% corresponds to own offices. These assets perform a twofold function of providing administration and sales support, as well as generating investment revenues and diversifying investments. The property is broken down in the following table:

ITEM	NET BOOK VALUE		MARKET CAPITALISATION	
	2012	2011	2012	2011
Investment property	1,286.23	1,443.13	2,052.85	2,098.22
Property for own use	1,128.12	1,060.02	1,363.80	1,654.68
TOTAL	**2,414.35**	**2,503.15**	**3,416.65**	**3,752.90**

FIGURES IN MILLION EUROS

Unrealised property gains would offset a fall in the price of properties equivalent to approximately 29.34% 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/Duties
Mr. Alberto Manzano Martos	Muenchener Rueckver AG	717	--
Mr. Filomeno Mira Candel	Allianz SE	400	--
	Munchener	300	--
Mr. Francisco Vallejo Vallejo	Compañía Española de Seguros de Crédito a la Exportación (CESCE)	--	Director

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 2012, 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. Antonio Huertas Mejías	--	253,185
Mr. Esteban Tejera Montalvo	MAPFRE AMÉRICA; MAPFRE FAMILIAR; MAPFRE VIDA; MAPFRE INTERNACIONAL; MAPFRE INVERSIÓN SOCIEDAD DE VALORES; MAPFRE USA CORPORATION; THE COMMERCE INSURANCE COMPANY; CITATION INSURANCE COMPANY	23
Mr. Francisco Ruiz Risueño	MAPFRE VIDA; MAPFRE RE; MAPFRE FAMILIAR; CCM VIDA Y PENSIONES	73
Mr. Antonio Núñez Tovar	MAPFRE AMÉRICA; CENTRO INTERNACIONAL DE FORMACIÓN DE DIRECTIVOS; EDITORIAL MAPFRE; MAPFRE INMUEBLES S.G.A.	305,330
Mr. Ignacio Baeza Gómez	MAPFRE VIDA; MAPFRE FAMILIAR; MAPFRE INTERNACIONAL; MAPFRE SEGUROS DE EMPRESAS	139,675
Mr. Rafael Beca Borrego	MAPFRE AMÉRICA	457,807
Mr. Rafael Fontoira Suris	MAPFRE INMUEBLES S.G.A.; MAPFRE VIDA	23
Mr. José Ignacio Goirigolzarri Tellaeche	--	100
Mr. Luis Hernando de Larramendi Martínez	MAPFRE VIDA; MAPFRE INTERNACIONAL	13,202
Mr. Luis Iturbe Sanz de Madrid	MAPFRE INVERSIÓN SOCIEDAD DE VALORES	34,816
Mr. Andrés Jiménez Herradón	MAPFRE VIDA; MAPFRE FAMILIAR; BB MAPFRE SH1; MAPFRE BB SH2	23,452
Mr. Manuel Lagares Gómez-Abascal	--	100
Mr. Alberto Manzano Martos	MAPFRE AMÉRICA; MAPFRE FAMILIAR; MAPFRE INTERNACIONAL	90,154
Mr. Rafael Márquez Osorio	MAPFRE AMÉRICA	69,804
Mrs. 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	174,141
Mr. Esteban Pedrayes Larrauri	MAPFRE FAMILIAR; MAPFRE INVERSIÓN SOCIEDAD DE VALORES	78,843
Mr. Alfonso Rebuelta Badías	MAPFRE AMÉRICA; MAPFRE INTERNACIONAL; MAPFRE GLOBAL RISKS	44,346
Mr. Matías Salvá Benassar	MAPFRE FAMILIAR; MAPFRE RE; MAPFRE GLOBAL RISKS; MAPFRE SEGUROS GERAIS	819,598
Mr. Francisco Vallejo Vallejo	MAPFRE FAMILIAR; MAPFRE SEGUROS DE EMPRESAS	105,000

8.2. External auditors' fees

The annual accounts of the controlling company and the main companies forming part of it, for financial year 2012, have been audited by the firm Ernst & Young, mainly except for those of the subsidiary in Malt, which are audited by PriceWaterhouseCoopers.

The fees charged by the External Auditors in the financial year 2012 for auditing the annual accounts and for the limited review of the consolidated interim statements as at 30th June amount to €8,811,878 (€8,191,165 in 2011), of which €8,632,465 (€8,087,999 in 2011) correspond to the main auditor. The main auditor also charged an additional €164,479 (€96,333 in 2011) for auditor's office related services and €334,741 (€416,564 in 2011) 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 in the last two financial years 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 by the Spanish Group Companies consolidated by global integration to suppliers in the financial years 2012 and 2011.

ITEM	AMOUNT		%	
	2012	2011	2012	2011
Payments made within the statutory minimum term	1,299.57	1,748.42	97.33	99.72
Rest of payments made	35.70	4.93	2.67	0.28
Total payments for the financial year	1,335.27	1,753.35	100.00	100.00
Exceeded weighted average term for payments (days)	100.08	61.00	--	--
Deferments that on the closing date had exceeded the maximum statutory term	0.85	0.11	--	--

FIGURES IN MILLION EUROS

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)

SPAIN INSURANCE

NAME	REGISTERED ADDRESS	EFFECTIVE TAX RATE	LINE OF BUSINESS	EQUITY INTEREST		
				HOLDER	PERCENTAGE 2012	PERCENTAGE 2011
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	30.00% (1)	Financial	• MAPFRE FAMILIAR • MAPFRE SA	99.9833 0.0167	99.9833 0.0167
CLUB MAPFRE, S.A.	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	30.00% (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 advisory services	• 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 (Navarra) Spain	30.00% (1)	Advisory and assistance services	• MAPFRE FAMILIAR	99.9900	99.9900
CATALUNYA CAIXA ASSEGURANCES GENERALS S.A D'ASSEGURANCES I REASSEGURANCES	C/ Roure nº6y8 Pol.Ind.Más Mateu El Prat de Llobregat (Barcelona) Spain	30.00% (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	50.0000
AUTOMOCIÓN PENINSULAR INMUEBLES, S.A.	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	30.00%	Real Estate	• MAPFRE FAMILIAR	50.0000	50.0000
VERTI ASEGURADORA, COMPAÑIA DE SEGUROS Y REASEGUROS, S.A	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	30.00% (1)(2)	Insurance and reinsurance	• MAPFRE FAMILIAR • CLUB MAPFRE	99.9991 0.0009	99.9991 0.0009
SERVICIOS AUXILIARES MVA	C/ del Gremis 8, Polig. Vara de Quart, (Valencia) Spain	30.00% (1)	Asset holding and marketing of fuels	• MAPFRE FAMILIAR	--	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
BUSINESS LAB VENTURES, S.A.	C/ Manuel Silvela, 15 (Madrid) Spain	30.00% (1)	Advisory 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
LAURIA 5, CORREDURIA DE SEGUROS, S.L.	C/ del Gremis 8, Polig. Vara de Quart, (Valencia) Spain	30.00% (1)	Insurance brokerage	• MAPFRE FAMILIAR	--	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	30.00%	Wind park development and operation	• MAPFRE FAMILIAR	50.0000	50.0000
RASTREATOR.COM LTD	C/ Juan Hurtado de Mendoza,17 28036 (Madrid) Spain	--	Online insurance policy price comparator	• 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)	25.00%	Car rental	• MAPFRE FAMILIAR	50.0000	51.0000
FUNESPAÑA, S.A.	C/ Sufli, 4 (Almeria) Spain	30.00%	Undertaker services	• MAPFRE FAMILIAR	63.7998	45.1200
EMPRESA MIXTA SERVICIOS FUNERARIOS MADRID, S.A.	C/ Salvador de Madariaga, 11 Edif. B - 3ª Plta Madrid	30.00%	Undertaker services	• FUNESPAÑA, S.A.	49.0000	--
POMPAS FUNEBRES DOMINGO, S.L.	C/ Mercaderes, 5 Bajo Tortosa (Tarragona)	30.00%	Undertaker services	• FUNESPAÑA, S.A.	75.0000	--
EUROPEA DE FINANZAS Y C.S.E., S.A.	C/ Castelló, 66 1º Plta Madrid	30.00%	Undertaker services	• FUNERARIA TERRASA, S.A.	100.0000	--
CEMENTERIO JARDÍN DE ALCALA DE HENARES, S.A.	Carretera de Pastrana,Km 3 Alcala de Henares (Madrid)	30.00%	Undertaker services	• EUROPEA DE FINANZAS Y C.S.E., S.A.	49.0000	--

YEAR END FIGURES (€000'S)										
ASSETS		EQUITY		REVENUES		EARNINGS AFTER TAX		METHOD OR PROCEDURE		
2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	
5,451,322	5,711,863	1,518,137	1,402,841	4,052,505	4,342,085	242,949	430,271	(A)	(A)	
9,362	35,254	3,682	4,528	13,352	13,465	(846)	269	(A)	(A)	
5,925	7,044	3,256	3,714	13,090	14,014	83	1,406	(A)	(A)	
18,274	18,061	16,994	16,214	14,433	13,614	2,096	1,033	(A)	(A)	
13,011	13,183	12,810	13,024	8,844	8,438	(201)	(689)	(A)	(A)	
49,751	50,256	21,943	18,875	43,295	36,936	5,996	3,652	(A)	(A)	
281,364	272,535	43,563	75,270	467,090	511,367	(29,558)	(13,493)	(C)	(C)	
12	14	12	14	--	--	--	--	(A)	(A)	
77,741	52,171	26,582	26,775	37,168	23,167	(47,339)	(33,829)	(A)	(A)	
--	914	--	914	--	--	--	(49)	(H)	(A)	
--	714	--	564	--	150	--	(105)	(H)	(A)	
780	1,032	102	337	14	31	(235)	(407)	(A)	(A)	
--	98	--	98	--	--	--	--	(H)	(A)	
--	24	--	23	--	15	--	9	(H)	(A)	
1,669	(247)	(228)	(247)	--	--	--	--	(C)	(C)	
2,742	2,893	720	854	39	150	(37)	67	(C)	(C)	
217	218	216	217	--	--	(1)	--	(C)	(C)	
3,537	2,179	3,537	2,179	--	1,088	--	228	(C)	(C)	
216	243	214	223	127	170	(9)	13	(A)	(A)	
8,031	7,565	7,085	6,407	35,153	37,059	1,728	1,261	(A)	(A)	
86,596	101,655	12,778	12,325	68,869	67,907	1,150	1,381	(C)	(A)	
144,686	110,833	79,221	50,942	10,347	8,104	(321)	(3,353)	(A)	(C)	
63,077	--	50,953	--	46,851	--	878	--	(F)(A)	--	
1,748	--	825	--	1,016	--	(33)	--	(F)(A)	--	
17,415	--	8,526	--	4,985	--	78	--	(F)(A)	--	
10,494	--	8,668	--	2,314	--	412	--	(F)(A)	--	

NAME	REGISTERED ADDRESS	EFFECTIVE TAX RATE	LINE OF BUSINESS	EQUITY INTEREST		
				HOLDER	PERCENTAGE 2012	2011
SERVICIOS FUNERARIOS ALCALA-TORREJON, S.A.	C/ Mayor 83 Alcala de Henares (Madrid)	30.00%	Undertaker services	• EUROPEA DE FINANZAS Y C.S.E., S.A.	65.0000	--
EMPRESA MIXTA SERVEIS MUNICIPALS DE TARRAGONA, S.L.	Carretera Villa de Valencia, 2 Tarragona	30.00%	Undertaker services	• FUNESPAÑA, S.A.	49.0000	--
GESTIÓN DE CEMENTERIS DE TARRAGONA, S.L.	Carretera del Cementerio, S/N Tarragona	30.00%	Undertaker services	• EMPRESA MIXTA SERVEIS MUNICIPALS DE TARRAGONA, S.L.	50.0000	--
FUNERARIA PEDROLA, S.L.	C/ Castelló, 66 1º Plta Madrid	30.00%	Undertaker services	• FUNESPAÑA, S.A.	100.0000	--
FUNEBALEAR, S.L.	C/ Castelló, 66 1º Plta Madrid	30.00%	Undertaker services	• FUNESPAÑA, S.A.	100.0000	--
FUNEMALAGA, S.L.	Alameda del Patrocinio, 12 Málaga	30.00%	Undertaker services	• FUNESPAÑA, S.A.	100.0000	--
CEMENTERIO PARQUE ANDUJAR, S.L.	Camino del Cementerio, 4 Andujar (Jaén)	30.00%	Undertaker services	• FUNESPAÑA, S.A.	60.0000	--
SERVICIOS EMPRESAS MORTUORIAS PONTEVEDRESAS, S.A.	C/ A Estrada, 11 Bajo Pontevedra	30.00%	Undertaker services	• FUNESPAÑA, S.A.	100.0000	--
FUNBIERZO, S.L.	Camino de Pedralba (P. Ind. Camponaraya) Camponaraya (León)	30.00%	Undertaker services	• FUNESPAÑA, S.A.	51.0100	--
FUNETXEA, S.L	Avda Cervantes, 51 Basauri (Vizcaya)	30.00%	Undertaker services	• FUNESPAÑA, S.A.	100.0000	--
FUNERARIA SARRIA, S.A.	Algortako Etorbidea, 69 Getxo (Vizcaya)	30.00%	Undertaker services	• FUNETXEA, S.L.	100.0000	--
SERVICIOS FUNERARIOS DE ZARAGOZA, S.L.	C/ Castelló, 66 1º Plta Madrid	30.00%	Undertaker services	• FUNESPAÑA, S.A.	70.0000	--
FUNERARIA ZETA ORBITAL, S.L.	C/ Bacones, S/N (Alagón) Zaragoza	30.00%	Undertaker services	• SERVICIOS FUNERARIOS DE ZARAGOZA, S.L.	100.0000	--
FUNERARIA VALLE DEL EBRO, S.L.	Avenida de Goya, 56 (Torres de Berellen) Zaragoza	30.00%	Undertaker services	• SERVICIOS FUNERARIOS DE ZARAGOZA, S.L.	100.0000	--
GAB MANAGEMENT & CONSULTING, S.R.L.	C/ Coso, 66 2ºC Zaragoza	30.00%	Sociedad de cartera	• FUNESPAÑA, S.A.	77.6000	--
KEGYELET TEMETKEZESI SZOLGALAT	Joseph Krt, 49 Budapest (Hungary)	30.00%	Undertaker services	• FUNESPAÑA, S.A.	100.0000	--
TANATORIUM ZRT	Joseph Krt, 49 Budapest (Hungary)	30.00%	Undertaker services	• FUNESPAÑA, S.A.	100.0000	--
SERVICIOS Y GESTIÓN FUNERARIA, S.A.	C/ Castelló, 66 1º Plta Madrid	30.00%	Undertaker services	• FUNESPAÑA, S.A.	100.0000	--
SERVICIOS FUNERARIOS EL CARMEN, S.A.	C/ Castelló, 66 1º Plta Madrid	30.00%	Undertaker services	• SERVICIOS Y GESTIÓN FUNERARIA, S.A.	100.0000	--
FUNERARIA GIMENO, S.A.	C/ Cadiz, 65 Valencia	30.00%	Undertaker services	• SERVICIOS Y GESTIÓN FUNERARIA, S.A.	100.0000	--
FUNERARIA SANTO ROSTRO, S.A.	C/ Castelló, 66 1º Plta Madrid	30.00%	Undertaker services	• SERVICIOS Y GESTIÓN FUNERARIA, S.A.	100.0000	--
TANATORI ALACANT, S.A.	C/ Castelló, 66 1º Plta Madrid	30.00%	Undertaker services	• SERVICIOS Y GESTIÓN FUNERARIA, S.A.	100.0000	--
TANATORI BENIDORM, S.L.	C/ Castelló, 66 1º Plta Madrid	30.00%	Undertaker services	• SERVICIOS Y GESTIÓN FUNERARIA, S.A.	100.0000	--
TANATORIO DE ARANJUEZ, S.L.	C/ Castelló, 66 1º Plta Madrid	30.00%	Undertaker services	• SERVICIOS Y GESTIÓN FUNERARIA, S.A.	100.0000	--
TANATORI LA DAMA D´ELX, S.L.	C/ Apareguda, 2 El Campello (Alicante)	30.00%	Undertaker services	• SERVICIOS Y GESTIÓN FUNERARIA, S.A.	97.1400	--
ZACARIAS NUÑO, S.L.	Avenida de los martires, 3 Sta. Cruz de Mudela (C.Real)	30.00%	Undertaker services	• SERVICIOS Y GESTIÓN FUNERARIA, S.A.	50.0000	--
INICIATIVAS ALCAESAR, S.L.	C / Viena, 2 1º A Cáceres	30.00%	Undertaker services	• FUNESPAÑA, S.A.	65.0000	--
ALCAESAR FUNERHERVAS, S.L.	C / Viena, 2 1º A Cáceres	30.00%	Undertaker services	• INICIATIVAS ALCAESAR, S.L.	100.0000	--
ALCAESAR FUNERCORIA, S.L.	C / Viena, 2 1º A Cáceres	30.00%	Undertaker services	• INICIATIVAS ALCAESAR, S.L.	100.0000	--
ALCAESAR FUNERPLASENCIA, S.L.	C/ Trujillo, S/N Nave 4 Plasencia (Cáceres)	30.00%	Undertaker services	• INICIATIVAS ALCAESAR, S.L.	50.0000	--
FUNERTRUJILLO, S.L.	C / Viena, 2 1º A Cáceres	30.00%	Undertaker services	• INICIATIVAS ALCAESAR, S.L.	100.0000	--
SERVICIOS FUNERARIOS NUESTRA SEÑORA DE LA LUZ, S.L.	Carretera de Alcantara, 12 Arroyo de la Luz (Cáceres)	30.00%	Undertaker services	• INICIATIVAS ALCAESAR, S.L.	30.0000	--
SALZILLO SERVICIOS FUNERARIOS, S.L.	C / Historiador Juan Torres Fontes, S/N Murcia	30.00%	Undertaker services	• FUNESPAÑA, S.A.	100.0000	--
FUNERARIA CRESPO, S.L.	C/ Bautista Riera, 19 Bajo Burjassot (Valencia)	30.00%	Undertaker services	• FUNESPAÑA, S.A.	100.0000	--

YEAR END FIGURES (€000'S)										
ASSETS		EQUITY		REVENUES		EARNINGS AFTER TAX		METHOD OR PROCEDURE	
2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
2,106	--	1,434	--	1,943	--	(21)	--	(F)(A)	--
3,305	--	2,438	--	3,225	--	892	--	(F)(A)	--
631	--	236	--	501	--	29	--	(F)(A)	--
497	--	250	--	509	--	75	--	(F)(A)	--
5,796	--	211	--	257	--	(489)	--	(F)(A)	--
408	--	211	--	977	--	(137)	--	(F)(A)	--
--	--	--	--	--	--	--	--	(F)(A)	--
741	--	(1,386)	--	133	--	(103)	--	(F)(A)	--
1,949	--	1,562	--	381	--	(41)	--	(F)(A)	--
7,108	--	245	--	166	--	(455)	--	(F)(A)	--
2,703	--	1,476	--	1,924	--	423	--	(F)(A)	--
4,026	--	1,773	--	1,511	--	242	--	(F)(A)	--
248	--	(7)	--	--	--	(35)	--	(F)(A)	--
628	--	523	--	30	--	(88)	--	(F)(A)	--
2,760	--	2,723	--	--	--	924	--	(F)(A)	--
159	--	(419)	--	630	--	(79)	--	(F)(A)	--
1,986	--	959	--	--	--	(144)	--	(F)(A)	--
9,901	--	22	--	3,021	--	8	--	(F)(A)	--
5,022	--	2,326	--	1,700	--	212	--	(F)(A)	--
610	--	123	--	47	--	(277)	--	(F)(A)	--
425	--	174	--	95	--	(62)	--	(F)(A)	--
1	--	(3,094)	--	60	--	30	--	(F)(A)	--
4	--	--	--	--	--	--	--	(F)(A)	--
--	--	(10)	--	--	--	(1)	--	(F)(A)	--
195	--	(3)	--	--	--	--	--	(F)(A)	--
196	--	166	--	15	--	1	--	(F)(C)	--
3,644	--	1,692	--	3,218	--	784	--	(F)(A)	--
492	--	32	--	230	--	28	--	(F)(A)	--
586	--	143	--	485	--	74	--	(F)(A)	--
261	--	180	--	529	--	54	--	(F)(C)	--
728	--	340	--	362	--	47	--	(F)(A)	--
640	--	232	--	221	--	43	--	(F)(C)	--
732	--	451	--	774	--	23	--	(F)(A)	--
350	--	275	--	611	--	85	--	(F)(A)	--

NAME	REGISTERED ADDRESS	EFFECTIVE TAX RATE	LINE OF BUSINESS	EQUITY INTEREST		
				HOLDER	PERCENTAGE 2012	PERCENTAGE 2011
DE MENA SERVICIOS FUNERARIOS, S.L.	Carretera de Pozuelo , 50 Majadahonda (Madrid)	30.00%	Undertaker services	• FUNESPAÑA, S.A.	70.0000	--
TANATORIO SAN ALBERTO, S.A.	C/ Ermitagaña 2 Pamplona (Navarra)	30.00%	Undertaker services	• FUNESPAÑA, S.A.	100.0000	--
FUNEGRUP, S.L.	C/ Amparo Iturbi, 32 Valencia	30.00%	Undertaker services	• FUNESPAÑA, S.A.	100.0000	--
FUNERARIA HISPALENSE, S.L.	Avenida de Ramon y Cajal, S/N Dos Hermanas (Sevilla)	30.00%	Undertaker services	• FUNESPAÑA, S.A.	50.0000	--
ISABELO ALVAREZ MAYORGA, S.A.	Carretera Avila - Valladolid Km 08 Ávila	30.00%	Undertaker services	• FUNESPAÑA, S.A.	50.0000	--
SERVICIOS FUNERARIOS DEL NERVIÓN, S.L.	Alameda de Recalde 10 Bilbao	30.00%	Undertaker services	• FUNESPAÑA, S.A.	50.0000	--
NUEVO TANATORIO, S.L.	Avenida Hermanos Bou, 251 Castellón	30.00%	Undertaker services	• FUNESPAÑA, S.A.	50.0000	--
SERVICIOS FUNERARIOS LA CARIDAD, S.L.	Carretera Sanlucar - Trebujena Km 1,5 Sanlucar de Barrameda (Cádiz)	30.00%	Undertaker services	• FUNESPAÑA, S.A.	50.0000	--
TANATORIO DE ECIJA, S.L.	C / Camino del Valle Écija (Sevilla)	30.00%	Undertaker services	• FUNESPAÑA, S.A.	25.0000	--
TANATORIO Y CEMENTERIO DE SANLUCAR, S.L.	Carretera Sanlucar - Trebujena Km 1,5 Sanlucar de Barrameda (Cádiz)	30.00%	Undertaker services	• SERVICIOS FUNERARIOS LA CARIDAD, S.L.	75.0000	--
TANATORIO SE-30 SEVILLA, S.L.	C/ San Juan Bosco, 58 Zaragoza	30.00%	Undertaker services	• FUNESPAÑA, S.A.	10.0000	--
NUEVOS SERVICIOS FUNERARIOS, S.L.	Avenida Hermanos Bou, 251 Castellón	30.00%	Undertaker services	• NUEVO TANATORIO, S.L.	50.0000	--
ALL FUNERAL SERVICES, S.L.	C/ Castelló, 66 1º Plta Madrid	30.00%	Undertaker services	• FUNESPAÑA, S.A.	100.0000	--
FUNERARIA TERRASA, S.A.	C/ Cervantes, 45 Terrasa (Barcelona)	30.00%	Holding	• FUNESPAÑA, S.A.	100.0000	--
FUNESPAÑA CHILE, S.A.	Santiago de Chile (Chile)	30.00%	Undertaker services	• FUNESPAÑA, S.A.	50.0000	--
FUNEUROPEA CHILE, S.A.	Santiago de Chile (Chile)	30.00%	Family Assistance	• FUNESPAÑA, S.A.	50.0000	--
MULTISERVICAR	Subida de Mayorazgo (Santa Cruz de Tenerife) Spain	30.00% (1)	Car 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	33.3334 33.3333 33.3333	33.3334 33.3333 33.3333
POLICLINICO SALUD 4, S.A.	C/ Castello 56 (Madrid) Spain	30.00% (1)	Medical services	• MAPFRE FAMILIAR	100.0000	100.0000
MAPFRE VIDEO Y COMUNICACIÓN S.A.	Ctra. Pozuelo, 50. Majadahonda (Madrid) Spain	30.00% (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	30.00%	Insurance and reinsurance	• MAPFRE FAMILIAR • MAPFRE SEGUROS DE EMPRESAS	25.1000 25.0000	10.0000
AUDATEX ESPAÑA, S.A.	Av de Barajas, 34 Parque Empresarial Omega 28108 Alcobendas (Madrid)	30.00%	Vehicle loss assessment	• MAPFRE FAMILIAR	12.5000	--
ONLINE SHOPPING CLUB EUROPE, S.L.	Adolfo Pérez Esquivel, 3 28232 Parque empresarial Las Rozas	30.00%	Internet and telephone sales and marketing	• MAPFRE FAMILIAR	49.9000	--
LIFE						
MAPFRE VIDA SOCIEDAD ANÓNIMA DE SEGUROS Y REASEGUROS SOBRE LA VIDA HUMANA	Avda.General Perón,40 (Madrid) Spain	30.00% (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	30.00% (1)	Consultancy	• MAPFRE VIDA • MAPFRE SA	99.9339 0.0661	99.9339 0.0661

YEAR END FIGURES (€000'S)										
ASSETS		EQUITY		REVENUES		EARNINGS AFTER TAX		METHOD OR PROCEDURE	
2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
617	--	481	--	645	--	93	--	(F)(A)	--
4,489	--	3,812	--	3,155	--	767	--	(F)(A)	--
235	--	193	--	275	--	55	--	(F)(A)	--
95	--	84	--	177	--	(6)	--	(F)(C)	--
2,651	--	1,338	--	1,000	--	(161)	--	(F)(C)	--
286	--	228	--	407	--	103	--	(F)(C)	--
2,075	--	1,435	--	2,077	--	342	--	(F)(C)	--
1,325	--	1,240	--	507	--	99	--	(F)(C)	--
3,364	--	1,537	--	483	--	57	--	(F)(C)	--
6,771	--	743	--	715	--	61	--	(F)(B)	--
13,936	--	5,336	--	1,256	--	532	--	(F)(C)	--
117	--	36	--	30	--	11	--	(F)(C)	--
8,845	--	675	--	21,832	--	615	--	(F)(A)	--
8,304	--	4,315	--	--	--	(1)	--	(F)(A)	--
--	--	--	--	--	--	--	--	(F)(B)	--
--	--	--	--	--	--	--	--	(F)(B)	--
6,001	5,607	5,195	4,563	7,299	7,547	633	163	(A)	(A)
616	678	202	113	3,341	3,177	89	205	(B)	(B)
29,289	29,383	13,019	14,721	13,246	11,856	(1,701)	(1,414)	(A)	(A)
77,967	66,047	66,378	65,165	3,300	3,408	1,320	1,396	(A)	(A)
10,528	539	10,530	521	6	--	2	--	(A)	(G)C
4,736	--	4,736	--	20,386	--	5,579	--	(F)(C)	--
576	--	333	--	338	--	(100)	--	(F)(C)	--
12,040,034	11,029,916	894,587	786,898	2,561,279	2,169,422	117,340	111,979	(A)	(A)
634	1,973	598	1,932	226	270	66	101	(A)	(A)

NAME	REGISTERED ADDRESS	EFFECTIVE TAX RATE	LINE OF BUSINESS	EQUITY INTEREST		
				HOLDER	PERCENTAGE 2012	PERCENTAGE 2011
GESTION MODA SHOPPING S.A.	Avda.General Perón,40 (Madrid) Spain	30.00% (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	30.00% (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	30.00% (1)	UCITS management firm	• MAPFRE INVERSIÓN • MAPFRE SA	99.9853 0.0147	99.9853 0.0147
MAPFRE VIDA PENSIONES, ENTIDAD GESTORA DE FONDOS DE PENSIONES S.A.	Avda.General Perón,40 (Madrid) Spain	30.00% (1)	Pension fund administration	• MAPFRE INVERSION • MAPFRE SA	99.9971 0.0029	99.9971 0.0029
UNIÓN DEL DUERO COMPAÑÍA DE SEGUROS DE VIDA, S.A.	Pº de la Castellana, 167 (Madrid) Spain	30.00% (2)	Insurance	• MAPFRE VIDA	50.0000	50.0000
DUERO PENSIONES ENTIDAD GESTORA DE FONDOS DE PENSIONES, S.A.	Pº de la Castellana, 167 (Madrid) Spain	30.00% (2)	Pension fund administration	• MAPFRE VIDA	50.0000	50.0000
MAPFRE CAJA MADRID VIDA, S.A.	Ctra. Pozuelo, 50 28222 (Majadahonda) Madrid	30.00% (2)	Insurance	• MAPFRE VIDA	51.0000	51.0000
CATALUNYACAIXA VIDA S.A. D' ASSEGURANCES I	Calle Roure, 6 - 8; Polígono Mas Mateu Prat del Llobregat (Barcelona) Spain	30.00% (2)	Insurance	• MAPFRE VIDA	50.0000	50.0000
MIRACETI S.A.	Avda.General Perón,40 (Madrid) Spain	30.00% (1)	Real Estate	• MAPFRE VIDA • MAPFRE SA	99.9991 0.0009	99.9991 0.0009
BANKINTER SEGUROS DE VIDA, S.A.	Avda. Bruselas, 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	30.00% (2)	Insurance	• MAPFRE VIDA	50.0000	50.0000
BUSINESSES						
MAPFRE SEGUROS DE EMPRESA	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	30.00% (1)(2)	Insurance and reinsurance	• MAPFRE GLOBAL RISKS • MAPFRE SA	99.9970 0.0030	99.9970 0.0030
SERVICIOS DE PERITACIÓN MAPFRE S.A.	C/ Manuel Silvela, 15 (Madrid) Spain	30.00% (1)	Research, training and advisory services	• MAPFRE SEGUROS DE EMPRESAS • MAPFRE CAUCIÓN Y CRÉDITO • MAPFRE GLOBAL RISKS	96.0000 -- 4.0000	96.0000 4.0000
MAPFRE SERVICIOS MARÍTIMOS, COMISARIADO Y LIQUIDACIÓN DE AVERÍAS S.A.	Avda.Sabino Arana,4 (Bilbao) Spain	30.00%	Marine services	• MAPFRE SEGUROS DE EMPRESAS • MAPFRE SA	99.9600 0.0400	99.9600 0.0400
INSURANCE INTERNATIONAL						
MAPFRE AMERICA						
MAPFRE AMÉRICA S.A.	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	30.00% (1)(2)	Holding	• MAPFRE SA • MAPFRE FAMILIAR	99.2170 0.0001	88.8621 0.0001
ARGENTINA						
MAPFRE ARGENTINA HOLDING S.A.	Avda. Juana Manso, 205 C 1107CBE Puerto Madero Buenos Aires (Argentina)	32.15%	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 • MAPFRE ARGENTINA SEGUROS	23.5688 76.4312	23.5688 76.4312
SURASSUR S.A.	Lavalle, 348 Buenos Aires (Argentina)	--	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)	21.86%	Workmen's compensation insurance	• MAPFRE ARGENTINA HOLDING • MAPFRE ARGENTINA SEGUROS	59.0279 40.9721	59.0279 40.9721
MAPFRE SALUD S.A.	Avda. Juana Manso, 205 C 1107CBE Puerto Madero Buenos Aires (Argentina)	21.86%	Insurance	• MAPFRE ARGENTINA HOLDING • MAPFRE ARGENTINA ART • MAPFRE ARGENTINA VIDA	98.6280 0.6860 0.6860	98.6280 0.6860 0.6860

YEAR END FIGURES (€000'S)										
ASSETS		EQUITY		REVENUES		EARNINGS AFTER TAX		METHOD OR PROCEDURE	
2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
1,275	1,221	787	783	1,345	1,381	4	27	(A)	(A)
215,077	201,130	152,270	142,417	75,810	73,510	24,105	23,537	(A)	(A)
44,255	43,336	38,451	36,930	25,681	29,197	1,418	1,576	(A)	(A)
72,715	70,417	69,781	67,601	28,246	27,590	3,519	2,883	(A)	(A)
650,961	616,645	41,257	46,440	141,594	154,028	11,802	13,539	(A)	(A)
8,282	8,805	7,492	7,919	7,286	7,528	900	727	(A)	(A)
5,173,632	5,150,648	275,728	270,777	771,897	918,012	41,751	39,903	(A)	(A)
2,139,544	2,394,279	236,313	238,470	536,011	967,086	42,043	46,228	(A)	(A)
37,692	39,979	36,980	38,928	3,850	--	2,129	928	(A)	(A)
409,576	461,408	45,034	46,780	220,267	236,547	35,635	29,625	(A)	(A)
946,542	890,098	49,593	55,563	324,454	212,678	18,057	14,919	(A)	(A)
1,884,029	1,841,997	352,368	305,404	808,015	753,308	60,813	93,091	(A)	(A)
2,805	2,671	2,023	1,914	4,118	4,121	108	119	(A)	(A)
1,780	1,750	1,778	1,750	41	61	29	39	(A)	(A)
1,661,528	1,583,068	1,507,406	1,436,934	112,941	66,186	95,646	40,988	(A)	(A)
91,989	83,088	67,967	71,829	6,062	5,202	3,591	(371)	(A)	(A)
286,332	306,040	56,476	60,091	301,485	247,444	3,468	7,201	(A)	(A)
--	--	--	--	--	--	--	--	(A)	(A)
1,502	1,449	181	428	932	664	(206)	(42)	(A)	(A)
240,364	213,140	25,496	40,260	--	213,713	(9,961)	4,956	(A)	(A)
4,750	4,441	306	(761)	--	6,106	(2,777)	(1,446)	(A)	(A)

NAME	REGISTERED ADDRESS	EFFECTIVE TAX RATE	LINE OF BUSINESS	EQUITY INTEREST		
				HOLDER	PERCENTAGE 2012	PERCENTAGE 2011
CLUB MAPFRE ARGENTINA	Avda. Juana Manso, 205 C 1107CBE Puerto Madero Buenos Aires (Argentina)	--	Service provider	• 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	64.0000
				• MAPFRE ARGENTINA HOLDING	36.0000	36.0000
CESVI ARGENTINA, S.A.	Calle 9 y 17. Parque Ind.Pilar Buenos Aires (Argentina)	35.00%	Research, training and advisory services	• MAPFRE ARGENTINA SEGUROS	65.0167	65.0167
BRAZIL						
MAPFRE VERA CRUZ SEGURADORA S.A.	Avd.Naçoes Unidas, 11711 16. Andar Brooklin Sao Paolo. (Brazil)	30.85%	Insurance	• MAPFRE BB SH2 PARTICIPAÇOES, S.A.	100.0000	100.0000
MAPFRE VERA CRUZ CONSULTORIA TECNICA E ADMINISTRAÇAO DE FUNDOS LTDA.	Avd.Naçoes Unidas, 11711 16. Andar Brooklin Sao Paulo (Brazil)	7.42%	Fund administration	• MAPFRE HOLDING DO Brazil LTDA	100.0000	--
				• MAPFRE Brazil PARTICIPAÇOES, S.A.	--	100.0000
BB MAPFRE SH1 PARTICIPAÇOES, S.A.	Avd.Naçoes Unidas, 11711 16. Andar Brooklin Sao Paulo (Brazil)	4.23%	Holding	• MAPFRE Brazil PARTICIPAÇOES, S.A.	25.0100	25.0100
MAPFRE CAPITALIZAÇAO	Avd.Naçoes Unidas, 11711 16. Andar Brooklin Sao Paulo (Brazil)	40.22%	Savings products	• MAPFRE Brazil PARTICIPAÇOES, S.A.	100.0000	100.0000
VIDA SEGURADORA	Rua Araujo Porto Alegre, 36 3 Andar, Rio de Janeiro (Brazil)	40.00%	Life Assurance	• BB MAPFRE SH1 PARTICIPAÇOES	100.0000	40.8763
				• MAPFRE PARTICIPAÇOES LTDA	--	30.1524
				• BB ALIANÇA PARTICIPAÇOES, S.A.	--	28.9713
MAPFRE ASSISTENCIA, S.A.	Avd.Naçoes Unidas, 11711 16. Andar Brooklin Sao Paulo (Brazil)	32.90%	Insurance	• MAPFRE VERA CRUZ SEGURADORA	100.0000	100.0000
MAPFRE BB SH2 PARTICIPAÇOES, S.A.	Avd.Naçoes Unidas, 11711 16. Andar Brooklin Sao Paulo (Brazil)	4.70%	Holding	• MAPFRE Brazil PARTICIPAÇOES, S.A.	50.0000	50.0000
MAPFRE Brazil PARTICIPAÇOES, S.A.	Avd.Naçoes Unidas, 11711 16. Andar Brooklin Sao Paulo (Brazil)	1.12%	Holding	• MAPFRE HOLDING DO Brazil LTDA	7.2653	7.2707
				• MAPFRE AMERICA	91.6570	91.6517
				• FANCY INVESTIMENT, S.A.	1.0777	1.0776
MAPFRE AFFINITY SEGURADORA (In 2011 MAPFRE RISCOS ESPECIAIS SEGURADORA S.A.)	Avd.Naçoes Unidas, 11711 16. Andar Brooklin Sao Paulo (Brazil)	39.43%	Insurance	• MAPFRE VERA CRUZ SEGURADORA	100.0000	100.0000
CESVI Brazil S.A. CENTRO DE EXPERIMENTAÇAO E SEGURANÇA VIARIA	Rua Amador Aguiar, 700-City Empresarial – Sao Paulo (Brazil)	25.78%	Research, training and advisory services	• MAPFRE HOLDING DO Brazil LTDA	100.0000	--
				• MAPFRE Brazil PARTICIPAÇOES, S.A.	--	100.0000
MAPFRE HOLDING DO Brazil LTDA (In 2011 CLUBE MAPFRE DO Brazil LTDA)	Avda. dos Autonomistas, 701 Vila- Yara – Osasco SP CEP 06020-000(Brazil)	--	Consultancy	• MAPFRE AMÉRICA	99.3301	99.4857
				• MAPFRE SA	0.3908	0.5143
				• FANCY INVESTIMENT, S.A.	0.2791	--
DETECTAR DESENVOLVIMIENTO DE TECNICAS PARA TRANSFÈRENCIAS ES ADMINISTRAÇAO DE RISCOS LTDA.	Avd.Naçoes Unidas, 11711 16. Andar Brooklin Sao Paulo (Brazil)	28.80%	Risk administration	• MAPFRE HOLDING DO Brazil LTDA	100.0000	--
				• MAPFRE Brazil PARTICIPAÇOES, S.A.	--	100.0000
MAPFRE PARTICIPAÇOES LTDA (merged in 2011 with BB MAPFRE SH1 PARTICIPAÇOES, S.A.)	Avd.Naçoes Unidas, 11711 16. Andar Brooklin Sao Paulo (Brazil)	--	Holding	• BB MAPFRE SH1 PARTICIPAÇOES S.A.	--	100.0000
MAPFRE VIDA S.A. (In 2011 MAPFRE VERA CRUZ VIDA E PREVIDENCIA)	Avd.Naçoes Unidas, 11711 16. Andar Brooklin Sao Paulo (Brazil)	31.18%	Insurance	• BB MAPFRE SH1 PARTICIPAÇOES S.A.	100.0000	100.0000
MAPFRE DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIARIOS, S.A.	Avd.Naçoes Unidas, 11711 16. Andar Brooklin Sao Paulo (Brazil)	43.29%	Distributor of negotiable securities	• MAPFRE INVESTIMENTOS E PARTICIPAÇOES, S.A.	100.0000	100.0000

YEAR END FIGURES (€000'S)										
ASSETS		EQUITY		REVENUES		EARNINGS AFTER TAX		METHOD OR PROCEDURE		
2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	
2,938	2,621	142	174	7,183	5,303	(8)	(36)	(A)	(A)	
42,935	38,036	9,331	7,746	53,051	39,157	2,952	925	(A)	(A)	
6,002	4,319	2,951	3,161	11,333	339	712	339	(A)	(A)	
2,781,946	2,150,631	572,120	436,783	2,299,771	1,657,733	76,153	26,739	(A)	(A)	
16,188	22,242	15,205	20,897	4,648	3,594	132	(93)	(A)	(A)	
906,070	1,165,561	842,248	1,124,164	121,764	248,060	115,960	247,470	(A)	(A)	
14,759	17,292	6,655	9,915	4,699	16,050	809	1,839	(A)	(A)	
259,251	305,337	135,995	177,294	122,407	93,145	37,434	38,494	(A)	(A)	
1,210	379	657	72	23,053	--	635	(9)	(A)	(A)	
718,437	863,654	717,598	861,675	19,255	6,317	17,528	3,998	(A)	(A)	
1,342,737	2,500,623	1,245,648	1,770,832	43,825	243,357	39,775	95,297	(A)	(A)	
418,679	419,130	160,500	177,411	313,757	312,849	20,599	22,383	(A)	(A)	
7,862	5,255	4,773	4,211	9,327	39	909	89	(A)	(A)	
111,853	60,493	108,830	54,359	6,136	22,657	6,151	773	(A)	(A)	
1,707	1,703	1,609	1,654	400	291	139	(392)	(A)	(A)	
--	58,258	--	45,778	--	18	--	(4)	(H)	(A)	
296,690	1,001,343	79,988	95,228	291,112	458,163	(4,559)	(847)	(A)	(A)	
20,538	23,787	14,170	17,540	22,934	18,643	6,316	6,191	(A)	(A)	

NAME	REGISTERED ADDRESS	EFFECTIVE TAX RATE	LINE OF BUSINESS	EQUITY INTEREST		
				HOLDER	PERCENTAGE 2012	PERCENTAGE 2011
MAPFRE PREVIDENCIA S.A. (In 2011 MAPFRE SEGURADORA DE GARANTÍA E CREDITO S.A.)	Avda.Mª Coelho Aguiar 215 Sao Paulo (Brazil)	50.40%	Insurance	• MAPFRE Brazil PARTICIPAÇOES, S.A.	100.0000	100.0000
MAPFRE SEGURADORA DE CRÉDITO A LA EXPORTACIÓN S.A.	Avda.Mª Coelho Aguiar 215 Sao Paulo (Brazil)	38.03%	Insurance	• MAPFRE Brazil PARTICIPAÇOES, S.A.	100.0000	100.0000
MAPFRE INVESTIMENTOS E PARTICIPAÇOES, S.A.	Avd.Naçoes Unidas, 11711 17. Andar Brooklin Sao Paulo (Brazil)	0.17%	Holding Insurance	• MAPFRE Brazil PARTICIPAÇOES, S.A.	--	9.9017
				• MAPFRE AMERICA	86.3484	86.3484
				• FANCY INVESTIMENT, S.A.	3.7499	3.7499
				• MAPFRE HOLDING DO Brazil LTDA	9.9017	--
BB ALIANÇA REV PARTICIPAÇOES, S.A (merged in 2012 with MAPFRE BB SH2 PARTICIPAÇOES, S.A.)	Avd.Naçoes Unidas, 11711 16. Andar Brooklin Sao Paulo (Brazil)	--	Holding Insurance	• MAPFRE BB SH2 PARTICIPAÇOES, S.A.	--	100.0000
ALIANÇA DO Brazil SEGUROS, S.A.	R.Manuel da Nobrega, 1280 9. Andar, Sao Paulo (Brazil)	39.78%	Insurance	• MAPFRE BB SH2 PARTICIPAÇOES, S.A.	100.0000	--
				• BB ALIANÇA REV PARTICIPAÇOES, S.A.	--	100.0000
Brazil VEICULOS COMPANHIA DE SEGUROS, S.A.	R.Senador Dantas, 105 29 parte, 30 e 31 Andares	40.11%	Insurance	• MAPFRE BB SH2 PARTICIPAÇOES, S.A.	100.0000	--
				• BB ALIANÇA REV PARTICIPAÇOES, S.A.	--	100.0000
BB ALIANÇA PARTICIPAÇOES, S.A. (merged in 2012 with BB MAPFRE SH1 PARTICIPAÇOES, S.A.)	Avd.Naçoes Unidas, 11711 16. Andar Brooklin Sao Paulo (Brazil)	--	Holding Insurance	• BB MAPFRE SH1 PATICIPAÇOES, S.A.	--	100.0000
COMPANHIA DE SEGUROS ALIANÇA DO Brazil, S.A.	R.Senador Dantas, 105 29 parte, 30 e 31 Andares	33.88%	Insurance	• BB MAPFRE SH1 PARTICIPAÇOES S.A.	100.0000	--
				• BB ALIANÇA REV PARTICIPAÇOES, S.A.	--	100.0000
MAPFRE ADMINISTRAÇOES DE CONSORCIO S.A.	Avenida das Nações Unidas, 12.495 11º andar - São Paulo-SP	--	Investment management	• MAPFRE INVESTIMENTOS E PARTICIPAÇOES, S.A.	100.0000	--
CENTRAL AMERICA						
MAPFRE AMÉRICA CENTRAL	Costa del Este, diagonal al Business Park Panama (Panama)	--	Insurance	• MAPFRE MUNDIAL HOLDING	100.0000	100.0000
MAPFRE MUNDIAL HOLDING S.A.	Costa del Este, diagonal al Business Park Panama (Panama)	--	Holding	• MAPFRE AMÉRICA	100.0000	65.0000
MAPFRE HONDURAS	Avenida Berlín y Calle Viena, piso 7 Lomas del Guijarro Sur Edificio Plaza Azul Tegucigalpa, M.D.C. (Honduras)	13.66%	Insurance	• MAPFRE AMÉRICA CENTRAL	73.0000	73.0000
				• MAPFRE MUNDIAL HOLDING	25.0780	25.0780
MAPFRE Panama	Costa del Este, diagonal al Business Park Panama (Panama)	4.67%	Insurance	• MAPFRE MUNDIAL HOLDING	99.2800	99.2800
MAPFRE LA CENTRO AMERICANA S.A.	Alameda Roosevelt, 31-07 San Salvador (El Salvador)	23.21%	Insurance	• MAPFRE MUNDIAL HOLDING	72.9201	72.9201
INMOBILIARIA AMERICANA S.A.	Alameda Roosevelt, 31-07 San Salvador (El Salvador)	40.23%	Real Estate	• MAPFRE MUNDIAL HOLDING	78.8960	78.8960
MAPFRE COSTA RICA	Barrio Tournón, Edificio Alvasa, 2do. Piso Diagonal al Periodico La República en interseción con Ctra de Guapiles (Ruta 32) San José (Costa Rica)	--	Insurance	• 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)	36.86%	Insurance	• MAPFRE AMÉRICA CENTRAL	100.0000	99.9000
MAPFRE NICARAGUA	Edificio Invercasa, 1er. Piso Managua (Nicaragua)	19.95%	Insurance	• MAPFRE AMÉRICA CENTRAL	100.0000	100.0000

YEAR END FIGURES (€000'S)										
ASSETS		EQUITY		REVENUES		EARNINGS AFTER TAX		METHOD OR PROCEDURE	
2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
797,526	27,032	17,987	17,882	168,992	13,521	1,634	537	(A)	(A)
7,959	8,860	7,614	8,209	827	967	314	493	(A)	(A)
23,144	11,947	23,103	11,936	8,176	--	8,149	(9)	(A)	(G)(A)
--	224,767	--	224,765	--	80	--	3,361	(H)	(G)(A)
303,866	264,754	44,777	55,668	249,157	223,418	16,358	12,675	(A)	(G)(A)
355,242	741,567	139,744	188,266	34,755	649,790	(13,354)	10,413	(A)	(G)(A)
--	508,140	--	496,155	--	235,489	--	261,845	(H)	(G)(A)
2,034,680	1,491,828	314,406	307,371	1,655,994	1,375,583	219,342	222,353	(A)	(G)(A)
2,589	--	2,589	--	--	--	--	--	(F)(A)	--
40,065	41,493	27,982	29,597	1,646	984	(1,065)	(4,190)	(A)	(A)
171,520	171,628	171,470	171,628	3,226	2,787	3,226	2,787	(A)	(A)
42,502	30,090	8,426	6,840	38,583	28,280	1,753	(55)	(A)	(A)
229,245	209,740	58,372	50,681	122,101	98,947	9,237	6,262	(A)	(A)
58,372	53,421	14,704	14,196	49,310	41,049	2,025	1,872	(A)	(A)
5,841	5,883	5,750	5,725	541	506	122	112	(A)	(A)
18,989	10,227	6,600	7,171	15,146	6,613	(1,760)	(1,716)	(A)	(A)
37,704	32,621	11,458	10,944	33,257	29,535	1,278	572	(A)	(A)
12,024	11,081	6,220	5,931	9,972	8,599	923	710	(A)	(A)

NAME	REGISTERED ADDRESS	EFFECTIVE TAX RATE	LINE OF BUSINESS	EQUITY INTEREST		
				HOLDER	PERCENTAGE 2012	PERCENTAGE 2011
CHILE						
MAPFRE CHILE SEGUROS S.A.	Isidoro Goyenechea 3520 p 16 Las Condes Santiago de Chile (Chile)	--	Holding	• MAPFRE AMÉRICA • INVERSIONES MAPFRE CHILE	99.9937 0.0042	99.9937 0.0042
EUROAMÉRICA ASESORÍAS GENERALES S.A.	Isidoro Goyenechea 3520 p 16 Las Condes Santiago de Chile (Chile)	--	Investment company	• 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)	15.42%	Insurance	• MAPFRE CHILE SEGUROS • EUROAMÉRICA ASESORÍAS	81.4200 18.5800	81.4200 18.5800
MAPFRE CHILE VIDA, S.A.	Isidoro Goyenechea 3520 p 16 Las Condes Santiago de Chile (Chile)	--	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)	--	Insurance	• MAPFRE CHILE VIDA	100.0000	100.0000
INVERSIONES MAPFRE CHILE LIMITADA	C/ Teatinos 280 Santiago de Chile (Chile)	43.75%	Real Estate	• MAPFRE AMERICA	100.0000	100.0000
COLOMBIA						
MAPFRE SEGUROS GENERALES DE COLOMBIA S.A.	Carrera, 14, nº 96-34 Santa Fé de Bogotá (Colombia)	66.66%	Insurance	• MAPFRE AMÉRICA • APOINT • COMPAÑÍA SEGUROS CREDITOS COMERCIALES	94.2731 5.7207 0.0003	94.2294 5.7623 --
CREDIMAPFRE	Carrera, 14, nº 96-34 Santa Fé de Bogotá (Colombia)	--	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)	--	Vehicle spare parts information	• MAPFRE SEGUROS GENERALES DE COLOMBIA • CREDIMAPFRE • COMPAÑÍA SEGUROS CREDITOS COMERCIALES • MAPFRE COLOMBIA VIDA S.A. • CESVI COLOMBIA, S.A.	3.6976 3.9854 0.0001 92.3168 0.0001	49.7942 3.9855 0.0001 46.2199 --
AUTOMOTORES CAPITAL LTDA	Carrera, 14, nº 96-34 Santa Fé de Bogotá (Colombia)	--	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)	11.98%	Insurance	• MAPFRE AMÉRICA • APOINT • MAPFRE SEGUROS GENERALES DE COLOMBIA • COMPAÑÍA SEGUROS CREDITOS COMERCIALES	94.3541 5.6459 -- --	94.2853 5.7146 0.0001 --
CESVI COLOMBIA, S.A.	Carrera 87, Num.15-87 Santa Fé de Bogotá(Colombia)	28.75%	Research, training and advisory services	• MAPFRE SEGUROS GENERALES DE COLOMBIA • 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)	17.60%	Insurance	• MAPFRE AMÉRICA	60.0000	60.0000
MEXICO						
MAPFRE TEPEYAC S.A.	Av.Magnocentro 5 Col.C.Urbano Intelomas San Fernando Huixquilucan (Mexico)	29.00%	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 Fernando Huixquilucan (Mexico)	29.00%	Holding	• MAPFRE AMÉRICA	100.0000	100.0000
UNIDAD MÓVIL DE DIAGNÓSTICO S.A.	Av.Magnocentro 5 Col.C.Urbano Intelomas San Fernando Huixquilucan (Mexico)	29.00%	Medical services	• MAPFRE TEPEYAC	99.9982	99.9982

YEAR END FIGURES (€000'S)										
ASSETS		EQUITY		REVENUES		EARNINGS AFTER TAX		METHOD OR PROCEDURE	
2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
40,577	32,173	40,569	32,173	94	38	81	(17)	(A)	(A)
7,220	5,680	7,220	5,680	--	--	--	--	(A)	(A)
642,927	534,632	46,991	36,488	328,792	272,173	8,252	5,939	(A)	(A)
4,171	4,210	3,035	3,183	--	8	(189)	(20)	(A)	(A)
57,735	53,576	5,706	5,299	6,972	6,315	249	114	(A)	(A)
30,174	29,170	29,562	28,064	2,747	2,522	1,007	1,676	(A)	(A)
348,267	318,516	60,814	48,589	261,096	215,359	2,471	3,927	(A)	(A)
10,246	9,512	5,052	4,783	1,225	819	(11)	125	(A)	(A)
--	--	--	--	--	--	--	--	(B)	(B)
--	--	--	--	--	--	--	--	(B)	(B)
743,230	523,816	57,613	35,235	377,370	273,527	14,907	7,687	(A)	(A)
5,537	4,570	4,676	4,194	4,185	3,473	326	309	(A)	(A)
31,643	23,340	9,949	8,018	41,033	32,892	1,127	797	(A)	(A)
898,040	850,665	197,573	163,305	731,203	378,409	24,531	18,724	(A)	(A)
30,308	28,851	30,308	28,851	7	981	--	974	(A)	(A)
2,614	2,187	1,102	865	7,624	6,110	194	138	(A)	(A)

NAME	REGISTERED ADDRESS	EFFECTIVE TAX RATE	LINE OF BUSINESS	EQUITY INTEREST		
				HOLDER	PERCENTAGE 2012	PERCENTAGE 2011
ASSET DEFENSA LEGAL MEXICANA S.A. DE C.V.	Prado Sur, 230 Col. Lomas Chapultepec Mexico DF(Mexico)	29.00%	Legal Consultancy	• MAPFRE TEPEYAC	78.8145	78.8145
TEPEYAC INC.	109 Este San Ysidro Blud #65 San Isidro-California (USA)	29.00%	Tourist vehicle insurance	• MAPFRE TEPEYAC	100.0000	100.0000
TEPEYAC ASESORES	Av.Magnocentro 5 Col.C.Urbano Intelomas San Fernando Huixquilucan (Mexico)	29.00%	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 Huixquilucan (Mexico)	29.00%	Services by agents with provisional certificate	• MAPFRE TEPEYAC	99.9900	99.9900
CESVI Mexico, S.A.	Calle 1 Sur nº 101 Parque Ind. Toluca 2000 Toluca (Mexico)	29.00%	Research Institute	• MAPFRE TEPEYAC	13.9500	13.9500
MAPFRE FIANZAS S.A.	Avda. Magnocentro, 5 Col. Centro Urbano Interlomas San Fernando Huixquilucan (Mexico)	29.00%	Insurance	• MAPFRE TEPEYAC • MAPFRE AMÉRICA CAUCIÓN Y CRÉDITO	100.0000 --	0.0200 99.9800
PARAGUAY						
MAPFRE PARAGUAY COMPAÑÍA DE SEGUROS S.A.	Av.Mariscal López, 910 Asunción (Paraguay)	13.78%	Insurance	• MAPFRE AMÉRICA	89.5400	89.5400
PERU						
MAPFRE Peru COMPAÑÍA DE SEGUROS Y REASEGUROS	Av.Veintiocho de Julio, 873 Miraflores- Lima 18 (Peru)	36.13%	Insurance and reinsurance	• MAPFRE AMÉRICA	99.2376	99.2376
MAPFRE Peru ENTIDAD PRESTADORA DE SALUD	Av.Veintiocho de Julio, 873 Miraflores- Lima 18 (Peru)	31.70%	Medical care	• MAPFRE AMÉRICA • MAPFRE PERU CIA. SEGUROS Y REASEGUROS	98.5900 1.4100	98.5900 --
MAPFRE Peru VIDA, COMPAÑÍA DE SEGUROS, S.A.	Av.Veintiocho de Julio, 873 Miraflores- Lima 18 (Peru)	12.91%	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 Peru 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)	--	Insurance	• MAPFRE AMÉRICA	100.0000	100.0000
MAPFRE PRAICO INSURANCE COMPANY	Urb. Tres Monjitas Industrial 297 Avda.Carlos Chardón Hato RE.Y. San Juan (Puerto Rico)	10.43%	Insurance	• MAPFRE PRAICO CORPORATION	100.0000	100.0000
MAPFRE PREFERRED RISK INSURANCE COMPANY	Urb. Tres Monjitas Industrial 297 Avda.Carlos Chardón Hato RE.Y. San Juan (Puerto Rico)	--	Insurance	• MAPFRE PRAICO CORPORATION	100.0000	100.0000
MAPFRE PAN AMERICAN INSURANCE COMPANY	Urb. Tres Monjitas Industrial 297 Avda.Carlos Chardón Hato RE.Y. San Juan (Puerto Rico)	--	Insurance	• MAPFRE PRAICO CORPORATION	100.0000	100.0000
MAPFRE INSURANCE AGENCY OF PUERTO RICO, INC.	Urb. Tres Monjitas Industrial 297 Avda.Carlos Chardón Hato RE.Y. San Juan (Puerto Rico)	27.99%	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)	27.16%	Financial	• MAPFRE PRAICO CORPORATION	100.0000	100.0000
MAPFRE LIFE INSURANCE COMPANY	Urb. Tres Monjitas Industrial 297 Avda.Carlos Chardón Hato RE.Y. San Juan (Puerto Rico)	--	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)	--	Extended Warranty Contracts and Theft protection	• MAPFRE PRAICO CORPORATION	100.0000	100.0000
MULTISERVICAR INC (In 2011 CLUB MAPFRE DEL AUTOMOVIL, INC.)	Calle Celestial Esq. Joaquina Bo. Cangrejo Arriba Carolina (Puerto Rico)	--	Vehicle Repair Workshop	• MAPFRE PRAICO CORPORATION	100.0000	100.0000

YEAR END FIGURES (€000'S)										
ASSETS		EQUITY		REVENUES		EARNINGS AFTER TAX		METHOD OR PROCEDURE	
2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
938	688	560	498	2,642	2,351	37	60	(A)	(A)
43	19	43	16	215	195	28	136	(A)	(A)
435	404	435	404	50	127	47	123	(A)	(A)
21	19	17	15	86	65	1	1	(A)	(G)(A)
7,228	7,256	6,424	7,026	5,213	4,477	1,682	(152)	(D)	(D)
10,229	8,775	4,289	3,503	6,263	5,326	713	231	(A)	(A)
70,409	71,075	30,530	23,130	55,832	50,310	6,399	5,642	(A)	(A)
300,771	249,830	61,791	49,900	216,508	165,873	6,825	6,000	(A)	(A)
6,688	5,744	3,064	2,393	18,083	12,568	1,551	1,048	(A)	(A)
240,441	207,889	54,268	38,444	108,190	80,443	7,254	2,606	(A)	(A)
4,560	3,811	4,279	3,637	7,211	5,296	(49)	13	(A)	(A)
236,089	244,613	232,401	243,976	9,950	17,741	4,026	13,974	(A)	(A)
404,185	416,141	187,254	188,650	216,041	189,230	16,775	17,818	(A)	(A)
74,945	76,970	23,595	22,240	25,766	24,389	1,537	2,071	(A)	(A)
15,445	16,462	8,603	8,419	3,490	3,780	248	344	(A)	(A)
2,183	2,410	507	302	--	--	216	159	(A)	(A)
3,421	3,199	2,652	2,542	461	474	162	159	(A)	(A)
60,318	71,001	13,360	20,970	129,459	124,996	(6,630)	(345)	(A)	(A)
15,709	14,635	(147)	(257)	3,467	2,972	143	269	(A)	(A)
8,909	9,573	1,155	1,459	544	31	(1,253)	(939)	(A)	(A)

NAME	REGISTERED ADDRESS	EFFECTIVE TAX RATE	LINE OF BUSINESS	EQUITY INTEREST		
				HOLDER	PERCENTAGE 2012	PERCENTAGE 2011
DOMINICAN REPUBLIC						
MAPFRE DOMINICANA S.A.	Avd. Pedro H. Ureña, 150 esq. A. Lincoln. La Esperilla Santo Domingo (Dominican Republic)	--	Holding	• MAPFRE AMÉRICA	99.9991	99.9991
MAPFRE BHD COMPAÑÍA DE SEGUROS, S.A.	Avda. Abraham Lincoln, 952 (Dominican Republic)	8.89%	Insurance	• MAPFRE DOMINICANA	51.0000	51.0000
CREDI PRIMAS, S.A.	(Dominican Republic)	--	Policy financing	• MAPFRE BHD COMPAÑÍA DE SEGUROS S.A.	100.0000	100.0000
URUGUAY						
MAPFRE URUGUAY S.A.	Bulevar Artigas, 459 Montevideo (Uruguay)	29.12%	Insurance	• MAPFRE AMÉRICA	100.0000	100.0000
APOINT S.A.	Col. 993 Piso 3 Montevideo (Uruguay)	--	Holding	• MAPFRE AMÉRICA	100.0000	100.0000
REAL URUGUAYA DE SEGUROS	Avda. 18 de Julio, 988 Montevideo (Uruguay)	25.95%	Insurance	• MAPFRE AMÉRICA	100.0000	100.0000
VENEZUELA						
MAPFRE LA SEGURIDAD S.A.	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas(Venezuela)	--	Insurance and reinsurance	• MAPFRE AMÉRICA	99.5159	99.5159
CEFOPROSEG C.A.	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas(Venezuela)	--	Education	• MAPFRE LA SEGURIDAD	100.0000	100.0000
INVERSORA SEGURIDAD C.A.	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas(Venezuela)	--	Policy financing	• MAPFRE LA SEGURIDAD	100.0000	100.0000
CLUB MAPFRE S.A.	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas(Venezuela)	--	Service provider	• MAPFRE LA SEGURIDAD	100.0000	100.0000
AUTOMOTRIZ MULTISERVICAR, C.A.	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas(Venezuela)	--	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	100.0000
TÜRKIYE GENEL SIGORTA, A.S.	Yeniş ehir Mah. Irmak Cad. No:11 34435 Salipazari Istanbul (Tuquía)	20.00%	Insurance	• MAPFRE INTERNACIONAL	99.7450	99.7450
GENEL YASAM SIGORTA, A.S.	Yeniş ehir Mah. Irmak Cad. No:11 K.3 34435 Salipazari Istanbul (Tuquía)	20.00%	Insurance	• GENEL SIGORTA	100.0000	100.0000
GENEL SERVIS YEDEK PARÇA DAGITIM TICARET ANONIM SIRKET	Çevreyolu Caddesi No.2 34020 Bayrampasa – Istanbul (Turkey)	20.00%	Vehicle Repair Workshop	• GENEL SIGORTA	51.0000	--
MAPFRE SEGUROS GERAIS S.A.	Rua Castillo, 52 Lisboa (Portugal)	25.00%	Insurance and reinsurance	• MAPFRE INTERNACIONAL • MAPFRE CAUCIÓN Y CRÉDITO • MAPFRE GLOBAL RISKS • MAPFRE FAMILIAR	99.9991 -- 0.0006 0.0003	99.9991 0.0003 0.0003 0.0003
MAPFRE SEGUROS DE VIDA S.A.	Rua Castillo, 52 Lisboa (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
MIDDLESEA INSURANCE P.L.C.	Middle Sea House Floriana JTL, 16 (Malta)	35.00%	Insurance	• MAPFRE INTERNACIONAL	54.5627	54.5627
MAPFRE INSULAR INSURANCE CORPORATION	Acacia Ave Mandrigal Business Park Ayala Alabarg, MuntinlupaCity (Philippines)	30.00%	Insurance	• MAPFRE INTERNACIONAL	74.9384	74.9384
MAPFRE INSURANCE COMPANY OF FLORIDA	5959 Blue Lagoon Drive, Suite 400, Miami (USA)	40.00%	Insurance	• COMMERCE INSURANCE	100.0000	100.0000
MAPFRE INSURANCE 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%	Holding	• MAPFRE INTERNACIONAL	100.0000	100.0000
THE COMMERCE INSURANCE COMPANY	211 Main Street, Webster, MA 01570 (USA)	40.00%	Insurance	• MAPFRE USA CORPORATION	100.0000	100.0000

YEAR END FIGURES (€000'S)										
ASSETS		EQUITY		REVENUES		EARNINGS AFTER TAX		METHOD OR PROCEDURE	
2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
18,138	17,387	18,123	17,384	10	8	--	2	(A)	(A)
96,719	95,139	30,040	25,845	94,949	85,676	8,826	6,231	(A)	(A)
1,499	1,261	240	235	149	139	31	62	(A)	(A)
34,754	27,290	7,362	6,334	41,725	31,646	545	126	(A)	(A)
5,413	4,784	5,289	4,080	--	1	(23)	(20)	(A)	(A)
46,394	36,405	7,003	3,406	33,278	23,029	477	559	(A)	(A)
909,378	683,215	393,250	281,540	867,425	685,200	55,435	24,586	(A)	(A)
122	47	24	11	274	316	11	254	(A)	(A)
148,442	128,999	145,466	120,297	54,468	44,045	(5,361)	(3,738)	(A)	(A)
--	219	208	207	12	18	(32)	(37)	(A)	(A)
1,477	1,576	1,322	1,450	2,262	1,625	(226)	(254)	(A)	(A)
2,152,427	2,153,257	2,105,842	2,106,446	135,505	80,313	98,912	(19,831)	(A)	(A)
563,180	453,368	213,678	197,077	406,266	262,625	18,059	12,922	(A)	(A)
33,202	49,960	21,173	18,350	7,386	61,408	2,031	2,839	(A)	(A)
1,334	--	272	--	1,531	--	(89)	--	(F)(A)	--
203,280	216,331	62,994	57,993	101,945	113,523	(592)	6,495	(A)	(A)
211,182	177,664	12,724	(5,817)	40,780	46,095	1,412	1,192	(A)	(A)
--	83,805	--	1,446	--	13,240	--	1,258	(H)	(A)
88,287	85,755	18,910	17,462	38,056	32,711	2,170	345	(A)	(A)
79,083	68,873	30,709	28,829	38,833	33,340	3,021	3,857	(A)	(A)
57,644	56,667	28,680	28,138	30,787	28,416	936	39	(A)	(A)
43,579	27,740	18,862	20,145	34,462	5,625	651	(829)	(A)	(A)
227	192	227	175	--	--	56	30	(A)	(A)
1,298,398	1,333,338	1,083,724	1,151,474	86,872	92,386	79,789	84,690	(A)	(A)
2,133,156	2,109,780	897,963	899,903	1,212,298	1,191,393	64,070	42,256	(A)	(A)

NAME	REGISTERED ADDRESS	EFFECTIVE TAX RATE	LINE OF BUSINESS	EQUITY INTEREST		
				HOLDER	PERCENTAGE 2012	PERCENTAGE 2011
THE CITATION INSURANCE 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 INSURANCE 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 INSURANCE COMPANY	4301 Hacienda Drive, Suite 200, Pleasanton, CA 94588 (USA)	40.00%	Insurance	• ACIC HOLDINGS	100.0000	100.0000
MAPFRE INSURANCE COMPANY OF NEW YORK (En 2011 STATE-WIDE INSURANCE COMPANY)	20 Main Street Hempstead, NY 11550 (USA)	40.00%	Insurance	• ACIC HOLDINGS	100.0000	100.0000
BIGELOW & OLD WORCESTER, LLC	211 Main Street, Webster, MA 01570 (USA)	40.00%	Real Estate	• COMMERCE INSURANCE	100.0000	--
BAY FINANCE HOLDING COMPANY	211 Main Street, Webster, MA 01570 (USA)	40.00%	Financial Services	• MAPFRE USA CORPORATION	100.0000	--
INSPOP USA, LLC	201 Conocourse Boulevard Suite 200 Glen Allen, Virginia 23059	40.00%	Informatics	• MAPFRE USA CORPORATION	10.0000	--
M.S.V. LIFE P.L.C.	Middle Sea House Floriana FRN 9010 (Malta)	35.00%	Insurance	• MIDDLESEA INSURANCE P.L.C.	50.0000	50.0000
BEE INSURANCE MANAGEMENT LTD	4th Floor Development House st. Anne Street Floriana FRN 9010 (Malta)	35.00%	Advisory and management services	• MIDDLESEA INSURANCE P.L.C.	100.0000	100.0000
GLOBAL BUSINESS						
GLOBAL RISKS						
MAPFRE GLOBAL RISKS	Ctra. Pozuelo, 52. Majadahonda (Madrid) Spain	30.00% (1)(2)	Insurance and reinsurance	• MAPFRE SA • MAPFRE FAMILIAR	99.9976 0.0006	99.9976 0.0006
ITSEMAP SERVICIOS TECNOLÓGICOS MAPFRE, S.A.	Paseo de Recoletos, 25 (Madrid) Spain	30.00% (1)	Technology services	• MAPFRE GLOBAL RISKS • MAPFRE RE • MAPFRE SA	60.0000 39.9752 0.0248	60.0000 39.9752 0.0248
ITSEMAP Mexico, S.A.	Porfirio Diaz, 102 Col. Nochebuena Mexico D.F. (Mexico)	28.00%	Technology services	• ITSEMAP SERVICIOS TECNOLÓGICOS	99.9998	99.9998
ITSEMAP PORTUGAL, LTDA	Rua Castillo, 52 Lisboa (Portugal)	10.00%	Technology services	• ITSEMAP SERVICIOS TECNOLÓGICOS	99.9857	99.9857
ITSEMAP CHILE, S.A.	Apoquindo, 4499 Santigo (Chile)	--	Technology services	• ITSEMAP SERVICIOS TECNOLÓGICOS • INVERSIONES IBÉRICAS	75.0000 25.0000	75.0000 25.0000
ITSEMAP Brazil, LTDA	Rua Sao Carlos do Pinhal, 696 Sao Paulo (Brazil)	31.00%	Technology services	• ITSEMAP SERVICIOS TECNOLÓGICOS • MAPFRE RE DO Brazil	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	30.00% (1) (2)	Insurance and reinsurance	• MAPFRE GLOBAL RISKS • MAPFRE SERVICIOS MARÍTIMOS	99.9960 0.0040	99.9960 0.0040
MAPFRE AMÉRICA CAUCIÓN S.A.	Avda.General Perón, 40 (Madrid) Spain	30.00% (1)	Holding	• MAPFRE CAUCIÓN Y CRÉDITO • MAPFRE GLOBAL RISKS	99.9947 0.0053	99.9947 0.0053
MAPFRE SERVICIOS DE CAUCIÓN S.A.	Avda.General Perón, 40 (Madrid) Spain	30.00% (1)	Services	• MAPFRE GLOBAL RISKS • MAPFRE SA	99.6800 0.3200	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 • MAPFRE CHILE REASEGUROS	99.9923 0.0077	99.9923 0.0077

YEAR END FIGURES (€000'S)										
ASSETS		EQUITY		REVENUES		EARNINGS AFTER TAX		METHOD OR PROCEDURE	
2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
194,844	210,505	92,451	93,234	100,082	124,053	5,535	1,436	(A)	(A)
279,360	281,152	279,238	281,151	17,785	16,949	17,770	16,947	(A)	(A)
234,805	238,784	106,878	112,270	140,439	119,228	5,884	3,765	(A)	(A)
8,658	8,396	8,599	8,178	814	671	590	(89)	(A)	(A)
120,731	113,000	54,216	56,630	75,732	54,331	3,339	2,820	(A)	(A)
104,260	86,720	48,389	49,057	65,239	40,453	1,634	1,573	(A)	(A)
1,482	--	1,471	--	--	--	(40)	--	(F)(A)	--
25	--	25	--	36	--	22	--	(F)(A)	--
18,948	--	18,948	--	--	--	--	--	(F)(C)	--
1,264,945	1,169,054	124,737	111,607	185,590	161,780	10,865	2,131	(A)	(G)(A)
2,544	2,558	2,514	2,475	621	649	94	(199)	(A)	(G)(A)
2,581,064	2,628,292	456,980	418,740	1,122,525	1,009,827	69,270	73,554	(A)	(A)
3,611	3,647	2,914	3,063	2,367	2,698	(149)	5	(A)	(A)
814	667	600	538	1,030	826	41	32	(A)	(A)
739	943	285	388	716	749	(103)	--	(A)	(A)
43	39	43	41	2	2	--	--	(A)	(A)
1,461	1,547	1,251	1,291	2,373	2,729	105	95	(A)	(A)
587	482	486	482	9	5	4	3	(A)	(A)
38,318	37,611	24,340	20,215	3,895	2,228	2,002	(1,913)	(A)	(A)
142,376	167,332	27,523	29,036	83,467	88,622	(2,617)	1,939	(A)	(A)
13,369	16,005	13,313	15,969	6,567	3,015	4,054	(256)	(A)	(A)
135	137	135	133	2	9	1	(37)	(A)	(A)
17,382	23,271	5,201	5,801	7,563	8,455	1,214	(288)	(A)	(A)

NAME	REGISTERED ADDRESS	EFFECTIVE TAX RATE	LINE OF BUSINESS	EQUITY INTEREST		
				HOLDER	PERCENTAGE 2012	PERCENTAGE 2011
COMPAÑÍA DE SEGUROS DE CRÉDITOS COMERCIALES S.A.	Carrera 64 nº149 A-30 Medellín (Colombia)	44.20%	Insurance	• MAPFRE AMÉRICA CAUCIÓN Y CRÉDITO	94.8937	94.8937
				• MAPFRE SA	--	4.7872
				• MAPFRE COLOMBIA	0.1064	0.1064
				• MAPFRE COLOMBIA VIDA	0.1064	0.1064
				• GESTIMAP	0.1063	--
				• MAPFRE CAUCIÓN Y CRÉDITO	4.7872	--
MAPFRE SEGUROS DE CRÉDITO S.A.	Avda. Magnocentro, 5 Col. Centro Urbano Interlomas	10.85%	Insurance	• MAPFRE AMÉRICA CAUCIÓN Y CRÉDITO	99.9800	99.9800
	San Fernando Huixquilucan (Mexico)			• MAPFRE TEPEYAC	0.0200	0.0200
REINSURANCE						
MAPFRE RE COMPAÑÍA DE	Paseo de Recoletos, 25	30.00%	Reinsurance	• MAPFRE SA	91.5288	91.5288
REASEGUROS, S.A.	(Madrid) Spain	(1)(2)		• MAPFRE FAMILIAR	0.0003	0.0003
CIAR INVESTMENT	45, Rue de Treves	34.00%	Insurance and reinsurance	• MAPFRE RE	99.9900	99.9900
	Bruselas (Belgium)			• MAPLUX REINSURANCE	--	0.0100
				• MAPFRE INTERNACIONAL	0.0100	--
MAPFRE CHILE REASEGUROS, S.A.	Avda.Apoquindo, 4499	20.00%	Reinsurance	• MAPFRE RE	99.9932	99.9932
	Santiago de Chile (Chile)			• INVERSIONES IBÉRICAS	0.0068	0.0068
INVERSIONES IBÉRICAS, L.T.D.A.	Avda.Apoquindo, 4499	20.00%	Financial and Real Estate	• MAPFRE RE	99.9899	99.9899
	Santiago de Chile (Chile)			• MAPFRE CHILE REASEGUROS	0.0101	0.0101
CAJA REASEGURADORA DE CHILE S.A.	Avda.Apoquindo, 4499	20.00%	Reinsurance	• MAPFRE CHILE REASEGUROS	99.8467	99.8467
	Santiago de Chile (Chile)					
INMOBILIARIA COSTA DE MONTEMAR, S.A.	Avda.Apoquindo, 4499	20.00%	Real Estate	• MAPFRE CHILE REASEGUROS	31.4400	31.4400
	Santiago de Chile (Chile)					
C R ARGENTINA, S.A.	Bouchard 547 piso 14	35.00%	Services de Consultancy	• MAPFRE CHILE REASEGUROS	99.9960	99.9960
	Buenos Aires (Argentina)					
MAPFRE RE DO Brazil COMPAÑÍA	Rua Olimpiadas ,242,5º andar,conjunto	15.00%	Insurance and reinsurance	• MAPFRE RE	99.9999	99.9999
DE REASEGUROS	52 Vila Olimpia; Sao Paulo (Brazil)			• Brazil ASSISTENCIA	0.0001	0.0001
MAPFRE RE ESCRITORIO DE REPRESENTACION	Rua Olimpiadas ,242,5º andar,conjunto	15.00%	Reinsurance	• MAPFRE RE	99.9999	99.9999
COMPAÑÍA DE REASEGUROS	52 Vila Olimpia; Sao Paulo (Brazil)			• MAPFRE RE DO Brazil	0.0001	0.0001
ADMINISTRADORA DE PROPIEDADES S.A.	Napoleón 3096 Santiago (Chile)	20.00%	Real Estate	• MAPFRE CHILE REASEGUROS	31.2900	31.2900
COMERCIAL Y TURISMO S.A.	Napoleón 3096 Santiago (Chile)	20.00%	Real Estate	• MAPFRE CHILE REASEGUROS	31.2000	31.2000
INMOBILIARIA PRESIDENTE FIGUEROA	Bouchard 547 piso 14	35.00%	Real Estate	• MAPFRE RE	99.9985	99.9985
ALCORTA, S.A.	B. Aires (Argentina)					
INMOBILIARIA TIRILLUCA S.A.	Avda. Apoquindo, 4499	20.00%	Real Estate	• MAPFRE CHILE REASEGUROS	43.7500	43.7500
	Santiago de Chile (Chile)					
MAPFRE MANDATOS Y SERVICIOS, S.A.	Bouchard 547 piso 14	35.00%	Services	• MAPFRE RE	95.0000	95.0000
	B. Aires (Argentina)			• MAPFRE ARGENTINA HOLDING	5.0000	5.0000
REINSURANCE MANAGEMENT INC.	100 Campus Drive New Jersey	35.00%	Services	• MAPFRE RE	100.0000	100.0000
	07932-2007 (USA)					
MAPLUX REINSURANCE COMPANY LTD	E Building Immeuble C6,Parc	--	Reinsurance	• MAPFRE SA	--	100.0000
	d´Activile Syrdall					
	Munsbanch (Luxembourg)					
ASSISTANCE						
MAPFRE ASISTENCIA COMPAÑÍA	Sor Ángela de la Cruz, 6	30.00%	Insurance and reinsurance	• MAPFRE SA	99.9970	99.9970
INTERNACIONAL DE SEGUROS	(Madrid) Spain	(1)(2)		• MAPFRE FAMILIAR	0.0030	0.0030
Y REASEGUROS, S.A.						
IBERO ASISTENCIA, S.A.	Avda. Liberdade, 40 Lisboa (Portugal)	27.50%	Travel Assistance	• MAPFRE ASISTENCIA	100.0000	100.0000
Brazil ASSISTENCIA S/A	Ed.Crystal Tower,	34.00%	Travel Assistance	• MAPFRE ASISTENCIA	99.9990	99.9990
	Alameda Mamore 989. Alphaville					
	Sao Paulo (Brazil)					
MAPFRE WARRANTY Brazil LTDA	Ed.Crystal Tower,	34.00%	Travel Assistance	• Brazil ASSISTENCIA	99.9900	99.9900
	Alameda Mamore 989. Alphaville					
	Sao Paulo (Brazil)					

YEAR END FIGURES (€000'S)										
ASSETS		EQUITY		REVENUES		EARNINGS AFTER TAX		METHOD OR PROCEDURE	
2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
24,996	21,235	10,358	9,863	11,438	8,712	1,429	1,191	(A)	(A)
4,510	3,942	2,607	2,485	1,013	737	(7)	(83)	(A)	(A)
4,228,362	4,063,638	922,099	792,575	3,131,074	2,946,114	96,015	71,362	(A)	(A)
10,105	11,051	8,865	9,635	857	1,150	398	1,088	(A)	(A)
138,211	137,230	45,619	54,614	7,198	8,800	604	2,615	(A)	(A)
16,661	15,291	16,661	15,210	56	624	56	(31)	(A)	(A)
87,373	76,518	15,818	15,171	4,179	3,568	475	86	(A)	(A)
23,603	25,064	23,565	25,061	273	372	969	2,123	(C)	(C)
143	132	108	100	--	11	--	6	(A)	(A)
285,550	202,186	42,121	42,333	125,786	38,422	6,852	5,757	(A)	(A)
53	47	53	47	--	--	--	--	(B)	(A)
395	344	(183)	138	1,794	1,539	(89)	(18)	(C)	(C)
666	529	372	327	1,179	1,088	34	182	(C)	(C)
--	7	--	7	--	--	--	--	(B)	(B)
1,909	2,733	1,527	1,600	37	12,767	(65)	3,048	(C)	(C)
101	144	92	8	885	1,180	85	(67)	(B)	(B)
790	807	16	16	--	--	--	--	(A)	(A)
--	3,530	--	3,515	--	2,522	--	--	(H)	(A)
616,328	500,013	198,426	161,468	577,602	424,648	24,279	18,565	(A)	(A)
969	682	293	345	1,390	1,030	(22)	51	(A)	(A)
16,686	18,212	8,880	9,136	46,342	58,358	4,118	3,884	(A)	(A)
1,838	1,181	219	(822)	593	214	(951)	(595)	(B)	(B)

NAME	REGISTERED ADDRESS	EFFECTIVE TAX RATE	LINE OF BUSINESS	EQUITY INTEREST		
				HOLDER	PERCENTAGE 2012	PERCENTAGE 2011
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 COMPAÑÍA 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
IBEROASISTENCIA, ARGENTINA S.A.	Tucuman, 744 B. Aires (Argentina)	35.00%	Travel Assistance	• 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	• MAPFRE ASISTENCIA • IBEROASISTENCIA	99.0000 1.0000	99.0000 1.0000
IBEROASISTENCIA, S.A.	Sor Ángela de la Cruz, 6 (Madrid) Spain	30.00% (1)	Travel Assistance	• MAPFRE ASISTENCIA • MAPFRE FAMILIAR	99.9300 0.0700	99.9300 0.0700
IRELAND ASSIST, LTD	22-26 Prospect Hill Galway (Ireland)	12.50%	Travel Assistance	• MAPFRE ASISTENCIA	100.0000	100.0000
GULF ASSIST, B.S.C.	Manama Centre Building Manama (Bahrain)	--	Travel Assistance	• MAPFRE ASISTENCIA	74.6250	74.6250
INSURE AND GO	Maitland House, Warrior Square, Southend-on-Sea, Essex SS1 2JY, (United Kingdom)	28.00%	Travel Assistance	• 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	• MAPFRE ASISTENCIA	100.0000	100.0000
TRAVEL CLAIMS SERVICES LIMITED	Maitland House, Warrior Square, Southend-on-Sea, Essex SS1 2JY, (United Kingdom)	28.00%	Travel Assistance	• INSURE AND GO	100.0000	100.0000
INSURE AND GO AUSTRALASIA	Maitland House, Warrior Square, Southend-on-Sea, Essex SS1 2JY, (United Kingdom)	28.00%	Travel Assistance	• INSURE AND GO	100.0000	100.0000
CIG SERVICES LIMITES	Maitland House, Warrior Square, Southend-on-Sea, Essex SS1 2JY, (United Kingdom)	28.00%	Travel Assistance	• INSURE AND GO	100.0000	100.0000
FRANCE ASSIST	55, Rue Raspail Levallois Perret (France)	34.33%	Travel Assistance	• MAPFRE WARRANTY	100.0000	100.0000
EUROSOS ASSISTANCE, S.A.	282 Messogion Avenue 155,62 Neo Psichico. Atenas (Greece)	35.00%	Travel Assistance	• 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	• MAPFRE ASISTENCIA	73.6813	72.7130
ECUASISTENCIA, S.A.	Avda.Doce de Octubre, 1942 Quito (Ecuador)	25.00%	Travel Assistance	• 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	• MAPFRE ASISTENCIA • IBEROASISTENCIA	99.9259 0.0741	99.9259 0.0741
Peru ASISTENCIA, S.A.	Tarata 160-9ª -Miraflores Lima (Peru)	30.00%	Travel Assistance	• 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	• 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	• MAPFRE ASISTENCIA	100.0000	100.0000
Mexico ASISTENCIA, S.A.	Porfidio Díaz, 100 Col.Nochebuena Mexico D.F. (Mexico)	30.00%	Travel Assistance	• MAPFRE ASISTENCIA	99.9998	99.9998
ALLMAP ASSIST GESELLSCHAFT FUR BEISTANDSLEISTUNGEN MBH	Im Rosengarten, 256 61118 Bal Vilbel (Germany)	30.00%	Travel Assistance	• MAPFRE ASISTENCIA • IBEROASISTENCIA	99.9500 0.0500	99.9500 0.0500
Panama ASISTENCIA, S.A.	Calle 50 local 9 D, piso 9 Panama, Bella Vista (Panama)	30.00%	Travel Assistance	• MAPFRE ASISTENCIA	58.0000	58.0000

YEAR END FIGURES (€000'S)										
ASSETS		EQUITY		REVENUES		EARNINGS AFTER TAX		METHOD OR PROCEDURE	
2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
3,779	3,268	2,104	2,017	2,644	2,171	691	603	(A)	(A)
5,466	3,873	3,487	2,571	5,131	3,036	471	(407)	(A)	(A)
8,020	4,604	2,021	1,527	18,705	10,651	492	155	(A)	(A)
11,812	5,398	2,676	1,171	17,494	14,237	1,564	(270)	(A)	(A)
8,384	8,437	2,316	4,679	23,298	20,967	(1,794)	384	(A)	(A)
7,755	9,842	3,086	3,259	11,440	22,047	568	877	(A)	(A)
13,146	10,457	1,918	2,088	5,346	5,525	(57)	295	(A)	(A)
2,702	2,545	1,724	1,500	2,469	2,644	369	145	(A)	(A)
7,284	5,927	2,489	2,991	4,200	3,952	275	756	(A)	(A)
9,046	7,164	4,784	3,644	29,937	28,543	2,275	1,924	(A)	(A)
2,743	1,199	(903)	192	898	987	(1,505)	339	(A)	(A)
(83)	1,116	620	226	2,564	1,848	372	50	(A)	(A)
--	860	--	(675)	--	518	--	(421)	(A)	(A)
--	--	--	--	--	--	--	--	(A)	(A)
238	538	132	261	209	301	110	99	(A)	(A)
2,584	1,597	(275)	(348)	1,196	1,237	115	160	(A)	(A)
2,005	1,901	1,330	1,203	2,300	1,690	378	255	(A)	(A)
4,172	2,241	413	560	7,742	5,719	77	(26)	(A)	(A)
6,444	6,374	6,444	6,374	--	--	70	112	(B)	(B)
1,658	1,295	700	750	1,221	1,336	100	157	(A)	(A)
4,662	4,624	4,654	4,607	--	--	47	83	(B)	(A)
16	17	(226)	(225)	--	--	(1)	(3)	(B)	(A)
16,196	13,314	5,798	4,728	31,552	28,266	2,357	1,464	(A)	(A)
44	44	44	44	--	--	--	(1)	(B)	(B)
1,868	1,390	540	466	5,122	2,893	82	(25)	(A)	(A)

NAME	REGISTERED ADDRESS	EFFECTIVE TAX RATE	LINE OF BUSINESS	EQUITY INTEREST		
				HOLDER	PERCENTAGE 2012	PERCENTAGE 2011
TUR ASSIST, LTD.	Hakki Yeten Caddesi Dogu is Merkezi 17/2 (Turkey)	30.00%	Travel Assistance	• 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	• MAPFRE ASISTENCIA • IBEROASISTENCIA	94.8165 5.1835	94.8165 5.1835
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 Roosvelt 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 (Russia)	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, (Belgium)	34.00%	Travel Assistance	• MAPFRE ASISTENCIA	70.0000	70.0000
MAPFRE WARRANTY S.P.A.	Strada Trossi 10/A 13030 Verone (Italy)	37.25%	Warranty 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 (Canada)	30.00%	Travel Assistance	• MAPFRE ASISTENCIA	100.0000	100.0000
BRICKELL FINANCIAL SERVICES 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 (United Kingdom)	28.00%	Pecuniary losses	• MAPFRE ASISTENCIA	100.0000	100.0000
ABRAXAS INSURANCE	9, Blenheim Court Beaufort Park Almondsbury, Bristol BS32 4NE (United Kingdom)	28.00%	Pecuniary losses	• MAPFRE ABRAXAS	100.0000	100.0000
MAPFRE WARRANTY UK LIMITED	9, Blenheim Court Beaufort Park Almondsbury, Bristol BS32 4NE (United Kingdom)	28.00%	Pecuniary losses	• MAPFRE ABRAXAS	100.0000	100.0000
HOME 3	(United Kingdom)	--	Home Care	• 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 Dinasty Business Park Building Andheri Kurla Road Munbai Maharashtra (India)	34.00%	Travel Assistance	• MAPFRE ASISTENCIA • IBEROASISTENCIA	99.6300 0.3700	99.6300 0.3700
ARABA ASSIST FOR LOGISTIC SERVICES	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
NILE ASSIT	19713 26 July St. Mohandseen 2º Floor Giza (Egypt)	20.00%	Travel Assistance	• MAPFRE ASISTENCIA • IBEROASISTENCIA • IBEROCONSULTING	98.0000 1.0000 1.0000	98.0000 1.0000 1.0000

YEAR END FIGURES (€000'S)										
ASSETS		EQUITY		REVENUES		EARNINGS AFTER TAX		METHOD OR PROCEDURE	
2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
5,577	4,677	1,030	1,017	23,484	41,381	594	326	(A)	(A)
3,540	2,636	1,109	1,206	9,237	6,406	365	622	(A)	(A)
(135)	(140)	(135)	(140)	--	--	--	--	(B)	(B)
--	--	--	--	--	--	--	--	(B)	(B)
757	525	359	217	2,080	1,650	184	49	(A)	(A)
389	557	(344)	67	429	321	(280)	(47)	(A)	(A)
1,323	1,135	20	424	275	343	(224)	74	(A)	(A)
151	293	17	(63)	345	264	(66)	(61)	(A)	(A)
4,529	3,947	3,113	3,069	8,955	9,230	269	409	(A)	(A)
20,807	22,987	4,661	6,197	16,069	19,930	1,743	2,735	(A)	(A)
899	619	76	136	893	710	191	98	(A)	(A)
12	13	(25)	(17)	5	5	8	(8)	(A)	(A)
1,313	1,106	501	504	3,794	3,344	34	37	(A)	(A)
20,717	15,149	8,357	7,473	55,513	39,265	1,319	218	(A)	(A)
9,776	4,361	(288)	1,219	20,845	6,620	(778)	974	(A)	(A)
4,987	4,427	2,426	2,808	--	--	57	15	(A)	(A)
10,136	9,537	1,715	1,814	11,886	13,128	398	1,125	(A)	(A)
477	556	(13)	194	161	220	30	83	(A)	(A)
887	996	(1,518)	(742)	4,951	1,016	(818)	(1,297)	(B)	(B)
511	424	390	352	1,301	1,672	32	25	(A)	(A)
3,856	3,620	1,028	1,106	3,302	1,464	(20)	513	(A)	(A)
714	484	152	307	370	399	(129)	(31)	(A)	(A)
4,630	2,863	2,078	1,372	2,947	1,796	1,088	519	(A)	(A)
1,122	333	171	(85)	3,008	941	307	(17)	(A)	(A)

NAME	REGISTERED ADDRESS	EFFECTIVE TAX RATE	LINE OF BUSINESS	EQUITY INTEREST		
				HOLDER	PERCENTAGE	
					2012	2011
LIB ASSIST	Shohadaa El-Sahtt, Nuffleyeen P.o. Box 72166 Tripoli. (Libya)	35.00%	Travel Assistance	• MAPFRE ASISTENCIA	51.0000	51.0000
MAPFRE ASISTENCIA LIMITED	RM 1101-02 8 Jordan RD	35.00%	Assistance and special perils	• MAPFRE ASISTENCIA	100.0000	100.0000
MAPFRE ASISTENCIA COMPANY LIMITED	4F, Nº69, Jilin RD -Zhongshan Dist. Taipei City104 - Taiwan	40.69%	Assistance and special perils	• MAPFRE ASISTENCIA	100.0000	100.0000
MIDDLESEA ASSIST LIMITED	18ª, Europa Centre Floriana, FRN 1400, Malta	16.50%	Assistance and special perils	• MAPFRE ASISTENCIA • MIDDLESEA INSURANCE P.L.C.	51.0000 49.0000	51.0000 49.0000
MAPFRE WARRANTY JAPAN KABUSHIKI KAISHA	1-6-1 Roppongi Minato-Ku, (Tokyo) Japan	17.00%	Travel Assistance	• MAPFRE ASISTENCIA	100.0000	100.0000
INSURE & GO INSURANCE SERVICES USA CORP.	7300 Corporate Center Drive, Ste 601 Miami, FL 33126 (USA)	37.60%	Travel Assistance	• MAPFRE ASISTENCIA	100.0000	100.0000
MAPFRE ASSISTANCE USA INC.	7300 Corporate Center Drive Miami FL 33026 (USA)	40.00%	Holding	• MAPFRE ASISTENCIA	100.0000	--
CENTURY AUTOMOTIVE SERVICES COMPANY	10555 Montgomery Blvd. Bldg. 2 Suite 120 Albuquerque, NM 87111 (USA)	40.00%	Special perils	• MAPFRE ASISISTANCE USA INC	100.0000	--
OTHER ACTIVITIES						
REAL ESTATE						
MAPFRE INMUEBLES, S.G.A.	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	30.00% (1)	Real Estate	• MAPFRE FAMILIAR • MAPFRE SEGUROS DE EMPRESAS • MAPFRE SA • MAPFRE VIDA • MAPFRE GLOBAL RISKS	50.1544 26.6876 9.9977 7.0279 6.1302	50.1544 26.6876 9.9977 7.0279 6.1302
INMO ALEMANIA GESTIÓN DE ACTIVOS INMOBILIARIOS, S.L.	Pso. De la Castellana, 24 (Madrid) Spain	--	Real Estate	• MAPFRE FAMILIAR • MAPFRE GLOBAL RISKS	10.0000 10.0000	10.0000 10.0000
DESARROLLOS URBANOS CIC. S.A.	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	30.00% (1)	Real Estate Promotion	• MAPFRE INMUEBLES • MAPFRE SA	99.9216 0.0784	89.9216 0.0784
SERVICIOS INMOBILIARIOS MAPFRE S.A.	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	30.00% (1)	Real estate services	• MAPFRE INMUEBLES • DESARROLLOS URBANOS	99.9000 0.1000	99.9000 0.1000
INMOBILIARIA MAPINVER S.A.	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	30.00%	Real Estate Promotion	• MAPFRE INMUEBLES	100.0000	50.0000
MAQUAVIT INMUEBLES, S.L.	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	--	Real Estate	• MAPFRE SA	56.8400	56.8400
OTHERS						
PROVITAE CENTROS ASISTENCIALES S.L.	C/ Fuencarral, 123 (Madrid) Spain	30.00%	Senior citizens' services	• 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	• MAPFRE FAMILIAR • MAQUAVIT INMUEBLES, S.L.	40.0000 60.0000	40.0000 60.0000
FANCY INVESTMENT S.A.	Avda. 18 de Julio, 841 Montevideo (Uruguay)	--	Holding	• MAPFRE SA	100.0000	100.0000
CENTRO INTERNACIONAL DE FORMACIÓN DE DIRECTIVOS S.A.	Ctra. Nacional I, km 32,500 (San Agustín de Guadalix) Spain	30.00% (1)	Training	• MAPFRE SA	100.0000	100.0000
MAPFRE INFORMÁTICA A.I.E. (merged in 2012 with MAPFRE TECH)	Ctra. Pozuelo, 52. Majadahonda. (Madrid) Spain	--	I.T.	• MAPFRE FAMILIAR • MAPFRE GLOBAL RISKS • MAPFRE SEGUROS DE EMPRESAS • MAPFRE VIDA • MAPFRE CAUCIÓN Y CRÉDITO • MAPFRE RE • MAPFRE ASISTENCIA • MAPFRE AMÉRICA • MAPFRE INVERSIÓN • MAPFRE SA	-- -- -- -- -- -- -- -- -- --	78.7000 5.2500 5.2500 5.0000 2.5000 1.0000 1.0000 0.6000 0.5000 0.2000

YEAR END FIGURES (€000'S)										
ASSETS		EQUITY		REVENUES		EARNINGS AFTER TAX		METHOD OR PROCEDURE	
2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
83	84	(55)	(56)	--	--	--	(58)	(A)	(A)
1,211	416	781	233	1,535	564	615	80	(A)	(G)(A)
218	214	218	214	--	--	--	(2)	(A)	(G)(A)
637	300	191	300	676	--	(109)	--	(A)	(G)(A)
1,188	--	1,135	--	--	--	(301)	--	(A)	(G)(A)
758	773	758	773	--	--	--	--	(A)	(G)(A)
23,496	--	23,496	--	--	--	--	--	(F)(A)	--
111,379	--	474	--	32,174	--	477	--	(F)(A)	--
855,822	967,613	544,704	650,205	23,990	36,212	(105,980)	(13,682)	(A)	(A)
99,310	94,324	94,331	94,324	18	--	(21)	--	(C)	(C)
88,948	121,487	(34,450)	(1,041)	697	21	(33,410)	(1,664)	(A)	(A)
732	592	467	371	1,599	1,514	96	11	(A)	(A)
10,881	13,815	(7,703)	(4,276)	4	--	(3,427)	(7,896)	(A)	(E)
61,715	70,886	45,601	45,210	2,968	6,939	391	3,145	(A)	(A)
8,235	8,200	6,499	6,536	--	--	(37)	(26)	(E)	(E)
413	468	(2,725)	(2,730)	62	135	5	(705)	(A)	(A)
9,043	9,043	8,780	8,780	--	--	--	--	(A)	(A)
141	--	141	--	2	--	(28)	--	(A)	(A)
--	31,046	--	1,000	--	205,605	--	--	(H)	(A)

NAME	REGISTERED ADDRESS	EFFECTIVE TAX RATE	LINE OF BUSINESS	EQUITY INTEREST		
				HOLDER	PERCENTAGE 2012	PERCENTAGE 2011
MAPFRE TECH	Ctra. Pozuelo, 52. Majadahonda.	30.00%	I.T.	• MAPFRE FAMILIAR	78.5064	78.5000
(In 2011 MAPFRE INTERNET, S.A.)	(Madrid) Spain	(1)		• MAPFRE GLOBAL RISKS	2.0626	0.6250
		(2)		• MAPFRE SEGUROS DE EMPRESAS	0.7727	0.6250
				• MAPFRE VIDA	14.6805	15.0000
				• MAPFRE CAUCIÓN Y CRÉDITO	--	1.2500
				• MAPFRE RE	1.0000	1.0000
				• MAPFRE ASISTENCIA	1.9681	2.0000
				• MAPFRE AMÉRICA	0.0192	--
				• MAPFRE INVERSIÓN	0.0160	--
				• MAPFRE SA	0.9744	1.0000
MAPFRE SOFT S.A.	Ctra. Pozuelo, 52. Majadahonda.	30.00%	I.T.	• MAPFRE AMÉRICA	99.9991	99.9991
	(Madrid) Spain	(1)		• 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 2012
(G) Companies added to the scope of consolidation in 2011
(H) Companies removed from the scope of consolidation in 2012

TAX GROUP

(1) Company that forms part of Tax Group 9/85
(2) Company that forms part of Tax Group 87/10

	YEAR END FIGURES (€000'S)									
	ASSETS		EQUITY		REVENUES		EARNINGS AFTER TAX		METHOD OR PROCEDURE	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	53,738	15,656	4,547	3,436	233,777	29,125	111	117	(A)	(A)
	5,879	4,525	2,999	2,440	9,983	248	559	(478)	(A)	(A)

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Audit Report for the Annual Consolidated Financial Statements

ERNST & YOUNG

Ernst & Young, S.L.
Tel: 902 365 456
Fax: 915 727 238

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, 2012, 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 directors of Parent Company 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 (EU), 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 2012 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 subsidiaries at December 31, 2012, 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.

The accompanying 2012 annual account report contains such explanations as the directors of MAPFRE, S.A. consider appropriate concerning the situation of the Group, 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 2012 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 7, 2013

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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 main Operating Divisions (Spain Insurance, International Insurance and Global Businesses).

Spain Insurance Division

International Insurance Division

Global Business Division

Each Division has a Steering Committee that is responsible for the management, coordination and monitoring of the business.

The following pages contain summarized information about the activities and the results obtained in 2012 by the various Divisions and their Units and Companies.

SPAIN INSURANCE DIVISION

STEERING COMMITTEE	
CHAIRMAN	*Mr. Ignacio Baeza Gómez*
FIRST VICE- CHAIRMAN	*Mr. Francisco J. Marco Orenes*
SECOND VICE-CHAIRMAN	*Mr. Juan Fernández Palacios*
THIRD VICE-CHAIRMAN	*Mr. Jesús Martínez Castellanos*
MEMBERS	*Mrs. Rocío Aragonés Fernández*
	Mr. Aristóbulo Bausela Sánchez
	Mr. Antonio Belo
	Mr. Rafael Casas Gutiérrez
	Mr. Ademar Leal da Silva
	Mr. Javier Lendines Bergua
	Mr. Fernando Mata Verdejo
	Mr. Esteban Pedrayes Larrauri
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, home, health, life and long-term savings lines. It has a Regional Structure in Spain comprising of 9 Regional Head Offices and 31 Regional Offices.

It distributes its products through 3,069 own branches, 4,049 bancassurance branches and 17,160 brokers.

Key figures

ITEM	2012	2011	Chg. % 12/11
EQUITY			
MAPFRE FAMILIAR	1,502.6	1,405.5	6.9%
MAPFRE VIDA	1,670.9	1,612.0	3.6%
MAPFRE SEGUROS DE EMPRESAS	306.2	259.8	17.8%
PREMIUMS	**7,507.6**	**7,858.9**	**(4.5%)**
MAPFRE FAMILIAR	3,715.1	3,994.2	(7.0%)
MAPFRE VIDA	3,077.5	3,197.6	(3.8%)
MAPFRE SEGUROS DE EMPRESAS	715.0	667.1	7.2%
TOTAL REVENUES	**9,590.9**	**10,020.2**	**(4.3%)**
MAPFRE FAMILIAR	4,303.6	4,588.9	(6.2%)
MAPFRE VIDA	4,479.5	4,663.9	(4.0%)
MAPFRE SEGUROS DE EMPRESAS	807.8	767.4	5.3%
RESULTS AFTER TAX AND MINORITIES	**275.9**	**594.6**	**(53.6%)**
MAPFRE FAMILIAR	144.2	371.3	(61.2%)
MAPFRE VIDA	81.6	133.1	(38.7%)
MAPFRE SEGUROS DE EMPRESAS	50.1	90.2	(44.5%)

(MILLIONS OF EUROS)

AVERAGE NUMBER OF EMPLOYEES	**10,699**	**9,536**	**12.2%**
MAPFRE FAMILIAR	9,245	8,096	14.2%
MAPFRE VIDA	878	872	0.7%
MAPFRE SEGUROS DE EMPRESAS	576	568	1.4%

Meeting to discuss the Strategic Plans 2012-2014 for the Spain Insurance Division

SPAIN INSURANCE DIVISION

MAPFRE FAMILIAR and its dependent companies

BOARD OF DIRECTORS		Steering Committee	Compliance Committee
CHAIRMAN	*Mr. Ignacio Baeza Gómez*	Chairman	
FIRST VICE-CHAIRMAN AND CHIEF EXECUTIVE OFFICER	*Mr. Francisco J. Marco Orenes*	First Vice-Chairman	
SECOND VICE-CHAIRMAN	*Mr. Francisco Ruiz Risueño*	Second Vice-Chairman	Chairman
MEMBERS	*Mr. Juan José Almagro García*		
	Mr. Miguel Blesa de la Parra		
	Mr. José Ignacio Fanego González (1)		
	Ms. Mª Jesús Fernández Antón		Member
	Mr. José Manuel Inchausti Pérez	Member	
	Mr. Andrés Jiménez Herradón		
	Mr. Alberto Manzano Martos		
	Mr. Jesús Martínez Castellanos		
	Ms. Mª Teresa Matiacci Marcos	Member	
	Mr. Antonio Núñez Tovar		
	Mr. Esteban Pedrayes Larrauri	Member	
	Mr. Matías Salvá Bennasar		Member
	Mr. Fernando Sobrini Aburto (2)		
	Mr. Ignacio Soria Vidal (3)		
	Mr. Domingo Sugranyes Bickel		Member
	Mr. Esteban Tejera Montalvo		
	Mr. Francisco Vallejo Vallejo	Member	Member
SECRETARY	*Mr. Rafael Estévez Comas*	Secretary	

Composition of the governing bodies 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 PARTICIPACIONES Y CARTERA DE INVERSIÓN, S.L.

In 2012, the Spanish insurance industry remained significantly impacted 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 €3,715.1 million, a decline of 7.0% compared to 2011. Net results totalled €144.2 million, with a combined ratio of 92.4%.

Main activities

MAPFRE FAMILIAR's key courses of action and achievements in 2012 for each of its four major strategic goals were as follows:

Growth and profitability

— Sustainability of recurrent earnings.

— Increased market share in motor, supported by its subsidiary VERTI.

— Combined ratio and ROE better than the sector.

Loyalty-building and customers

— Promotion of the teCuidamos scheme.

— Implementation of new services as a customer satisfaction tool (Service Centres, new telephone services, etc.).

Multichannel distribution

— Progress in the process of consolidating VERTI as an alternative channel in MAPFRE.

— Tailoring of the MAPFRE NETWORK ("RED MAPFRE") to the current environment.

— Implementation of improvements in the SI24 channel's interaction with Internet.

Efficiency

— Implementation of new IT applications underway for underwriting and benefits.

— Strict internal management cost-cutting plan.

— Streamlining and convergence plan for non-insurance subsidiaries.

With regard to other activities carried out during 2012, the following are worth highlighting:

Motor

MAPFRE FAMILIAR has maintained its market leadership with a share of 21%. Competition throughout the sector remained very stiff, which coupled with the crisis led to a major fall in premiums in the sector, which declined 6%. In this environment, one million new policies were written and over 5.6 million vehicles were insured. The technical result obtained in 2012 was €168 million, with a combined ratio of 94.1%.

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 and maintaining an excellent result in fraud prevention.

During the year, a total of 2,470,843 claims for Property Damages were processed, of which 94% were resolved, with the rejection of 28,119 claims, accounting for a saving of €50 million; 376,559 for Bodily Injury Claims, of which 72% were resolved. 95% of these were "friendly" settlements designed to speed up indemnity payments; 256,900 Legal Defence claims, of which 81% were resolved, and 2,095,234 roadside assistance services.

Opening of the new Car Servicing Centre in Pamplona

Presentation of the study regarding health and the public health system in Spain

Presentation of the MAPFRE Aspar Team

Four new Service Centres have also been opened which, in addition to the two existing ones, provide an outstanding service to our customers and guarantee the repair of their vehicle for life, as well as a replacement vehicle for the duration of the repair.

Homeowner

MAPFRE still leads this business sector with a market share of 16.8% (latest figures published in September 2012) and more than 2.9 million homes insured. The technical result obtained was €74.3 million, with a combined ratio of 89.3%.

During 2012, 1,320,772 claims for damages have been declared, a 13.3% increase on the year before. This larger volume of claims reported is mainly justified by the greater demand for DIY at Home services(95,652 claims, an increase of 33.1%) and, above all, by our customers warm welcome of the new Electrical Appliances Repair service that was added to household insurance policies throughout 2012 (a total of 62,995 claims were reported in the year).

All in all, 1,464,543 claims were handled in the Homeowner line, with a 10.2% increase over 2011.

Condominiums

MAPFRE also leads this business sector with a 18.3% share (latest figures published in September 2012) and more than 96,000 buildings insured. The technical result obtained was €33.1 million, with a combined ratio of 78%.

During 2012, 205,870 claims for damages have been declared, a 5.1% decrease on the year before.

All in all, 249,268 claims were handled in this class, 6.7% less than in 2011.

A new service, Pest Control, was included in the product in 2012, and 415 claims of this type were submitted in the year.

Health

This line recorded premiums totalling €402 million, with the number of insured families amounting to 410,000, the combined ratio was 99.8%, and a technical result of €7.2 million was obtained.

With regards to claims, over 12.4 million healthcare claims have been processed – 3% more than in 2011 – mainly due to the increase in group policy customers.

This year, two new telephone services have been added which improve customer service in general: 24 hour Paediatric Guidance and Psychological Counselling. Both have been very well received by our customers.

Burial

In this business line, premiums totalled €270.4 million, with 918,000 insured customers, the combined ratio was 86.2%, and a technical result of €61.1 million was obtained.

More than 35,800 claims were handled, a variation of 3.1% with regard to the figure for 2011.

Broadly speaking, all the lines of business achieved their targets in terms of the main technical variables (average costs, fraud, complaints and claims processing times).

Customer Assistance

The SI24, a customer service centre that caters for customers of MAPFRE FAMILIAR, MAPFRE EMPRESAS and MAPFRE VIDA, handled, during 2012, 10.9 million incoming calls and 5.6 million outgoing calls, more than 400,000 contacts via the Internet and 600,000 non-telephone multichannel contacts (mails, video, SMS, call me back...). More than 3.7 million transactions were carried out. Furthermore, the ISO 9001:2008 Quality Management System certification was renewed.

At the Platinum Contact Centre Awards 2012 the SI24 received the award for the "best insurance policyholder service" from the magazine CONTACT CENTER, as well as the innovation award for the "100 best ideas" from ACTUALIDAD ECONÓMICA, for its work

in developing a new communication channel in sign language via WebCam for the deaf and people with hearing impairment.

During 2012, 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 1.7 million customers had joined the scheme.

Further efforts went into developing two key points of the scheme:

— Differentiation: there are 7 different loyalty schemes, for customers, employees, agents and representatives.

— Multichannel: during 2012 the programme has generated more than 36.6 million contacts with customers, using all possible communication channels (emails, SMS, renewal reminders, direct marketing, electronic bulletins and newsletters, social networks, Internet webpage hits, SI24, SGC).

Information and technology systems

The "Health Challenge" initiative was launched in 2012 to increase the number of Health insurance sales, as well as other Internet initiatives and channels such as "MAPFRE Spain on your Smartphone", new tariff calculators and card payment facility. MAPFRE has improved its position on the main search engines, with a record sector visibility ratio and presence on social networks with more than 30,000 users.

Health Applications have been connected to Tron21 and a study carried out for new tools for the selling and issuing of Group Health Policies.

The customers department has continued with the "Customer Relationship Model" initiatives.

In bancassurance, apart from increasing the product range through the marketing and migration of Property and Burial Expense insurance policies with CATALUNYACAIXA, marketing is being carried out through BANKINTER, while the Bancassurance and Broker Platform are being defined too.

In claims, various initiatives have been carried out such as adopting control mechanisms for automating valuations and payments and improvements in handling claims, the industry's Senda (Anomaly Detection and Standardisation) service, provision of unique vehicle reception capability (Garage Schedule), initiatives to reduce supplier action timescales and the inclusion of rent-a-car suppliers in the garage management system.

As regards portfolio management and policy issuance systems, the new policy issuance platform project continues to be developed, while various new products such as the green policy and the new multivariable tariffs have been developed also. In addition, a new aggravated risks application based on business rules, which indicates recommended insurance sales actions has been implemented.

In the supplier management area, work continues on enhancing the new portal for health suppliers and an App has been implemented for mobile devices.

In documentary management, the fleet management pilot and the "RED FAMILIAR" (the Familiar Network) concept test have been launched.

In Business Intelligence (BI), the integrated self-service portal "Portal BI" and the Banks Model were created, while work continued on the development of the balanced scorecard and the information solution for the technical area.

Subsidiaries and other business interests

The structure of MAPFRE FAMILIAR's non-insurance subsidiaries and business interests reflects its strategy of optimising its offering to customers by adding services other than those of a strictly insurance nature. In total, these companies have obtained revenues €698.3 million.

Motor

MAPFRE's experimentation and road safety centre (CESVIMAP) managed to achieve many of its goals in 2012. 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 methods and times. The scrapped vehicle processing centre, CESVI RECAMBIOS, decontaminated and recycled over 2,395 vehicles. In 2012 CESVIMAP generated revenues of €12.6 million, and a pre-tax result of €1.5 million.

The MULTISERVICAR workshop management system's business model has been consolidated, with all the workshops achieving a high degree of efficiency, thus achieving positive results in all of them.

At MAPFRE RENTING the fleet management business line was strengthened with important business agreements, with entry into the vehicle rental market accompanied by various financial institutions.

Property

Despite the economic situation which has widely affected this sector, MULTIMAP has maintained its turnover with sales of €34.9 million, in which agreements reached with financial institutions for maintaining their property assets and business lines for condominiums, businesses and companies were especially important.

Health, Accident and Burial

As part of its business plan, SALUD4, an entity that manages Medical Centres, opened three new general centres in Malaga, Valencia and Gijon, as well as a more specialised dental clinic in Majadahonda. Furthermore, in order to improve its efficiency, apart from the opening of two specialist dental clinics, the opening next year of at least four more dental clinics, is planned in Madrid. There has been a focus on developing new activities for private customers

MAPFRE FAMILIAR celebrated its convention in Vietnam and Cambodia

CESVIMAP course specialised in hybrid and electric engines

such as sports check-ups, examinations for official permits, cosmetic surgery, etc.

FUNESPAÑA, a company which manages more than 85,000 undertaker services in 23 provinces, continued during 2012 its expansion plan with the acquisition of several undertakers, including Funeraria Sarría (Vizcaya) and the concession of Valencia's Municipal Mortuary. The company ALL FUNERAL SERVICES (AFS) was also created, offering an intermediary service with its approved network of suppliers for providing undertaker services and burial assistance.

THE FUNESPAÑA GROUP achieved this year a consolidated turnover of €108.1 million and a consolidated result after tax of €1.6 million.

During 2012, MAPFRE FAMILIAR raised its holding in FUNESPAÑA to 63.8% of the capital, after the merger with its subsidiary GESMAP and subsequent increase in capital.

Outlook

MAPFRE FAMILIAR will continue contributing to achieve the Group's strategic objectives through its four major strategic goals: growth and profitability, customer focus and loyalty-building, multichannel distribution and efficiency and also simplification. The initiatives rolled out in previous years will be consolidated during 2013, and new actions will be launched to bolster MAPFRE's leadership:

— Boost results and maintain profitability, so as to pay dividends to the parent company and finance the development of VERTI.

— Boost new business, above all in Homeowner, Health and Condominiums, while lowering the number of cancellations in Motor and Burial insurance, while reinforcing policy renewals with preventive and counter-cancellation actions.

— Increase average customer longevity directly through actions related to an improvement in the MAPFRE customer integrity ratio, and indirectly by making improved customer care a key element of the loyalty strategy (teCuidamos).

— In the field of multi-channel distribution, work to keep on providing the organization with various channels with which to contact and interact with its customers.

— Work will continue on streamlining costs and on integrating, enhancing and simplifying processes to increase the quality of service and obtain synergies.

INCOME STATEMENT IFRS	2012	2011	Var. % 12/11
DIRECT INSURANCE AND ACCEPTED REINSURANCE			
Gross written and accepted premiums	**3,715.1**	**3,994.2**	**(7.0%)**
Gross earned premiums	3,874.6	4,038.7	(4.1%)
Claims (includes claims related expenses)	(2,743.0)	(2,893.0)	(5.2%)
Operating expenses and other technical expenses	(760.5)	(756.2)	0.6%
RESULT OF DIRECT INSURANCE AND ACCEPTED REINSURANCE	**371.2**	**389.5**	**(4.7%)**
CEDED AND RETROCEDED REINSURANCE			
Premiums and variation in unearned premium reserve	(48.3)	(48.8)	(1.1%)
Claims paid and variation in provision for claims	29.5	30.5	(3.3%)
Comissions and participation in reinsurance	9.7	17.5	(44.7%)
RESULT OF CEDED AND RETROCEDED REINSURANCE	**(9.1)**	**(0.8)**	**--**
Other technical revenues and expenses	(73.5)	(20.1)	265.4%
LIFE AND NON-LIFE TECHNICAL RESULT	**288.6**	**368.6**	**(21.7%)**
Net income from investments	56.0	203.2	(72.4%)
Unrealised gains and losses on investments			--
Other non-technical revenues and expenses	(21.4)	(43.3)	50.7%
Result of minority interests	(91.4)	(16.2)	464.0%
LIFE AND NON-LIFE RESULT	**231.9**	**512.3**	**(54.7%)**
OTHER ACTIVITIES			
Operating revenues	165.4	198.7	(16.7%)
Operating expenses	(162.2)	(171.1)	(5.2%)
Net income from investments and other income	1.5	(20.0)	(107.3%)
Result of minority interests	0.1	0.0	--
RESULT OF OTHER ACTIVITIES	**4.7**	**7.6**	**(38.1%)**
RESULT BEFORE TAX AND MINORITIES	**236.6**	**519.9**	**(54.5%)**
Tax on profits	(89.8)	(145.0)	(38.1%)
Result after tax from ongoing operations	0.0		--
RESULT AFTER TAX	**146.8**	**374.8**	**(60.8%)**
Attributable to minority shareholders	(2.6)	(3.5)	(25.9%)
RESULT AFTER TAX AND MINORITY SHAREHOLDERS	**144.2**	**371.3**	**(61.2%)**

MILLION EUROS

NON-LIFE RATIOS	2012	2011
Claims ratio of direct insurance	71.7%	71.7%
Expense ratio of direct insurance	20.7%	19.0%
Combined ratio, net of reinsurance	92.4%	90.7%

GROSS WRITTEN AND ACCEPTED PREMIUMS	2012	2011	Var. % 12/11
Homowner	638.2	624.0	2.3%
Burial	270.4	266.2	1.6%
Motor	2,224.5	2,366.8	(6.0%)
Condominium	151.1	153.2	(1.4%)
Shop premises	(3.6)	72.7	(105.0%)
Accident	1.3	81.2	(98.4%)
Pecuniary losses	4.5	5.2	(13.5%)
Other	428.7	424.9	0.9%
TOTAL	**3,715.1**	**3,994.2**	**(7.0%)**

MILLION EUROS

BALANCE SHEET KEY FIGURES (IFRS)	2012	2011	Var. % 12/11
Investments and cash	3,492.9	3,642.6	(4.1%)
Total assets	5,673.5	5,915.5	(4.1%)
Shareholders equity	1,502.6	1,405.5	6.9%
ROE	10.5%	27.4%	(61.5%)

MILLION EUROS

SOLVENCY AND COVERAGE OF TECHNICAL RESERVES	2012	2011	Var. % 12/11
Technical reserves requiring coverage	3,181.3	3,362.1	(5.4%)
Excess of eligible assets over reserves	971.1	915.3	6.1%
Minimum solvency margin	647.5	666.6	(2.9%)
Solvency margin	1,548.8	1,396.2	10.9%

MILLION EUROS

OTHER INFORMATION	2012	2011	Var. % 12/11
Average number of employees	9,245	8,096	14.2%
Policies in force at year end (thousands)	10,273	10,949	(6.2%)
Claims handled during the year (thousands)	4,588	4,858	(5.6%)
Claims settled during the year (thousands)	4,085	4,320	(5.4%)

SPAIN INSURANCE DIVISION

MAPFRE VIDA and its dependent companies

BOARD OF DIRECTORS		Steering Committee	Compliance Committee
CHAIRMAN	*Mr. Ignacio Baeza Gómez*	Chairman	
FIRST VICE-CHAIRMAN AND CHIEF EXECUTIVE OFFICER	*Mr. Juan Fernández Palacios*	First Vice-Chairman	
SECOND VICE-CHAIRMAN	*Mr. Luis Hernando de Larramendi Martínez*	Second Vice-Chairman	Chairman
MEMBERS	*Mr. Miguel Ángel Almazán Manzano*	Member	
	Mr. José Barbosa Hernández		
	Mr. Gorka Barrondo Agudín		
	Mr. Aristóbulo Bausela Sánchez	Member	
	Mr. Rafael Fontoira Suris		Member
	Mr. Santiago Gayarre Bermejo		
	Mr. Andrés Jiménez Herradón		
	Ms. Francisca Martín Tabernero		Member
	Mr. Antonio Miguel-Romero de Olano		
	Mr. Filomeno Mira Candel		
	Mr. Fernando Moreno Marcos		
	Mr. Francisco Ruiz Risueño	Member	Member
	Mr. Fernando Sobrini Aburto (1)		
	Mr. Esteban Tejera Montalvo		
SECRETARY	*Mr. Luis María Polo Rodríguez*	Secretary	

Composition of governing bodies on the date of preparation of this annual report

(1) In representation of PARTICIPACIONES Y CARTERA DE INVERSIÓN, S.L.

During 2012 the economic problems in which we have been immersed since the beginning of the crisis in 2007 persisted. Market instability continued in both the fixed income and equities markets, with an increase in the risk premium on sovereign debt, especially in the periphery of the Eurozone, while the spread between German and Spanish debt once again hit record highs. The austerity measures adopted to combat the problems of indebtedness have also affected economic growth, particularly unemployment, which is especially high in Spain. The stock markets did not perform any better, with the IBEX 35 index declining by 4.65% in 2012. In this economic and financial backdrop, 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 reserves, rose 1.51%, to €156,184 million, with a 9% decrease in the volume of premiums.

— Mutual and money market fund assets amounted to €122,328 million, an annual decline of €5,402 million, representing a fall of 4.2%.

— Pension fund assets totalled €86,536 million, the volume having increased by €3,389 million over the last twelve months, in other words, by 4.1%.

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 the Life assurance sector in Spain and a decrease, less than the sector average, in the volume of mutual fund assets.

Main activities

New products

As usual, 2012 saw high levels of activity in innovation and new product releases for the Agency Network. In protection insurance policies, the product portfolio has been reorganized and modified with the new TempoVida, PromoVida and CoverVida products, and new accident insurance schemes have been added. The savings insurance highlights are the two versions of Garantía 16 which is a 4-year unit-linked product. Mapfre has also launched Renta Selección PIAS as a life annuity product. In group insurance, it is worth noting a pension obligations externalization transaction for more than €217 million. In mutual funds, MAPFRE launched two new guaranteed equity funds (Mapfre Puente Garantía 3, and Mapfre Puente Garantía 1) and a guaranteed fixed income fund (Mapfre Puente Garantía 5).

New unit-linked policies have been launched for the Bancassurance Network with innovative returns schemes. In this regard, worth highlighting are the different versions of InverPlus, marketed through the BANKINTER network, and the Doble Euribor of CAJA CASTILLA LA MANCHA.

Sales initiatives

During 2012 and in line with the Unit's strategy, sales efforts again focused on boosting sales of protection insurance policies, especially non-linked policies, due to the downturn in lending by financial institutions.

MAPFRE's "Millón Vida" insurance product received a prize from the readers of the *Inversión* magazine

In savings insurance, efforts have focused on guaranteed yield products, both in terms of medium and long-term savings, and retirement-related schemes (guaranteed pension plans). Efforts were also devoted to selling Life Annuities products to the senior citizens segment.

The various initiatives resulted in premiums totalling €3,077.5 million, with a 3.8% decrease over the previous year, with technical provisions of €18,634.4 million, 4.6% higher than the previous year.

In mutual funds, the strategy was based on the promotion of guaranteed funds, reaching a total of assets under management of €1,715.2 million, a decline of 1.0%. In pension funds, efforts were oriented to encouraging external fund transfers and promoting guaranteed funds in the bancassurance channels. Assets under management totalled €5,105.9 million at the end of the year, up 0.5%.

Technical management

This area of activity has focused on the development of a broad spectrum of new products launched in 2012, on the ongoing progress of integration processes and technical management of the new business interests and on the encouragement of technological renovation processes, already under way.

Work is also underway on determining all the changes necessary to conform to the new Solvency II regulations.

Information and technology systems

In 2012 the "Group Policies Issuing Workflow" was implemented, automating processes involved in implementing the issuing of group life policies.

As required by law, the necessary changes have been made in the systems to operate with new generational tables and application of unisex tariffs. Furthermore, technical work has also commenced to cover the requirements established by the EU's Solvency II directive, which will enable better control and measurement of the risks to which insurance companies are exposed.

IT systems are now being adapted to support the management change in the Accident insurance business portfolio at MAPFRE VIDA.

Continuing with the strategy of implementing Business Intelligence solutions that help develop analytical management information models, during 2012 work started on the "VIDA BI Master Plan" project. At the end of the year, a basic portfolio model will be available with monthly information for analysing the main indicators of the MAPFRE VIDA portfolio.

Work has been completed on the "VIDA Customer Analysis", with the objective of obtaining analytical knowledge of the VIDA customer in all their business lines (protection, savings, investments and pensions). This information provided data on the probability of customer attrition, probability of customer conversion, the future value of the customer in any of the business lines and the probability of overall attrition and the overall future value of the VIDA customer.

In 2012 we launched "Plan Evoluciona" for the functional and technological renewal of the MAPFRE VIDA systems, aligned with the strategy of exploiting synergies and using the Spanish corporate systems (SigmaTron, STCAT, Transfer).

The "System for the Issuing and Management of the Individual Saving Product Portfolio" has been launched into production and stabilisation work has also been carried out on "Income Payment Management Systems".

Agreement with Bankinter

CCM VIDA Y PENSIONES accomplishes its business objectives

MAPFE VIDA celebrated the Gala of Bridges at its annual convention, held in Las Vegas

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 2012 of €4,104.7 million and pre-tax results of €39 million.

Premiums written by the bancassurance companies totalled €1,438.1 million, down 24.5% on the previous year and accounting for 46.7% of the Unit's total written volume. Total funds under management in insurance products and pension funds totalled €12,039.4 million euros, and they contributed €75.5 million to the Unit's net results.

Outlook

In view of the 2013 forecasts that financial institutions are set to face a shortage of lending 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 insurance policies through all the distribution channels.

The priority in savings products will remain the uptake of retail customer savings via pension plans. Also unit-linked insurance products and guaranteed mutual funds will be launched, while the sale of life annuity products for the senior citizen segment will be encouraged.

INCOME STATEMENT IFRS	2012	2011	Var. % 12/11
DIRECT INSURANCE AND ACCEPTED REINSURANCE			
Gross written and accepted premiums	**3,077.5**	**3,197.6**	**(3.8%)**
Gross earned premiums	3,040.6	3,185.9	(4.6%)
Claims (includes claims related expenses)	(3,312.4)	(3,271.8)	1.2%
Operating expenses and other technical expenses	(346.8)	(478.9)	(27.6%)
RESULT OF DIRECT INSURANCE AND ACCEPTED REINSURANCE	**(618.5)**	**(564.8)**	**9.5%**
CEDED AND RETROCEDED REINSURANCE			
Premiums and variation in unearned premium reserve	(83.8)	(100.2)	(16.3%)
Claims paid and variation in provision for claims	44.8	39.0	14.9%
Comissions and participation in reinsurance	29.5	48.8	(39.5%)
RESULT OF CEDED AND RETROCEDED REINSURANCE	**(9.5)**	**(12.5)**	**(24.3%)**
Other technical revenues and expenses	(13.6)	(6.3)	115.7%
LIFE AND NON-LIFE TECHNICAL RESULT	**(641.5)**	**(583.6)**	**9.9%**
Net income from investments	703.4	830.4	(15.3%)
Unrealised gains and losses on investments	33.4	(28.1)	218.9%
Other non-technical revenues and expenses	72.6	0.3	--
Result of minority interests	(9.6)	0.0	--
LIFE AND NON-LIFE RESULT	**158.2**	**219.0**	**(27.8%)**
OTHER ACTIVITIES			
Operating revenues	102.4	105.0	(2.5%)
Operating expenses	(54.0)	(52.9)	2.0%
Net income from investments and other income	6.9	5.8	18.3%
Result of minority interests	0.0	(0.7)	(100.0%)
RESULT OF OTHER ACTIVITIES	**55.3**	**57.1**	**(3.1%)**
RESULT BEFORE TAX AND MINORITIES	**213.5**	**276.0**	**(22.6%)**
Tax on profits	(74.4)	(79.4)	(6.3%)
Result after tax from ongoing operations	0.0	0.0	0.0%
RESULT AFTER TAX	**139.2**	**196.6**	**(29.2%)**
Attributable to minority shareholders	(57.6)	(63.5)	(9.3%)
RESULT AFTER TAX AND MINORITY SHAREHOLDERS	**81.6**	**133.1**	**(38.7%)**

MILLION EUROS

EXPENSE RATIOS	2012	2011
Net operating expenses / average third party funds under management	1.09%	1.03%

GROSS WRITTEN AND ACCEPTD PREMIUMS	2012	2011	Var. % 12/11
Premiums issued by Agents' network	1,271.3	1,146.3	10.9%
Premiums issued by Bank channel	1,438.1	1,905.3	(24.5%)
Prmiums issued centrally	368.2	146.0	152.2%
TOTAL	**3,077.5**	**3,197.6**	**(3.8%)**

MILLION EUROS

KEY FIGURES (IFRS)	2012	2011	Var. % 11/10
Funds under management (third party)	26,283.5	25,540.6	2.9%
Investments and cash	18,113.3	18,515.4	(2.2%)
Total assets	21,652.6	20,897.0	3.6%
Equity	1,670.9	1,612.7	3.6%
ROE	7.1%	14.1%	(49.2%)

MILLION EUROS

SOLVENCY AND COVERAGE OF TECHNICAL RESERVES	2012	2011	Var. % 12/11
Technical reserves requiring coverage	18,068.7	17,872.3	1.1%
Excess of eligible assets over reserves	1,179.2	1,091.3	8.1%
Minimum solvency margin	808.7	762.4	6.1%
Solvency margin	1,547.8	1,434.7	7.9%

MILLION EUROS

OTHER INFORMATION	2012	2011	Var. % 12/11
Average number of employees	878	872	0.7%
Policies in force at year end (thousands)	2,506	2,475	1.3%
Persons assured at year end (thousands)	3,820	3,732	2.4%

MAPFRE SEGUROS DE EMPRESAS and its dependent companies

BOARD OF DIRECTORS		Steering Committee	Compliance Committee
CHAIRMAN	*Mr. Francisco J. Marco Orenes*	Chairman	
FIRST VICE-CHAIRMAN	*Mr. Ignacio Baeza Gómez*	First Vice-Chairman	
SECOND VICE-CHAIRMAN	*Mr. Francisco Vallejo Vallejo*	Second Vice-Chairman	Chairman
CHIEF EXECUTIVE OFFICER	*Mr. Jesús Martínez Castellanos*	Member	
MEMBERS	*Mr. Gonzalo Alcubilla Povedano* (1)		
	Mr. Ángel Alonso Batres		
	Mr. Rafael Casas Gutiérrez		
	Mr. Alfredo Castelo Marín		
	Mr. José Luis Catalinas Calleja		
	Mr. José Ignacio Fanego González (2)		
	Mr. Javier Fernández-Cid Plañiol		
	Mr. Santiago Gayarre Bermejo		
	Mr. Juan Martín Queralt	Member	Member
	Mr. Ignacio Miguel-Romero de Olano	Member	Member
	Mr. Tomás Pérez Ruiz		
	Mr. Ignacio Soria Vidal (3)		
SECRETARY	*Mr. Francisco Javier Bergamín Serrano*	Secretary	

Composition of the governing bodies on the date of preparation of this annual report

(1) In representation of PARTICIAPCIONES Y CARTERA DE INVERSIÓN, S.L

(2) In representation of MEDIACIÓN Y DIAGNÓSTICOS, S.A.

(3) In representation of VALORACIÓN Y CONTROL, S.L.

Commencement of the third edition of the Master in Management of Agro-food companies (MGEA)

During 2012 there has been no significant improvement in the economy and business and, as a consequence, the business insurance market continued shrinking, following the trend that began in 2008.

The excess underwriting capacity seen in recent years, which is regarded as one of the main factors influencing the maintenance of a soft market, has not been affected, at least for now, by the serious incidents that occurred in 2011 around the world. These were mostly linked to natural disasters that made that year the one with the highest loss experience in the history of the reinsurance market (Japanese earthquake, floods in Australia, tornadoes in USA).

We have therefore continued to see reduced rates in policy renewals caused by fierce competition, together with a tendency by policyholders to cut back on coverage, so as to reduce expenses.

Despite this, MAPFRE SEGUROS DE EMPRESAS ended 2012 with an operating result in line with the required results levels laid out in the Company's Strategic Plan. An appropriate risk selection policy, combined with an increase in risk retention, has been the key for maintaining the positive result trend in 2012.

Main activities

New products

In 2012, new product development was closely related to the Company's new structure, which is clearly customer-oriented. As a result, each business area has designed insurance solutions based on the needs detected for different types of customer. In addition, those product changes have tended to provide global solutions, integrating different types of insurance cover into a single product that had previously been sold separately.

Of note is the Fully Comprehensive product for medium-sized and large companies, which includes in a single policy the most extensive types of cover required by this business segment; along the same lines a product which is simpler to market, was devised for the small business sector.

In terms of products designed for public administrations, 2012 saw the launch of the Public Liability insurance policy for personnel working in local, regional or state administrations.

Sales initiatives

Without abandoning the design of campaigns for attracting new customers, efforts were focused on customer loyalty. There has been more contact with the customer as the main tool for retaining these.

Worthy of special mention is the start of the campaign known as "We Care for Your Company", which also covers various initiatives designed to promote customer loyalty by offering value-added services, generally related to customers' legal needs or obligations: tax and employment advice, guidance on occupational risk prevention and data protection, etc.

Cuidamos tuempresa

Technical management and customer services

The Technical Business Centres are staffed by versatile management teams to efficiently deal with all the various tasks for which they are required, compensating for the peaks and troughs of those tasks in the current economic environment.

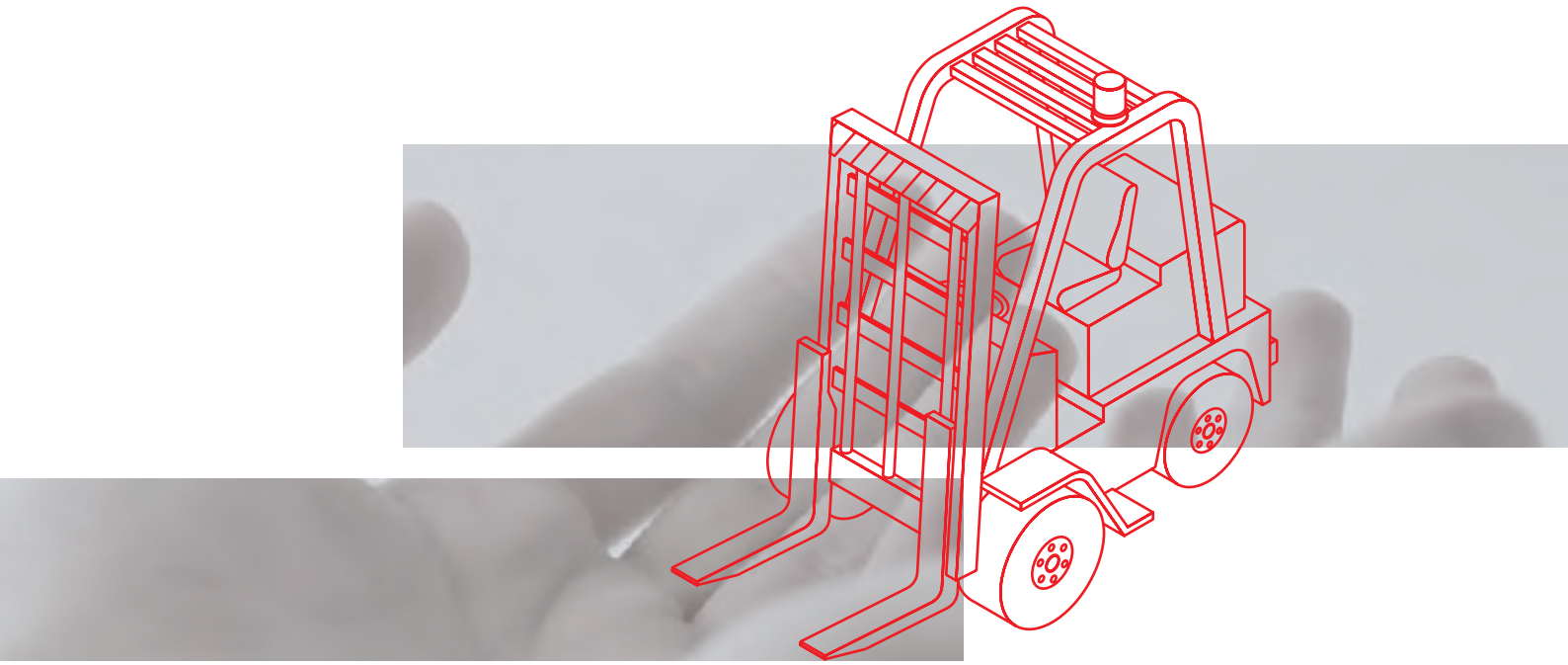
The development of the current model included the creation of a Central Area for Special Claims which, apart from managing the processing of more complex claims, establishes general criteria applicable for the entire area.

Progress is also being made on developing a procedure which will give the Company the necessary flexibility to provide insurance solutions to our customers when they consider marketing their products and services abroad. Those insurance solutions will also be enhanced with the addition of other services such as the preparation of business reports on the overseas customer with whom our policyholder might enter into a contract.

Information and technology systems

The widespread use of tariff calculators was made available to various sales personnel and has enabled continued progress in the development of new tools, designed to provide these personnel with as many tasks and features as possible.

Significant progress has also been made in developing standardised, automated models of various contractual documents, such as the insurance offer and proposal.



Subsidiaries and other business interests

MAPFRE SERVICIOS DE PERITACIÓN (SERMAP) has continued to take on new activities, focused mainly on risk verification and the updating of risk conditions.

Based on this, it has developed various verification reporting models, which will allow subscribers to make better informed decisions about insuring their risks.

Outlook

Various reports already released on economic forecasts for 2013 do not encourage optimism in respect of a reversal in the economic cycle. This factor will continue to determine the evolution of the commercial insurance market. The deterioration in the financial results of companies could result in the need to compensate for this with the underwriting result, which would mean adapting currently very low rate levels to the reality of the risks.

MAPFRE SEGUROS DE EMPRESAS will focus its efforts in the next few years on two lines:

— Reinforcing customer loyalty through the actions already indicated, these being particularly very receptive to their needs in a difficult economic environment.

— Attracting new customers through the design and marketing of global insurance solutions, designed for various types of customers, which cater for most of their insurance needs in a single product.

MAPFRE EMPRESAS took part in a Bancassurance seminar, organised by "Instituto de Fomento Empresarial" in Madrid

INCOME STATEMENT IFRS	2012	2011	Var. % 12/11
DIRECT INSURANCE AND ACCEPTED REINSURANCE			
Gross written and accepted premiums	**715.0**	**667.1**	**7.2%**
Gross earned premiums	722.3	695.9	3.8%
Claims (includes claims related expenses)	(431.4)	(366.0)	17.9%
Operating expenses and other technical expenses	(171.7)	(160.6)	6.9%
RESULT OF DIRECT INSURANCE AND ACCEPTED REINSURANCE	**119.1**	**169.3**	**(29.6%)**
CEDED AND RETROCEDED REINSURANCE			
Premiums and variation in unearned premium reserve	(161.5)	(171.5)	(5.8%)
Claims paid and variation in provision for claims	103.5	54.7	89.3%
Comissions and participation in reinsurance	47.9	45.5	5.3%
RESULT OF CEDED AND RETROCEDED REINSURANCE	**(10.1)**	**(71.3)**	**(85.9%)**
Other technical revenues and expenses	(11.4)	(12.6)	(9.4%)
LIFE AND NON-LIFE TECHNICAL RESULT	**97.7**	**85.4**	**14.3%**
Net income from investments	25.9	52.2	(50.3%)
Unrealised gains and losses on investments	0.0	0.0	0.0%
Other non-technical revenues and expenses	(0.6)	(6.3)	(91.1%)
Result of minority interests	(37.7)	(4.0)	841.7%
LIFE AND NON-LIFE RESULT	**85.4**	**127.3**	**(33.0%)**
OTHER ACTIVITIES			
Operating revenues	0.1	13.3	(99.2%)
Operating expenses	0.0	(12.5)	
Net income from investments and other income	0.1	0.1	(20.2%)
Result of minority interests	0.0	0.0	0.0%
RESULT OF OTHER ACTIVITIES	**0.2**	**0.9**	**(78.7%)**
RESULT BEFORE TAX AND MINORITIES	**85.6**	**128.2**	**(33.3%)**
Tax on profits	(35.5)	(38.0)	(6.6%)
Result after tax from ongoing operations	0.0	0.0	0.0%
RESULT AFTER TAX	**50.1**	**90.2**	**(44.5%)**
Attributable to minority shareholders	0.0	0.0	0.0%
RESULT AFTER TAX AND MINORITY SHAREHOLDERS	**50.1**	**90.2**	**(44.5%)**

MILLION EUROS

NON-LIFE RATIOS	2012	2011
Claims ratio of direct insurance	58.5%	59.4%
Expense ratio of direct insurance	24.1%	24.3%
Combined ratio, net of reinsurance	82.6%	83.7%

GROSS WRITTEN AND ACCEPTED PREMIUMS	2012	2011	Var. % 12/11
Agricultural	135.8	122.3	11.0%
Fire - Property damage	268.9	207.0	29.9%
Third party liability	216.5	233.1	(7.1%)
Engineering	40.5	48.2	(15.9%)
Transport	53.2	56.5	(5.8%)
TOTAL	**715.0**	**667.1**	**7.2%**

MILLION EUROS

BALANCE SHEET KEY FIGURES (IFRS)	2012	2011	Var. % 12/11
Investments and cash	1,156.0	1,115.0	3.7%
Total assets	1,838.6	1,797.7	2.3%
Shareholders equity	306.2	259.8	17.9%
ROE	17.7%	35.4%	(50.1%)

MILLION EUROS

SOLVENCY AND COVERAGE OF TECHNICAL RESERVES	2012	2011	Var. % 12/11
Technical reserves requiring coverage	1,188.7	1,187.4	0.1%
Excess of eligible assets over reserves	142.1	33.5	324.2%
Minimum solvency margin	108.1	109.2	(1.0%)
Solvency margin	322.7	276.1	16.9%

MILLION EUROS

OTHER INFORMATION	2012	2011	Var. % 12/11
Average number of employees	576	568	1.4%
Claims handled during the year	218,792	171,073	27.9%
Speed of settlement of claims	73.5%	69.6%	5.6%
Contribution of Agricultrual insurance to co-insurance (€ million)	144.9	158.1	(8.3%)

INTERNATIONAL INSURANCE DIVISION

STEERING COMMITTEE	
CHAIRMAN	*Mr. Antonio Huertas Mejías*
FIRST VICE- CHAIRMAN	*Mr. Rafael Casas Gutiérrez*
SECOND VICE-CHAIRMAN	*Mr. Javier Fernández-Cid Plañiol*
MEMBERS	*Mr. Miguel Ángel Almazán Manzano*
	Mr. Ángel Luis Dávila Bermejo
	Mr. José Manuel Inchausti Pérez
	Mr. Pedro de Macedo Coutinho
	Mr. Francisco J. Marco Orenes
	Mr. José Manuel Muries Navarro
	Mr. Antonio Núñez Tovar
	Mr. Esteban Pedrayes Larrauri
	Mr. Jaime Tamayo Ibáñez
	Mr. Wilson Toneto
	Mr. Esteban Tejera Montalvo
MEMBER & SECRETARY	*Mr. Claudio Ramos Rodríguez*

Members on the date of issue of the Annual Report

The Division is formed by MAPFRE AMERICA and MAPFRE INTERNACIONAL, which handle the direct insurance business in geographical areas other than Spain, and operate in 23 countries.

They market and sell insurance and comprehensive advisory services in the motor, household, health, life and pension products, and distribute these through 2,250 own offices, 5,426 bancassurance branches and 44,885 brokers.

Press conference given by Mr. Antonio Huertas in Peru

Key figures

ITEM	2012	2011	Chg. % 12/11
EQUITY			
MAPFRE AMERICA	3,874.0	3,945.8	(1.8%)
MAPFRE INTERNACIONAL	2,473.4	2,439.4	1.4%
PREMIUMS	**10,833.9**	**8,788.1**	**23.3%**
MAPFRE AMERICA	8,649.1	6,874.0	25.8%
MAPFRE INTERNACIONAL	2,184.8	1,914.1	14.1%
TOTAL REVENUE	**12,017.7**	**10,025.8**	**19.9%**
MAPFRE AMERICA	9,510.0	7,841.3	21.3%
MAPFRE INTERNACIONAL	2,507.7	2,184.5	14.8%
RESULTS AFTER TAX AND MINORITIES	**319.6**	**390.7**	**(18.2%)**
MAPFRE AMERICA	225.9	304.5	(25.8%)
MAPFRE INTERNACIONAL	93.7	86.2	8.7%

(MILLIONS OF EUROS)

AVERAGE NUMBER OF EMPLOYEES	**19,100**	**17,067**	**11.9%**
MAPFRE AMERICA	15,302	13,310	15.0%
MAPFRE INTERNACIONAL	3,798	3,757	1.1%

MAPFRE AMÉRICA and its dependent companies

BOARD OF DIRECTORS		Steering Committee	Compliance Committee
CHAIRMAN	*Mr. Rafael Casas Gutiérrez*	Chairman	
FIRST VICE-CHAIRMAN	*Mr. Antonio Núñez Tovar*	First Vice-Chairman	
SECOND VICE-CHAIRMAN	*Mr. Rafael Beca Borrego*	Second Vice-Chairman	Chairman
MEMBERS	*Mr. Juan José Almagro García*		
	Mr. Ángel Alonso Batres		
	Mr. Pedro de Macedo Coutinho de Almeida		
	Mr. Javier Fernández-Cid Plañiol		
	Mr. José Mª García Alonso		Member
	Mr. Luis Mª González Llano		
	Mr. Sebastián Homet Duprá		
	Mr. Alberto Manzano Martos		
	Mr. Rafael Márquez Osorio		
	Mr. Alfonso Rebuelta Badías	Member	Member
	Mr. Esteban Tejera Montalvo		
	Mr. Francesco Vanni d'Archirafi		
SECRETARY	*Mr. Claudio Ramos Rodríguez*	Secretary	
VICE SECRETARY	*Msr. Rocío Peña Echarri*	Vice Secretary	

Composition of governing bodies resulting from the proposals which shall be submitted to the AGM

In the slowing regional economy of Latin America, MAPFRE AMÉRICA and its subsidiaries satisfactorily carried out their activity in 2012 and remained the region's leading Non-Life insurance company for the seventh consecutive year. It increased the gap with the next company by 0.1% with respect to the previous year's market share, and this despite losing 0.4% of market share, which fell from 10.5% to 10.1%.

The Unit's consolidated written premiums totalled €8,649.1 million in 2012, up 26% on 2011, mainly due to the inclusion of the income from the companies that form part of the alliance with BANCO DO BRASIL (34%) and the excellent levels of growth reported by the other subsidiaries in Uruguay (37%), Colombia and Peru (30%) Venezuela (28%), Mexico, Central America and Ecuador (25%), Chile (21%), Paraguay and Dominican Republic (10%) and Puerto Rico (9%).

Consolidated pre-tax results totalled €653.6 million, a 15% increase on the previous financial year; and the result after tax and minorities amounted to €225.9 million. Recurrent consolidated earnings increased by 34% compared to the previous financial year.

These figures are a direct outcome not only of the alliance in Brazil, but also of the strength of the branch and agent network; the solvency, regional brand image, specialisation and development of the distribution channels; the development of new lines of business for consumers, and of new global businesses for industrial customers, the on-going improvements to the technical management; and the high quality customer care that policyholders receive.

Main activities

New products and types of cover

2012 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 products for private customers, "packaged products" for mass sale in alternative channels and products for SMEs in the general lines, Motor, Life and Health, in almost all the subsidiaries.

— Launch of a regional project for CESVIS.

— Definition and start-up of the MAPFRE Financial Services Unit in Brazil split into four main businesses: investment and fund management, capitalisation, pensions and consortium.

— Culmination of the integration and development of MAPFRE's strategic alliance with BANCO DO BRASIL to consolidate their joint position in the Brazilian insurance market, fully exploiting the synergies identified.

— Development of MAPFRE's regional organisational structure in Central America and the technical and business development of the companies in the region, with development of the business model, technical operations, technological environment, internal control and risk management being especially important.

Sales initiatives

The main initiatives in 2012 were:

— Strengthening of the multichannel strategy by expanding the MAPFRE network (own and franchisee branches), the number totalling 2,014 at the year end; increase in the number of distribution agreements with banks and financial institutions, with car dealerships and manufacturers and with companies and institutions from miscellaneous sectors (mainly retailing), of which currently there are 141, 131 and 190, respectively. These channels represent 43.9% of the total premiums written at the end of 2012, with 193%, 18% and 1% increases on the previous year, respectively.

— Improvement of the business sales measured in terms of proper usage of business resources, resulting in the Business Expense Efficiency Ratio ending the year 35% lower than in 2011. In 2012, the heads of the "Networked MAPFRE AMERICA" commercial strategy held their 8th meeting.

— Boost MAPFRE's brand presence through institutional advertising campaigns – fifth year running of the Cable TV Advertising Campaign in the 18 countries where MAPFRE AMÉRICA operates – and local campaigns at country / product level (Brazil and Puerto Rico), as well as sponsorship of sporting events and increase MAPFRE's representativeness among insurance-related organizations and institutions, and best brand recognition among company rankings.

— Strengthen customer loyalty-building schemes, such as CLUB MAPFRE, that improve motor portfolio retention indices.

Opening of MAPFRE ATLAS' new offices in Quito

MAPFRE AMERICA prize giving

New headquarters in Guatemala

— Professionalize business management through the implementation of the Retail Management System (Pivotal Next) for systematic handling of sales leads in Chile, as well as the steady improvement and use of the system in Argentina and Colombia.

— Lower the sales personnel turnover ratio and boost the ongoing relationship between the network and the company through courses, campaigns and visits.

— Define and develop the regional insurance telephone sale and e-commerce project.

Technical management and customer services

Among the initiatives carried out during 2012 are the following:

— Analysis of the actuarial function, detailing the organisation of the function, pricing, reserving and risk selection policies.

— Incorporation of companies from BANCO DO BRASIL in the corporate work on internal control, operational risk and determination of economic capital in the Solvency II regulations.

MAPFRE was elected, for the seventh consecutive year, Best Insurance Company in Latin America by *Reactions* magazine

— Analysis and review of the life portfolios of the companies in Mexico, Peru, Colombia, Puerto Rico, Chile and Venezuela obtaining the Embedded Value.

— Permanent extension and revision of schedule agreements with technical suppliers (garages, loss assessors, assistance, medical clinics and hospitals), installation of own medical centres (Peru).

— Development and implementation of the Pretium tariff system in Argentina, Brazil, Colombia, Chile, Mexico, Peru, Puerto Rico and Venezuela with launch of tariffs in 2013.

— Improvement in claims paid and vehicle recovery rates.

— Development of the Global Customer project adopting a regional framework of action and service provision.

— Expansion of services offered to policyholders both in comprehensive automotive service centres and in SI24 telephone service centres, together with continuous improvement of MAPFRE's websites and virtual offices in each country.

Information and technology systems

— Further advances have been made in bringing to fruition play the corporate technology outsourcing agreement with Telefónica for the management of the Data Processing Centres of the subsidiaries, centralising operations of the Miami and Sao Paulo DPCs; the operations of the subsidiaries in Brazil, Puerto Rico, Peru and Mexico have already been fully migrated 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 terms of the corporate metamodel, using the ARIS tool.

Agreement with Genworth to distribute lifestyle protection products in Latin America

— The development of the plan to deploy the "Disaster claims management support solution" in the subsidiaries has been completed and the MAPFRE Urgent Support Group (GAUM in its Spanish initials) has been set up.

— In collaboration with the Department of Safety and Environment, progress has been made in implementing the business safety and continuity plan in subsidiaries.

— Design of a regional unified communications platform.

— Development of the new Dsi technology platform, Newtron.

Outlook

For 2013, the Economic Commission for Latin America (CEPAL) forecasts GDP growth of 4% (3.2% for 2012), based on a slightly lower rate in those South American countries with greater reliance on exports to China, a growth rate similar to 2012 for Mexico and Central America, while Argentina and Brazil will recover to a certain degree, thus contributing to the overall regional recovery.

Even so, MAPFRE AMÉRICA's estimates for the year envisage significant growth in income, due to the positive contributions made by all subsidiaries to the consolidated results; and development will continue in alternative distribution channels, as well as in the implementation of I.T. and management systems designed to improve the quality of the service for policyholders, their loyalty, operational efficiency and obtaining a recurrent and stable result.

INCOME STATEMENT IFRS	2012	2011	Var. % 12/11
DIRECT INSURANCE AND ACCEPTED REINSURANCE			
Gross written and accepted premiums	**8,649.1**	**6,874.0**	**25.7%**
Gross earned premiums	7,924.6	6,537.4	21.2%
Claims (includes claims related expenses)	(4,203.1)	(3,852.0)	9.1%
Operating expenses and other technical expenses	(2,855.8)	(2,370.8)	20.5%
RESULT OF DIRECT INSURANCE AND ACCEPTED REINSURANCE	**865.7**	**314.6**	**175.2%**
CEDED AND RETROCEDED REINSURANCE			
Premiums and variation in unearned premium reserve	(1,622.6)	(1,254.5)	29.3%
Claims paid and variation in provision for claims	741.6	780.3	(5.0%)
Comissions and participation in reinsurance	202.8	162.1	25.1%
RESULT OF CEDED AND RETROCEDED REINSURANCE	**(678.2)**	**(312.1)**	**117.3%**
Other technical revenues and expenses	25.3	214.1	(88.2%)
LIFE AND NON-LIFE TECHNICAL RESULT	**212.8**	**216.6**	**(1.8%)**
Net income from investments	446.1	343.9	29.7%
Unrealised gains and losses on investments	0.0	0.0	--
Other non-technical revenues and expenses	(20.6)	9.9	(308.1%)
Result of minority interests	0.0	0.0	--
LIFE AND NON-LIFE RESULT	**638.3**	**570.4**	**11.9%**
RESULT OF OTHER ACTIVITIES	15.3	0.0	--
RESULT BEFORE TAX AND MINORITIES	**653.6**	**570.4**	**14.6%**
Tax on profits	(198.1)	(118.7)	66.9%
Result after tax from ongoing operations	(12.7)	0.0	--
RESULT AFTER TAX	**442.8**	**451.7**	**(2.0%)**
Attributable to minority shareholders	(216.9)	(147.2)	47.4%
RESULT AFTER TAX AND MINORITY SHAREHOLDERS	**225.9**	**304.5**	**(25.8%)**

MILLION EUROS

NON-LIFE RATIOS	2012	2011
Claims ratio of direct insurance	63.0	63.6
Expense ratio of direct insurance	34.7	37.2
Combined ratio, net of reinsurance	97.7	100.8

GROSS WRITTEN AND ACCEPTED PREMIUMS	2012	2011	Var. % 12/11
BRAZIL	4,761.4	3,561.3	33.7%
MEXICO	697.3	557.5	25.1%
PUERTO RICO	335.4	307.3	9.2%
VENEZUELA	818.7	640.0	27.9%
ARGENTINA	336.4	457.9	(26.5%)
CHILE	329.5	271.9	21.2%
COLOMBIA	588.9	452.0	30.3%
PERU	276.7	212.7	30.1%
PARAGUAY	51.1	46.4	10.0%
URUGUAY	72.2	52.5	37.5%
DOMINICAN REPUBLIC	86.1	78.6	9.5%
ECUADOR	40.2	32.2	25.0%
EL SALVADOR	47.7	39.1	22.0%
PANAMA	116.2	95.6	21.6%
GUATEMALA	31.0	28.0	10.4%
HONDURAS	14.3	26.8	(46.5%)
COSTA RICA	37.2	6.2	501.6%
NICARAGUA	9.0	7.9	14.0%
TOTAL	**8,649.1**	**6,874.0**	**25.8%**

MILLION EUROS

BALANCE SHEET KEY FIGURES (IFRS)	2012	2011	Var. % 12/11
Investments and cash (*)	6,808.2	6,268.3	8.6%
Total assets	14,967.8	13,912.0	7.6%
Shareholders equity	3,874.0	3,945.8	(1.8%)
ROE	10.4%	16.8%	(38.1%)

MILLION EUROS

(*) Includes "Investments on account of life assurance policyholders bearing the investment risk" totalling €577.2 million and €689.6 million in 2011 and 2012, respectively

SOLVENCY AND COVERAGE OF TECHNICAL RESERVES	2012	2011	Var. % 12/11
Technical reserves requiring coverage	6,765.5	6,426.0	5.3%
Excess of eligible assets over reserves	1,194.1	1,103.0	8.3%
Minimum solvency margin (consolidated)	1,449.3	1,445.0	0.3%
Solvency margin	1,994.3	2,032.0	(1.9%)

MILLION EUROS

OTHER INFORMATION	2012	2011	Var. % 12/11
Average number of employees	15,302	13,310	15.0%

MAPFRE INTERNACIONAL and its dependent companies

BOARD OF DIRECTORS		Compliance Committee
CHAIRMAN	*Mr. Javier Fernández-Cid Plañiol*	
FIRST VICE-CHAIRMAN	*Mr. Ignacio Baeza Gómez*	
SECOND VICE-CHAIRMAN	*Mr. Gregorio Robles Morchón*	Chairman
MEMBERS	*Mr. Ricardo Blanco Martínez*	
	Mr. Víctor Bultó Millet	
	Mr. Rafael Casas Gutiérrez	
	Mr. Alfredo Castelo Marín	
	Mr. Pedro de Macedo Coutinho de Almeida	
	Mr. Luis Hernando de Larramendi Martínez	Member
	Mr. José Manuel Inchausti Pérez	
	Mr. Alberto Manzano Martos	
	Mr. Filomeno Mira Candel	
	Mr. Claudio Ramos Rodríguez	
	Mr. Alfonso Rebuelta Badías	Member
	Mr. Rafael Senén García	
	Mr. Domingo Sugranyes Bickel	
	Mr. Esteban Tejera Montalvo	
SECRETARY	*Ms. Rocío Peña Echarri*	

Composition of governing bodies resulting from the proposals which shall be submitted to the AGM

In 2012 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, strategies have been implemented to improve profitability levels and boost business volumes, adjust prices, control costs and tailor underwriting terms to each market's environment.

The economic scenario in the countries where MAPFRE INTERNACIONAL operates is very diverse, but an environment of recovery prevails. In 2012, the economy has already grown 2.2% in the United States, 3% in Turkey, 4.8% in the Philippines and 1.2% in Malta. The exception is Portugal, where the recession has led the economy to shrink by 3%. This growth, coupled with the insurance sector's increased penetration in the emerging markets where we operate, confirms that the MAPFRE GROUP's geographical diversification policy is proving successful.

The volume of premiums during the year, €2,185 million, represents a 14.1% increase over 2011, while the consolidated result before taxes and minority interests, €93.7 million, grew by 8.7% over the previous year. Worth noting is that the results reflect the exceptional claim ratio triggered by Hurricane Sandy in north-eastern United States, which amounted to €50.3 million. On the positive side, one must highlight the solid growth of the business in Turkey in the Motor, Engineering and Health lines. Eextraordinary provisions of €19.1 million were set aside on account of the impairment of the CATTOLICA ASSICURAZIONE shareholding.

In short, and despite the high level of claims in the year, the volume of business and results increased satisfactorily, considering 2012 a positive year.

Main activities

2012 has seen the ongoing use of proprietary tools and processes designed to establish the necessary reporting routes 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.

Specifically, work is being completed on implementing the Group's computer systems in the U.S.A. and the process is starting in Malta, while in Turkey its implementation has been very successful and is already bearing fruit in the form of increased productivity.

In line with the corporate strategy geared towards a multi-channel distribution in the insurance offering, working ois being undertaken on expanding the existing distribution channels in order to serve a greater number of consumers.

Regarding products, all the subsidiaries are making efforts to improve, redesign, or launch new products.

In terms of geographical expansion, throughout the year the company continued analyzing multiple investment opportunities that have not materialized either because the asking price

Mr. Antonio Huertas with the management team at MAPFRE USA

expectations were not considered justified, or due to a lack of strategic fit. We will remain watchful of investment opportunities in those markets considered strategic.

Subsidiaries and other business interests

— MAPFRE USA (United States) has kept its leadership position in 2012 in the Motor and Home insurance classes in Massachusetts, with market shares of 29% and 12%, respectively.

The volume of premiums totalled €1,514 million, an increase in euros of 8.1%. Pre-tax results rose 63.5% to €90.6 million, a significant advance on the previous year. The combined ratio ended at 102.1% (as compared to 107.1% in 2011), and would have improved even more had it not been for Hurricane Sandy, which caused net claims totalling €50.3 million, equivalent to 3.6 p.p. of claims experience.

Work on improving systems and processes is going to schedule, with a focus on technology areas. Insurance operations are being coordinated nationwide by establishing product and price standardisation policies and coordinated marketing, underwriting and claims processing activities.

— MAPFRE GENEL SIGORTA (Turkey) has reported a premium volume of €387 million, an increase of 38.6% on the previous year, and pre-tax results of €25.4 million, up 33.9%. The company has grown its market share to 3.9%.

Reasons for the excellent business growth differ between the line sof business, but the underlying factor is the market's increasing recognition of MAPFRE GENEL SIGORTA's technical capacity, solvency and best practices.

In the Motor business, the market is still standardising its tariffs, this having prompted a 43.2% portfolio increase. In Health, which grew 33.3%, sales drives have been stepped up with immediate positive results. In the engineering field, major projects have been won in the infrastructure construction, energy, airport management, aviation and industry fields.

The Chairman visited MAPFRE GENEL SIGORTA and TUR ASSIST

MAPFRE INSULAR's new direct sales office

The company completed its acquisition of a 51% stake in an auto repair shop network – GENEL SERVIS – in order to raise repair service standards for our customers and be a leader in the market.

— MAPFRE SEGUROS GERAIS (Portugal) obtained a premium volume of €128 million in 2012, 13.2% less than the previous year, mainly due to the tough economic environment in which our subsidiary operates and which worsened in 2012. The downturn in business was noted in the main lines of business - Motor, Workers' Compensation and Comercial risks.

Despite this, and due to a lower loss experience, pre-tax results of €9.8 million represented an increase of 40.7%.

With the change ff control of FINIBANCO, this gave us the option to sell our 50% interest in FINIBANCO VIDA, as specified in the contract. The sale took place in December, and has generated a capital gain of €4.9 million.

— MAPFRE INSULAR (Philippines) has reported premiums of €35.3 million, a 16.5% increase, and results before taxes of €3.8 million, down 18.1% on the previous year.

The company ranks number ten in the Non-Life market by gross premiums, and number four by net premiums.

The company is extending its geographical presence by developing its agents' network and signing agreements with local partners.

— MIDDLESEA GROUP (Malta), reported €121 million of consolidated premiums. Results before taxes and minorities amounted to €18.2 million.

The company was acquired in 2011, and its integration and adoption of the Group's best practices are moving ahead at a good pace. Work is underway on introducing the corporate IT system, as well as the launch of new products. The company successfully launched MIDDLESEA ASSIST, which provides high-quality services.

Outlook

It is hoped that, in 2013, we will continue reaping the rewards of the efforts made in recent years to optimize operations through process improvement and intensification of sales efforts.

In the United States, work is underway on strengthening the multi-channel approach, while studying the marketing of new products in lines that are regarded as strategic: Motor, Property, Life and Commercial Risks.

In Turkey, the high growth rate achieved in 2012 is expected to continue in subsequent years, helped by good fundamentals of economic growth and the steadily increasing penetration of insurance.

The Company will continue to promote agreements with local partners in various markets and will further explore acquisition opportunities in markets considered to be strategic, thereby contributing to the Group's geographic expansion.

INCOME STATEMENT IFRS	2012	2011	Var. % 12/11
DIRECT INSURANCE AND ACCEPTED REINSURANCE			
Gross written and accepted premiums	**2,184.8**	**1,914.1**	**14.1%**
Gross earned premiums	2,121.9	1,860.6	14.0%
Claims (includes claims related expenses)	(1,606.5)	(1,435.7)	11.9%
Operating expenses and other technical expenses	(552.0)	(472.3)	16.9%
RESULT OF DIRECT INSURANCE AND ACCEPTED REINSURANCE	**(36.6)**	**(47.5)**	**(22.9%)**
CEDED AND RETROCEDED REINSURANCE			
Premiums and variation in unearned premium reserve	(226.1)	(161.4)	40.1%
Claims paid and variation in provision for claims	100.2	63.7	57.2%
Comissions and participation in reinsurance	41.1	27.2	50.9%
RESULT OF CEDED AND RETROCEDED REINSURANCE	**(84.8)**	**(70.5)**	**20.3%**
Other technical revenues and expenses	11.2	10.9	3.0%
LIFE AND NON-LIFE TECHNICAL RESULT	**(110.2)**	**(107.1)**	**2.9%**
Net income from investments	249.1	196.4	26.9%
Unrealised gains and losses on investments	5.6	(2.6)	316.3%
Other non-technical revenues and expenses	3.1	5.6	(44.8%)
Result of minority interests	(0.1)	0.6	(108.4%)
LIFE AND NON-LIFE RESULT	**147.5**	**92.9**	**58.8%**
OTHER ACTIVITIES			
Operating revenues	0.8	0.3	210.0%
Operating expenses	(6.9)	(7.1)	(2.7%)
Net income from investments and other income	(17.7)	4.1	(527.1%)
Result of minority interests	0.0	0.0	
RESULT OF OTHER ACTIVITIES	**(23.8)**	**(2.7)**	**775.1%**
RESULT BEFORE TAX AND MINORITIES	**123.7**	**90.2**	**37.2%**
Tax on profits	(19.3)	(2.2)	765.4%
Result after tax from ongoing operations	0.0	0.0	
RESULT AFTER TAX	**104.4**	**88.0**	**18.7%**
Attributable to minority shareholders	(10.7)	(1.8)	509.6%
RESULT AFTER TAX AND MINORITY SHAREHOLDERS	**93.7**	**86.2**	**8.7%**

MILLION EUROS

NON-LIFE RATIOS	2012	2011
Claims ratio of direct insurance	74.1%	79.8%
Expense ratio of direct insurance	27.4%	26.4%
Combined ratio, net of reinsurance	101.5%	106.2%

GROSS WRITTEN AND ACCEPTED PREMIUMS	2012	2011	Var. % 12/11
PORTUGAL	127.8	147.2	(13.2%)
TURKEY	387.1	279.2	38.6%
USA	1,513.9	1,401.0	8.1%
MALTA	120.7	56.4	114.2%
PHILIPPINES	35.3	30.3	16.5%
TOTAL	**2,184.8**	**1,914.1**	**14.1%**

MILLION EUROS

BALANCE SHEET KEY FIGURES (IFRS)	2012	2011	Var. % 12/11
Investments and cash	3,886.1	3,801.3	2.2%
Total assets	6,272.5	6,123.1	2.4%
Shareholders equity	2,473.4	2,439.4	1.4%
ROE	4.0%	3.7%	--

MILLION EUROS

SOLVENCY AND COVERAGE OF TECHNICAL RESERVES	2012	2011	Var. % 12/11
Technical reserves requiring coverage	3,132.0	3,015.6	3.9%
Excess of eligible assets over reserves	821.9	883.9	(7.0%)
Minimum solvency margin (consolidated)	400.1	345.7	15.7%
Solvency margin	2,502.5	2,454.6	2.0%

MILLION EUROS

OTHER INFORMATION	2012	2011	Var. % 12/11
Average number of employees	3,798	3,757	1.1%

Includes MAPFRE INTERNACIONAL, MAPFRE USA CORP., MAPFRE GENEL SIGORTA, MAPFRE SEGUROS GERAIS, MIDDLESEA INSURANCE and MAPFRE INSULAR

GLOBAL BUSINESSES DIVISION

STEERING COMMITTEE	
CHAIRMAN	*Mr. Antonio Huertas Mejías*
FIRST VICE- CHAIRMAN	*Mr. Pedro de Macedo Coutinho*
SECOND VICE-CHAIRMAN	*Mr. Rafael Senén García*
THIRD VICE-CHAIRMAN	*Mr. Alfredo Castelo Marín*
MEMBERS	*Mr. Miguel Ángel Almazán Manzano*
	Mr. Ángel Luis Dávila Bermejo
	Mr. Javier Fernández-Cid Plañiol
	Mr. José Manuel Inchausti Pérez
	Mr. José Manuel Muries Navarro
	Mr. Antonio Núñez Tovar
	Mr. Esteban Pedrayes Larrauri
	Mr. Javier San Basilio Pardo
	Mr. Esteban Tejera Montalvo
SECRETARY	*Mr. Claudio Ramos Rodríguez*

Members on the date of issue of the Annual Report

The Division is formed by MAPFRE RE, MAPFRE ASISTENCIA and MAPFRE GLOBAL RISKS, and includes lines of business that, by their very nature, are handled on a centralized basis, with presence in 44 countries.

It offers reinsurance capabilities in all its segments; it comprises assistance and claims management, special risks, travel insurance, and the travel assistance programmes, among others; it specialises in providing insurance solutions to multinational companies, and distributes its products through 71 of its own branches, as well as other sales forces, depending on each case.

Principales magnitudes

ITEM	2012	2011	Chg. % 12/11
EQUITY			
MAPFRE RE	968.6	847.7	14.3%
MAPFRE ASISTENCIA	215.7	179.9	19.9%
MAPFRE GLOBAL RISKS	258.1	223.0	15.7%
PREMIUMS	**4,723.2**	**4,201.3**	**12.4%**
MAPFRE RE	2,844.5	2,630.7	8.1%
MAPFRE ASISTENCIA	763.5	563.2	35.6%
MAPFRE GLOBAL RISKS	1,115.2	1,007.4	10.7%
TOTAL REVENUE	**5,374.0**	**4,858.7**	**10.6%**
MAPFRE RE	3,248.2	3,046.0	6.6%
MAPFRE ASISTENCIA	937.9	730.0	28.5%
MAPFRE GLOBAL RISKS	1,187.9	1,082.6	9.7%
RESULTS AFTER TAX AND MINORITIES	**133.8**	**131.4**	**1.8%**
MAPFRE RE	87.1	78.6	10.8%
MAPFRE ASISTENCIA	31.0	25.8	20.2%
MAPFRE GLOBAL RISKS	15.7	27.0	(41.9%)

(MILLIONS OF EUROS)

AVERAGE NUMBER OF EMPLOYEES	**6.002**	**5.701**	**5,3%**
MAPFRE RE	307	290	5,9%
MAPFRE ASISTENCIA	5.145	4.835	6,4%
MAPFRE GLOBAL RISKS	550	576	(4,5%)

Mr. Antonio Huertas, Mr. José Manuel Martínez, Mr. Pedro Macedo and Mr. Wilson Toneto at the 48th International Insurance Society Seminar

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 Ignacio Fanego González (1)		
	Mr. Leopoldo Alvear Trenor (2)		
	Mr. Javier Fernández-Cid Plañiol	Member	
	Mr. Lorenzo Garagorri Olavarrieta		
	Mr. Philippe Hebeisen (Vaudoise Assurances Holding)		
	Mr. Pedro López Solanes	Member	
	Mr. Rick L. Means (Shelter Mutual Insurance Company)		
	Mr. Juan Antonio Pardo Ortiz (3)		
	Mr. Eduardo Pérez de Lema Holweg (3)	Member	
	Mr. Claudio Ramos Rodríguez	Member	
	Mr. Giovanni Battista Mazzuchelli (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. Juan Martín Sanz López*	Secretary	

Composition of governing bodies 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.

(3) From 7th April 2013, Mr Juan Antonio Pardo Ortíz will cease to be a Member of the Board, due to reaching the maximum permitted age. He shall be replaced by Mr. Eduardo Pérez de Lema Holweg.

MAPFRE RE has remained very active during 2012, achieving positive results, a notable upturn in written premiums and a significant increase in its equity.

The reinsurance market faced no major catastrophes until the third quarter of the year, allowing reinsurers to report increased profits as compared to the same period of the previous year, which had been hit by intense catastrophic claim experience. Hurricane Sandy, which hit the U.S. east coast, has caused extensive damage, but the losses for the entire reinsurance market will be absorbed by the results for the year. Also noteworthy was the reduction in financial revenues and changes in value of certain assets, especially in Europe.

Main activities

— MAPFRE RE remained busy throughout the year, both at its headquarters and overseas offices, strengthening contacts with all its customers and brokers.

— During 2012, MAPFRE RE continues to boost its team by recruiting qualified new staff, so as to provide a more effective customer service and meet the increasing technical complexity of the reinsurance business. Likewise, staff from the head office and branches branches alike have taken part in training schemes such as Avanza, the Management Development Programme (PDD) in English and Spanish, and the MAPFRE Integration Programme (MIP).

— A wide range of training courses were offered to customers, including the International Seminar held in Madrid, which was attended by staff from 12 countries; an agricultural insurance seminar in Colombia; a seminar to support the technical development of the Turkish Agricultural Insurance Pool; a seminar on Solvency II in Spain that was attended by 52 people; and together with the FUNDACION MAPFRE, the Advanced Specialization Course in Life and Health Insurance, which was attended by 25 people from 11 countries. MAPFRE RE also held a reinsurance course, divided into e-learning and classroom modules, attended by 62 people from ceding companies in Chile, Argentina, Venezuela, Colombia and Brazil; also the company carried on collaborating closely with ITSEMAP, offering a total of 12 classroom courses and one e-learning course to business customers in 11 countries in Europe and the Americas, in which 436 people have taken part.

— The company continues ot intensely prepare for the future introduction of Solvency II, bringing its IT, accounting, statistical and actuarial systems into line with the new requirements. Similarly, the company continues participating in the European Insurance Chief Financial Officers Forum. Meetings have been held with the Directorate General for Insurance and Pension Funds to further assess the Internal Capital Model.

— Since the end of 2011 and during 2012, the rating agency Standard & Poor´s severley downgraded its ratings on all Spanish companies, at the same timer as it downgraded the Kingdom of Spain's rating, justifying its decisions on country-risk exposure. However, MAPFRE RE has been rated "BBB+", two tiers higher than the country rating.

The 48th International Insurance Society Seminar which took place in Rio de Janeiro (Brazil)

A.M. Best's country risk evaluation does not impose a ceiling on ratings. Its approach is to assess each entity's risk management and geographic diversification and conduct individual impairment tests. MAPFRE RE underwent two very demanding impairment tests and, in both cases, has kept its "A" rating.

— During the financial year, MAPFRE RE has recognized the impairment of some investments. However, its equity and results at year end were better than the previous year.

— As mentioned before, Hurricane Sandy has caused major damages. It is estimated that the gross and net impact of this catastrophic loss will be €57 million.

Subsidiaries and other business interests

The Chilean subsidiaries INVERSIONES IBÉRICAS and MAPFRE CHILE REASEGUROS have obtained revenues of €7.3 million, and pre-tax profit of €1.2 million; while its equity amounted to €62.3 million at year end.

MAPFRE RE DO BRASIL, which performed well again, reported €58.8 million of revenues, and a pre-tax result of €12.2 million; while its equity amounted to €42.1 million at year end.

Outook

Uncertainty about concrete and coordinated policy solutions to the sovereign debt and growth crisis, which during 2012 has diverted investment to securities regarded as low-risk but with little or no yield, the stream of liquidity injected into the market by the central banks of Japan, the U.S., the UK and the European Central Bank, and the lowering of interest rates, will all serve to keep the financial market volatile. The low returns expected from investments and possible losses stemming from the volatile markets and the sovereign debt situation, where the sector has invested heavily, will affect the insurance and reinsurance market, which must obtain a positive technical result.

Most reinsurers have begun in 2013 with good results and increased capitalization, which, combined with the capital market's interest in reinsurance, means that there is plenty of capacity available.

As a result of its solvency, professionalism and credibility with customers and brokers, MAPFRE RE in a good position to successfully face the challenges that lie ahead.

MAPFRE RE's 5th International Seminar

INCOME STATEMENT IFRS	2012	2011	Var. % 12/11
DIRECT INSURANCE AND ACCEPTED REINSURANCE			
Gross written and accepted premiums	**2,844.5**	**2,630.7**	**8,1%**
Gross earned premiums	2,785.8	2,614.8	6,5%
Claims (includes claims related expenses)	(1,708.8)	(1,801.9)	(5,2%)
Operating expenses and other technical expenses	(721.6)	(654.0)	10,3%
RESULT OF DIRECT INSURANCE AND ACCEPTED REINSURANCE	**355.4**	**158.9**	**123,7%**
CEDED AND RETROCEDED REINSURANCE			
Premiums and variation in unearned premium reserve	(999.6)	(866.2)	15,4%
Claims paid and variation in provision for claims	481.6	543.4	(11,4%)
Comissions and participation in reinsurance	206.0	159.5	29,1%
RESULT OF CEDED AND RETROCEDED REINSURANCE	**(312.0)**	**(163.2)**	**91,2%**
Other technical revenues and expenses	(0.7)	(0.6)	3,6%
LIFE AND NON-LIFE TECHNICAL RESULT	**42.8**	**(4.9)**	**967,8%**
Net income from investments	77.8	111.1	(30,0%)
Unrealised gains and losses on investments	0.0	0.0	--
Other non-technical revenues and expenses	0.9	(0.7)	221,7%
Result of minority interests	(0.4)	2.2	(115,8%)
LIFE AND NON-LIFE RESULT	**121.1**	**107.7**	**12,4%**
RESULT OF OTHER ACTIVITIES	0.0	0.0	--
RESULT BEFORE TAX AND MINORITIES	**121.1**	**107.7**	**12,4%**
Tax on profits	(34.0)	(29.1)	16,9%
Result after tax from ongoing operations	0.0	0.0	--
RESULT AFTER TAX	**87.1**	**78.6**	**10,8%**
Attributable to minority shareholders	0.0	0.0	0,0%
RESULT AFTER TAX AND MINORITY SHAREHOLDERS	**87.1**	**78.6**	**10,8%**

MILLONES DE EUROS

NON-LIFE RATIOS	2012	2011
Claims ratio of direct insurance	67.3%	72.0%
Expense ratio of direct insurance	29.7%	28.6%
Combined ratio, net of reinsurance	97.0%	100.6%

GROSS WRITTEN AND ACCEPTED PREMIUMS	2012	2011	Var. % 12/11
Non-life	2,383.1	2,261.4	5.4%
Life	461.4	369.3	24.9%
TOTAL	**2,844.5**	**2,630.7**	**8.1%**

MILLION EUROS

BALANCE SHEET KEY FIGURES (IFRS)	2012	2011	Var. % 12/11
Investments and cash	2,848.7	2,544.5	12.0%
Total assets	4,612.9	4,363.5	5.7%
Shareholders equity	968.6	847.7	14.3%
ROE	9.6%	9.3%	3.2%

MILLION EUROS

SOLVENCY AND COVERAGE OF TECHNICAL RESERVES	2012	2011	Var. % 12/11
Technical reserves requiring coverage	2,712.3	3,013.8	1.7%
Excess of eligible assets over reserves	535.7	507.3	40.9%
Minimum solvency margin	347.9	368.7	10.3%
Solvency margin	841.7	847.4	14.3%

MILLION EUROS

OTHER INFORMATION	2012	2011	Var. % 12/11
Average number of employees	307	290	5.9%
% commissions / gross accepted reinsurance premiums	26.6%	26.4%	0.8%
% internal expenses / gross accepted premiums	1.3%	1.4%	(7.1%)

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. José Ignacio Fanego González (1)		
	Mr. Javier Fernández-Cid Plañiol	Member	
	Mr. Sebastián Homet Duprá		
	Mr. Augusto Huéscar Martínez	Member	Member
	Mr. Pedro de Macedo Coutinho de Almeida		
	Mr. Ignacio Mier Padilla		
	Mr. Juan Antonio Pardo Ortiz		
	Ms. Elena Sanz Isla		
	Mr. Fernando Sobrini Aburto (2)		
SECRETARY	*Mr. Félix Mansilla Arcos*	Secretary	
	Mr. Jaime Álvarez de las Asturias		Secretary

Composition of governing bodies on the date of preparation of this annual report

(1) In representation of VALORACIÓN Y CONTROL, S.L.

(2) In representation of PARTICIPACIONES Y CARTERA DE INVERSIÓN, S.L.

This unit, which is present in 43 countries, has further developed and consolidated its position in the markets, carrying out its business in a highly competitive and economically tough environment, despite which it has performed excellently in 2012.

Total consolidated revenues amounted to €937.9 million, compared to €730.1 million in 2011, up 28.5%, this growth being driven by the strong performance in the UK and U.S.A., as well as the good performance of the rest of units.

Consolidated pre-tax results totalled €46.7 million, a 15.2% increase on the previous year; and results after tax and minorities amounted to €31 million, 20.1% higher than the figure obtained in the previous year.

Main activities

In line with the guidelines set forth in the Strategic Plan, MAPFRE ASISTENCIA has focused its attention on increasing shareholders' returns, having achieved a ROE of 16%; on sustainably increasing the volume and margin of operations, by developing products; on containing costs and reviewing underwriting policies; and on balancing the contribution to the results of the various geographical areas and lines of business.

It also carried on with its analysis and corporate contacts in several Asia-Pacific markets, with the intention to give a major boost in the coming years in this geographical area.

New products

2012 saw the development of new products, and the tailoring of some existing ones to the new requirements of the markets in which the company operates, in order to focus our efforts on those areas where greatest growth potential has been detected.

In the special perils field, the company has added new contract schemes to the GAP insurance policy, allowing a monthly cancellation model and external financing of premiums.

Mechanical warranty covers now include new components that some markets were demanding, creating a new product for an existing market niche.

We are exploring the commercial viability of a product called Dings & Dents covering quick repair of bumps and scratches on the car body. On-line sales have now started of the Credit Protect product, which under certain conditions covers loans outstanding with financial institutions.

Several product innovation sessions have been held, focused primarily on the renewals of the roadside assistance programme, which has led to the design of a new package of optional coverages.

Some payment protection products have been redefined for financial institutions in the United Kingdom.

Opening of MAPFRE ASISTENCIA's office in Japan

Sales initiatives

During 2012 commercial efforts in all regions have again focused on improving the balance between the two product lines: Assistance and Special Perils.

In Assistance, the marketing of travel insurance has been boosted through the online platform in the countries defined in the strategic initiative; a deal has been signed for the management of roadside assistance programme of one of the U.S.A.'s largest insurers, which will be essential for the growth of our business in this sector; hard work has gone into finalising the renewal of the roadside assistance programme with China's leading insurer; and the company proactively managed the international broker channel, achieving important travel assistance agreements.

In Special Perils, the company has boosted sales of extended warranty products for car manufacturers, winning contracts in all geographic areas; deals have been achieved with car insurance firms in several Latin American countries for the marketing of mechanical breakdown insurance schemes (iWarranty); efforts have been stepped up in Latin America in the Special Perils line of products, achieving extended warranty contracts for electrical appliances; and in Europe, the company is relying on telemarketing to extend the renewal of mechanical warranty insurance.

The new office in Australia commenced operations in 2012

Technical management and customer service

The main activities carried out in 2012 in this field included the implementation of Smartphone mobility services that enable customers to request roadside or travel assistance using iPhone and Blackberry technology platforms; more efforts were devoted to the internal control initiatives already in place, preparing reports and risk maps, providing local training, and conducting surveys; the underwriting policy was further reviewed, and there was further operational integration of the subscription areas of Central and Regional Services in the UK and France, so as to pool knowledge and technical bases; collection procedures have been redefined to ensure more efficient management; and the launch of the Quality Observatory, devised to measure the perceived quality with a 360º approach, i.e., by all groups involved in the company's operations: B2B customers and B2B2C partners, suppliers, employees, end users, internal areas and business units.

Information and technology systems

During 2012 there have been numerous developments in the corporate Ama, Phoenix and Future apps, in order to support the new operating requirements and improve the operating efficiency.

In the support areas, the highlights include the launch of the new version of the Phoenix V3 platform for issuing and processing special perils.

The business development areas saw the successful implementation, in five countries, of Saleforce, a commercial tool for proactively managing the sales network in an online collaborative environment; and the updating of the internal communication platform Mainet to a collaborative version 2.0.

In infrastructure, apart from enlarging the capabilities of existing DPCs, the MPLS links have been reinforced by hiring a second operator, Verizon, for those countries working with the corporate DPC's in Miami and Ávila.

International activities

In July 2012, the company took over CENTURY AUTOMOTIVE SERVICES COMPANY, the leading company in the USA for mechanical warranty sales, distributing its products through an extensive network of dealers, as the main distribution channel.

Outlook

The Unit's plans for 2013 are to carry on with the strategic line established in recent years, with a marked emphasis on boosting unit and customer growth and profitability, coupled with a stronger sales drive and an international expansion.

The cornerstones upon which future growth must be based are boosting the growth of special peril products in all the regions; consolidating the commercial areas that have been reinforced in recent years; developing our on-line capabilities; increasing the public awareness of MAPFRE ASISTENCIA and its most more emblematic brands in the markets where it operates through an ambitious marketing plan; and developing the B2B2C distribution channels and the International Brokers channel.

From a geographical perspective, activity will be increased in the Asia Pacific region, reinforcing our activities in China supported by the new companies opened in 2011 in Japan and Australia, focused both on travel assistance and mechanical warranty products: in North America, the company will start marketing travel insurance via an on-line platform and continue exploiting the potential of the roadside assistance insurance market; In the main Latin American markets, special emphasis will be placed on Special Perils –mechanical warranty and PPI fundamentally–, with strategic agreements where suitable; and in Europe, by consolidating the most recent operations focused on the mechanical warranty and boosting the development of Travel Insurance through on-line marketing.

Meanwhile, the aim will be to introduce telemarketing-based product distribution into the largest possible number of markets.

From an in-house perspective, special emphasis will be placed on developing the IT structures that guarantee the appropriate availability of the technological business solutions; some of the current processes will be redefined to improve our ability to respond to business needs, in collaboration with the Department of Technologies and Procedures; best practices will be extended and the international medical claim management processes will be improved; the perceived quality will be managed as a driver of change; talent management programmes will continue and corporate training projects will be encouraged; the Balanced Scorecard strategic planning methodology will be extended to all the units; and, with respect internal control terms, the security of operations and contingency solutions will be fostered.

INCOME STATEMENT IFRS	2012	2011	Var. % 12/11
DIRECT INSURANCE AND ACCEPTED REINSURANCE			
Gross written and accepted premiums	**763.5**	**563.2**	**35.6%**
Gross earned premiums	711.6	509.7	39.6%
Claims (includes claims related expenses)	(444.7)	(318.1)	39.8%
Operating expenses and other technical expenses	(209.2)	(148.1)	41.3%
RESULT OF DIRECT INSURANCE AND ACCEPTED REINSURANCE	**57.7**	**43.4**	**32.9%**
CEDED AND RETROCEDED REINSURANCE			
Premiums and variation in unearned premium reserve	(60.0)	(30.6)	95.9%
Claims paid and variation in provision for claims	23.5	13.7	71.9%
Comissions and participation in reinsurance	28.1	16.5	70.7%
RESULT OF CEDED AND RETROCEDED REINSURANCE	**(8.3)**	**(0.5)**	
Other technical revenues and expenses	(4.5)	(2.3)	91.5%
LIFE AND NON-LIFE TECHNICAL RESULT	**44.9**	**40.6**	**10.5%**
Net income from investments	2.0	(0.2)	
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	**46.8**	**40.4**	**15.9%**
OTHER ACTIVITIES			
Operating revenues	164.7	155.4	6.0%
Operating expenses	(164.9)	(153.0)	7.8%
Net income from investments and other income	(0.0)	(2.3)	(99.7%)
Result of minority interests	0.1	0.1	--
RESULT OF OTHER ACTIVITIES	**(0.1)**	**0.2**	**(140.7%)**
RESULT BEFORE TAX AND MINORITIES	**46.7**	**40.6**	**15.2%**
Tax on profits	(14.7)	(11.7)	25.7%
Result after tax from ongoing operations	0.0	(2.2)	(100.0%)
RESULT AFTER TAX	**32.0**	**26.6**	**20.0%**
Attributable to minority shareholders	(1.0)	(0.9)	18.4%
RESULT AFTER TAX AND MINORITY SHAREHOLDERS	**31.0**	**25.8**	**20.1%**

MILLION EUROS

NON-LIFE RATIOS	2012	2011
Claims ratio of direct insurance	64.6%	63.6%
Expense ratio of direct insurance	28.5%	28.0%
Combined ratio, net of reinsurance	93.1%	91.6%

DETAILS OF REVENUES BY BUSINESS AREAS	2012	2011	Var. % 12/11
Insurance and services (premiums)	763.5	574.7	32.8%
Insurance and services (other revenues)	174.4	155.4	12.3%
TOTAL	**937.9**	**730.1**	**28.5%**

MILLION EUROS

DETAILS OF REVENUES BY GEOGRAPHICAL AREAS	2012	2011	Var. % 12/11
Europe	502.5	389.9	28.9%
Latin America	232.1	221.2	4.9%
North America	112.1	59.5	88.3%
Asia, Middle East and Africa	75.5	44.8	68.6%
Corporate Centre	15.7	14.7	7.1%
TOTAL	**937.9**	**730.1**	**28.5%**

MILLION EUROS

BALANCE SHEET KEY FIGURES (IFRS)	2012	2011	Var. % 12/11
Investments and cash	174.0	131.8	32.0%
Total assets	855.3	584.8	46.3%
Shareholders equity	215.7	179.9	19.9%
ROE	16.0%	15.5%	3.2%

MILLION EUROS

SOLVENCY AND COVERAGE OF TECHNICAL RESERVES	2012	2011	Var. % 12/11
Technical reserves requiring coverage	120.0	96.1	24.9%
Excess of eligible assets over reserves	3.0	4.2	(28.6%)
Minimum solvency margin	82.2	57.8	42.3%
Solvency margin	241.0	174.1	38.4%

MILLION EUROS

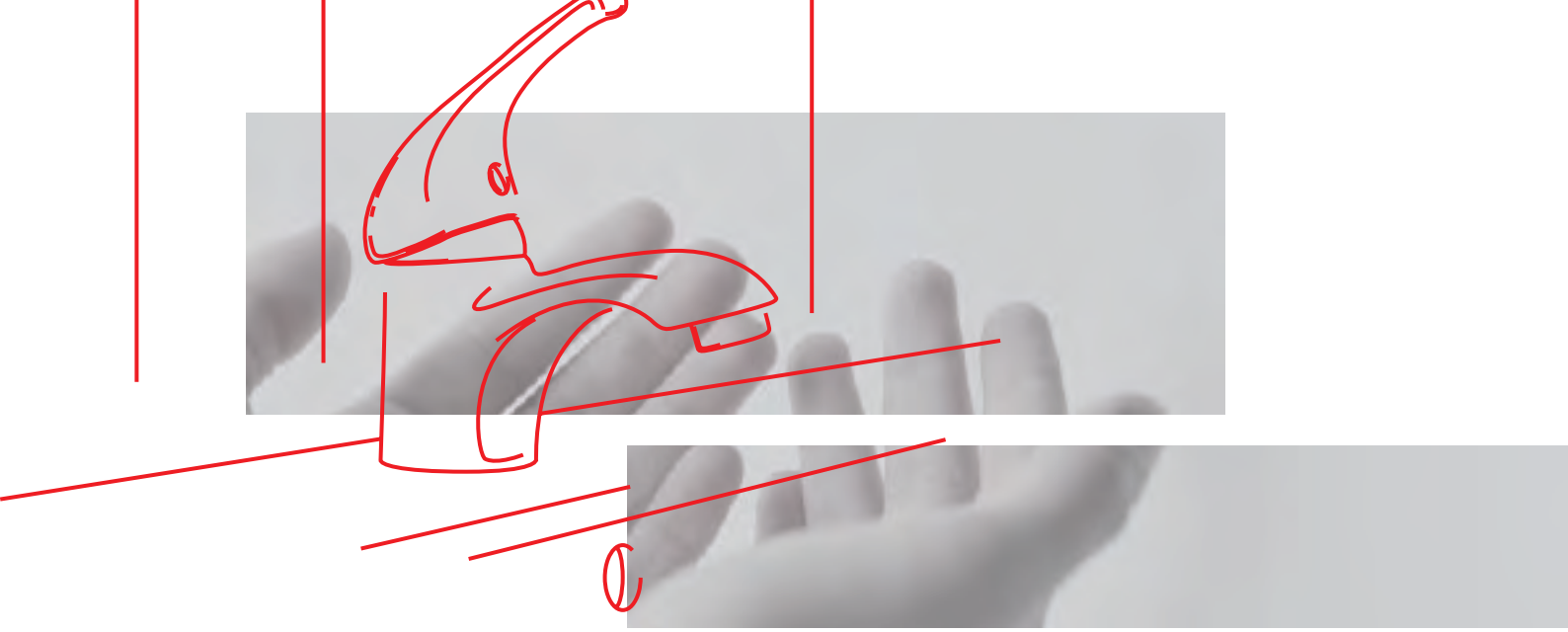
OTHER INFORMATION	2012	2011	Var. % 12/11
Average number of employees	5,145	4,835	6.4%
Claims handled during the year (thousands)	6,373	6,213	2.6%
Persons assured at year end (million)	90.0	87.0	3.4%

GLOBAL BUSINESSES DIVISION

MAPFRE GLOBAL RISKS and its dependent companies

BOARD OF DIRECTORS		Steering Committee	Compliance Committee
CHAIRMAN AND CHIEF EXECUTIVE OFFICER	*Mr. Alfredo Castelo Marín*	Chairman	
VICE-CHAIRMAN	*Mr. Alfonso Rebuelta Badías*	Vice-Chairman	Chairman
MEMBERS	*Mr. Alfredo Arán Iglesia*		
	Mr. Rafael Casas Gutiérrez	Member	
	Mr. Pedro de Macedo Coutinho de Almeida	Member	
	Mr. Javier Fernández-Cid Plañiol	Member	
	Mr. Pedro López Solanes		
	Mr. Luigi Lubelli		
	Mr. Jesús Martínez Castellanos		
	Mr. Antonio Miguel-Romero de Olano		Member
	Mr. Matías Salvá Bennasar		Member
	Mr. Rafael Senén García		
SECRETARY	*Mr. Francisco Montiano Jorge*	Secretary	

Composition of governing body on the date of preparation of this annual report



Financial year 2012 has been the fourth year of operation MAPFRE GLOBAL RISKS which, during this time, has achieved:

— Good business development, mainly in Latin America and branches 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 accessed. The project has become clearly international in nature, with more than 60% of revenues coming from overseas markets.

— An adequate level of return, albeit marked by the volatility inherent to this type of business.

— The consolidation of the structure, brought into line with the project's considerable degree of development, giving us solid foundations to underpin our future performance. In this regard, it is worth mentioning the significant number of additions to the organization and the development in 2012 of project "Mejor@", designed to analyse the workforce and our principal operational processes in order to guarantee that, the business needs ensuing from the geographical expansion strategy and global scope of action, are met.

In 2012, an agreement was signed with the world leader EULER HERMES to set up a joint venture in which our subsidiary MAPFRE CAUCIÓN Y CRÉDITO is involved, so as to jointly develop credit insurance in the Spanish and Latin American markets. After the two partners conducted a complex and successful integration process in the second half of the year, the new entity began operations in January 2013 with favourable growth and profitability prospects.

In a market environment characterised by a deteriorated economic situation and prevailing uncertainty, MAPFRE GLOBAL RISKS has managed have a positive year, with profits as well as significant growth in premium volumes, thanks to the heightened activity of the international operations. From a profitability perspective, the recurring results point to significant growth with respect to the previous year, meaning that the business' historical return on investment remains at appropriate levels.

Main activities

New products

MAPFRE GLOBAL RISKS has been active in tailoring the types of cover it offers to the needs of its customers in the 45 markets in which it operates. It has added credit insurance to its product range, after obtaining administrative approval to operate in this new field.

Sales initiatives

Among the initiatives carried out during the year are the following:

— Opening of a new representative office in Italy.

— The offices in Germany, France and the UK have been turned into branches and reinforced to cope with the rising volume of business.

— Implementation of phase one of "Plan USA", to serve the interests of our customers in the United States.

Opening of MAPFRE GLOBAL RISKS' representative office on Mila (Italy)

— Launch of the "Global Business Office" for the commercial development of Motor, Life, Health and Assistance products.

— Participation in the international forums for risk managers of large multinational companies.

Technical management and customer services

The Company has carried on revising its underwriting policy, achieving a significant reduction in the volume of claims; improved and extended the structure of its reinsurance treaties to adapt them to the new businesses and markets to which it orients its offering; and has consolidated its catastrophic accumulation control system, reinforcing its management structure to further centralise its activities while adapting to the international business' development needs. The subsidiary ITSEMAP has been further integrated operationally, reorienting its activities towards providing risk surveying and claims management support services.

Information and technology systems

The year's efforts remained oriented towards evolving the reinsurance management module, adding new, more powerful functionalities; the definition and launching of an Integrated Communication Platform; and further improvements in the management information systems through developments in business intelligence tools.

International activities

Relevant events throughout the year include the excellent progress in underwriting operations with local customers and in the various international markets; the significant number of Latin American multinationals visiting MAPFRE GLOBAL RISKS' head offices on their "road shows" throughout Europe; and the continued growth of the offices in Cologne, London and Paris, which have now been joined by the new office in Milan.

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 CAUCION Y CRÉDITO has attained notable growth both on the Spanish market, where its market share has grown, and in its subsidiaries in Colombia and Mexico. The net combined ratio, hit hard by the high level of claims spurred by the economic crisis having worsened in Spain, did not perform well, preventing the company from reporting a profit as in the previous year, with the year ending with a loss, despite the excellent performance of the Latin American subsidiaries.

The financial terms of its policies have been adjusted and so too the risks to the new economic scenario; and has given its Regional Management Centres have been given more independence in terms of underwriting, so as to improve efficiency and provide closer customer care through further decentralization of decision-making.

The integration of the credit insurance business in the joint venture set up recently with EULER HERMES will not only allow us to increase the company's size, but also make significant improvements in our management tools that, coupled with the strength of our sales network, will prompt business growth with adequate levels of profitability.

Meeting of MAPFRE GLOBAL RISKS' Advisor Committee

ITSEMAP kept up its activity in Spain along with significant development of its overseas subsidiaries, and has gradually evolved towards a focus on 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 offered by its parent company.

Outlook

The growth prospects for the insurance sector in 2013 are still conditional upon the complicated international economic situation, especially in the Eurozone, the modest returns on investments and the regulatory changes, which pose a challenge for insurers. In the specific case of Non-Life, insurance firms will have to keep on coping with lower insurance demand, due to the lower level of business activity; tougher price competition in most lines of business; and the scant financial returns, as a consequence of low interest rates.

MAPFRE GLOBAL RISKS's solid market position means that it is prudently optimistic about the next few 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. Should these forecasts come true and claim experience stays at prudent levels, the Company is bound to report a better performance.

INCOME STATEMENT IFRS	2012	2011	Var. % 12/11
DIRECT INSURANCE AND ACCEPTED REINSURANCE			
Gross written and accepted premiums	**1,115.2**	**1,007.4**	**10.7%**
Gross earned premiums	1,092.2	951.1	14.8%
Claims (includes claims related expenses)	(499.6)	(616.3)	(18.9%)
Operating expenses and other technical expenses	(130.0)	(118.0)	10.2%
RESULT OF DIRECT INSURANCE AND ACCEPTED REINSURANCE	**462.6**	**216.9**	**113.3%**
CEDED AND RETROCEDED REINSURANCE			
Premiums and variation in unearned premium reserve	(800.0)	(667.8)	19.8%
Claims paid and variation in provision for claims	315.2	420.6	(25.1%)
Comissions and participation in reinsurance	57.0	52.3	8.8%
RESULT OF CEDED AND RETROCEDED REINSURANCE	**(427.9)**	**(194.8)**	**119.7%**
Other technical revenues and expenses	(14.5)	(11.4)	27.2%
LIFE AND NON-LIFE TECHNICAL RESULT	**20.3**	**10.7**	**88.9%**
Net income from investments	13.9	23.1	(39.7%)
Unrealised gains and losses on investments	0.0	0.0	
Other non-technical revenues and expenses	1.4	3.4	(58.1%)
Result of minority interests	(8.7)	1.8	--
LIFE AND NON-LIFE RESULT	**26.9**	**39.1**	**(31.1%)**
OTHER ACTIVITIES			
Operating revenues	4.8	5.9	(18.1%)
Operating expenses	(6.5)	(6.7)	(2.6%)
Net income from investments and other income	0.1	0.1	--
Result of minority interests	0.0	0.0	
RESULT OF OTHER ACTIVITIES	**(1.6)**	**(0.7)**	**121.8%**
RESULT BEFORE TAX AND MINORITIES	**25.3**	**38.3**	**(33.9%)**
Tax on profits	(9.7)	(11.2)	(14.1%)
Result after tax from ongoing operations	0.0	0.0	
RESULT AFTER TAX	**15.7**	**27.1**	**(42.2%)**
Attributable to minority shareholders	(0.0)	(0.1)	(95.7%)
RESULT AFTER TAX AND MINORITY SHAREHOLDERS	**15.7**	**27.0**	**(42.0%)**

MILLONES DE EUROS

NON-LIFE RATIOS	2012	2011
Claims ratio of direct insurance	63.1%	69.1%
Expense ratio of direct insurance	29.9%	27.1%
Combined ratio, net of reinsurance	93.0%	96.2%

GROSS WRITTEN AND ACCEPTED PREMIUMS	2012	2011	Var. % 12/11
Fire - Property damage	702.9	581.4	20.9%
Third party liability	73.2	67.2	9.0%
Engineering	48.6	74.3	(34.6%)
Transport	188.1	188.1	0.0%
Credit	86.8	77.4	12.0%
Surety	15.6	19.0	(17.5%)
TOTAL	**1,115.2**	**1,007.4**	**10.7%**

MILLION EUROS

BALANCE SHEET KEY FIGURES (IFRS)	2012	2011	Var. % 12/11
Investments and cash	934.8	852.7	9.6%
Total assets	2,758.7	2,838.8	(2.8%)
Shareholders equity	481.7	446.6	7.9%
ROE	6.5	12.8	(49.2%)

MILLION EUROS

SOLVENCY AND COVERAGE OF TECHNICAL RESERVES	2012	2011	Var. % 12/11
Technical reserves requiring coverage	1,880.2	1,925.4	(2.3%)
Excess of eligible assets over reserves	123.6	100.8	22.6%
Minimum solvency margin	94.5	86.0	9.9%
Solvency margin	413.6	397.8	4.0%

MILLION EUROS

OTHER INFORMATION	2012	2011	Var. % 12/11
Average number of employees	550	576	(4.5%)
Policies in force at year end (thousands)	7,985	8,509	(6.2%)
Claims handled during the year	53,877	52,710	2.2%
Speed of settlement of claims	56.5	62.7	(9.9%)

9
Proposed Resolutions

1. Approve the individual and consolidated Financial Statements for financial year 2012.

2. Approve the Board of Directors' management during financial year 2012.

3. Ratify the appointment of Mr. José Ignacio Goirigolzarri as Director, agreed by the Board of Directors on 26th July 2012 by co-optation to fill the vacancy resulting from the stepping down of Mr. Rodrigo de Rato y Figaredo, and elect him for a four-year period.

4. Ratify the appointment of Mr. Manuel Lagares Gómez-Abascal as Director, agreed by the Board of Directors on 26th July 2012 by co-optation to fill the vacancy resulting from the stepping down of Mr. José Antonio Moral Santín, and elect him for a four-year period.

5. Ratify the appointment of Mr. Esteban Pedrayes Larrauri as Director, agreed by the Board of Directors on 9th May 2012 by co-optation to fill the vacancy resulting from the stepping down of Mr. José Manuel Martínez Martínez, and elect him for a four-year period.

6. Appoint Ms. Adriana Casademont i Ruhí as Director for a four year period.

7. Appoint Mr. Rafael Casas Gutiérrez as Director for a four year period.

These proposed ratifications and 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.

8. Approve the distribution of earnings corresponding to financial year 2012 proposed by the Board of Directors, and accordingly distribute a total dividend of €0.11 gross per share to shares numbers 1 to 3,079,553,273, both inclusive. Part of this dividend, in the sum of €0.04 gross per share, was paid out following a resolution passed by the Board of Directors on 26th October 2012, and the rest, up to the agreed total of €0.07 gross per share, shall be paid on a date to be determined by the Board of Directors, within the period from 1st May to 30th June 2013.

9. Include a new article 33 bis in the Corporate Bylaws, which shall read as follows:

"Article 33 bis

The General Shareholders' Meeting may resolve the distribution of earnings, either against the year's results or against freely distributable reserves, or against the share premium, both totally or partially in kind, provided the assets or securities to be distributed are homogeneous and liquid enough or distributable, considering in any case that the latter case is applicable when referring to securities that are admitted or are going to be admitted to trading in a regulated market when the agreement comes into force or when the company provides adequate liquidity guarantees within a maximum period of one year.

The assets or securities cannot be distributed at a value below that recorded in the company's balance sheet.

The terms contained in the previous paragraph shall also be applicable to the return of contributions in the event of share capital reduction."

10. 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 10th March 2012.

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.

11. 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 in favour of or who 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.

12. Grant to the Board of Directors the necessary powers to issue bonds, securities or other type of fixed-income debentures (hereafter, the "Securities") according to the following terms and conditions:

— The Securities may consist in senior bonds or debentures, convertible into newly issued shares or exchangeable into issued stock of the Company, as well as into warrants or any other instruments that, directly or indirectly, may confer the right to subscribe or acquire shares of the Company, either newly issued or currently outstanding shares.

— Delegate the broadest powers to the Board of Directors to issue the Securities and set the features and conditions of each issuance, in particular, including but not limited to, the following:

- determine the face value, rate of issue, premiums and strike price, currency of the issue, form of representation, interest rate and redemption;

- establish anti-dilution provisions, subordination provisions; grant guarantees, of a real or a personal nature, of compliance with the obligations arising from the issuance; commission the granting of guarantees to third parties;

- establish a syndicate of noteholders, draw up its internal rules and appoint a commissioner thereto; establish, in the event that the issuance is convertible and exchangeable, that the issuer reserves the right to decide, at any moment, that the securities are converted or exchanged into newly issued shares, outstanding shares, or a combination of both.

- request the admission to trading of the Securities in all types of markets, regulated or not, national or foreign; resolve the exclusion, total or partial, of the pre-emptive subscription right of shareholders and holders of convertible bonds, warrants and any other similar debentures, when so required in the Company's interest;

- increase the share capital to the amount required to respond to the requests of conversion and/or exercise of the share subscription right to the extent that the amount of these increases, together with all other amounts agreed pursuant to the authorisation granted by the General Shareholders' Meeting of the Company, does not exceed half of the share capital; modify the article in the Corporate Bylaws referring to the share capital amount.

— In the event that convertible or exchangeable securities or debentures are issued, the following criteria shall be applied in order to determine the conversion and exchange bases and methods: the conversion or exchange relation shall be fixed, fixed-income securities shall be valued at face value and the shares at the fixed rate determined by the Board of Directors, or at a rate determined according to the quotation price in the Stock Exchange of the shares of the Company on the date(s) or in the period(s) taken as reference, which are established in the same resolution of the Board; in any case, the price of the shares shall not be below the highest between (i) the arithmetic average of the closing prices of the shares of the Company on the Spanish Continuous Market during the period determined by the Board of Directors, which shall not exceed three months or be less than fifteen days, prior to the date on which the meeting of the Board of Directors is held, at which the issuance of Securities is approved, and (ii) the closing price of the shares on the same Spanish Continuous Market the day prior to that on which the meeting of the Board of Directors is held, at which the issuance of Securities is approved by virtue of this delegation.

Within the limits established in the preceding paragraph, the broadest powers shall be conferred on the Board of Directors to develop and set the conversion and exchange bases and methods.

— The issuance shall be effected once or several times, at any moment, within a maximum period of five years as from the date of adoption of this resolution.

— The total maximum amount of the issuance that is agreed pursuant to this delegation shall be TWO THOUSAND MILLION euros or its equivalent in other currencies.

Likewise, the Board of Directors is authorised to delegate in favour of the Steering Committee, pursuant to article 249.2 of the Recast Spanish Companies Act, the powers conferred by virtue of this agreement.

13. 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 10th March 2012.

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.

14. 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

15. 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 2013, 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.

16. Confer the broadest powers on the Board of Directors so that, with regard to the preceding capital increase resolution and the issuance of bonds or debentures, convertible or not, or any other type of fixed-income securities 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.

17. 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.

18. Authorise the Board of Directors to clarify and interpret the preceding resolutions.

19. Thank those involved in the management of the company for their loyal co-operation during this financial year.

10
Acknowledgements and Special Mentions

Since the date of the previous annual report, 108 MAPFRE employees have concluded or are about to reach the end of their active working life, as well as the following senior managers:

Mr. Julián Janáriz Laheras, who joined MAPFRE in 1972 and successively or simultaneously held, among others, the positions of Motor insurance adjuster, Sales Manager, Provincial Director, Regional Office Manager, Director General of MAPFRE BALEAR, Director General of MAPFRE GUANARTEME, Member of the Board of Directors of MAPFRE in Venezuela, Chairman of the Canary Islands and Southeast Regional Committees, Member of the Board of Directors of MAPFRE COLOMBIA and Regional Director General of Madrid, the Balearics and Canary Islands.

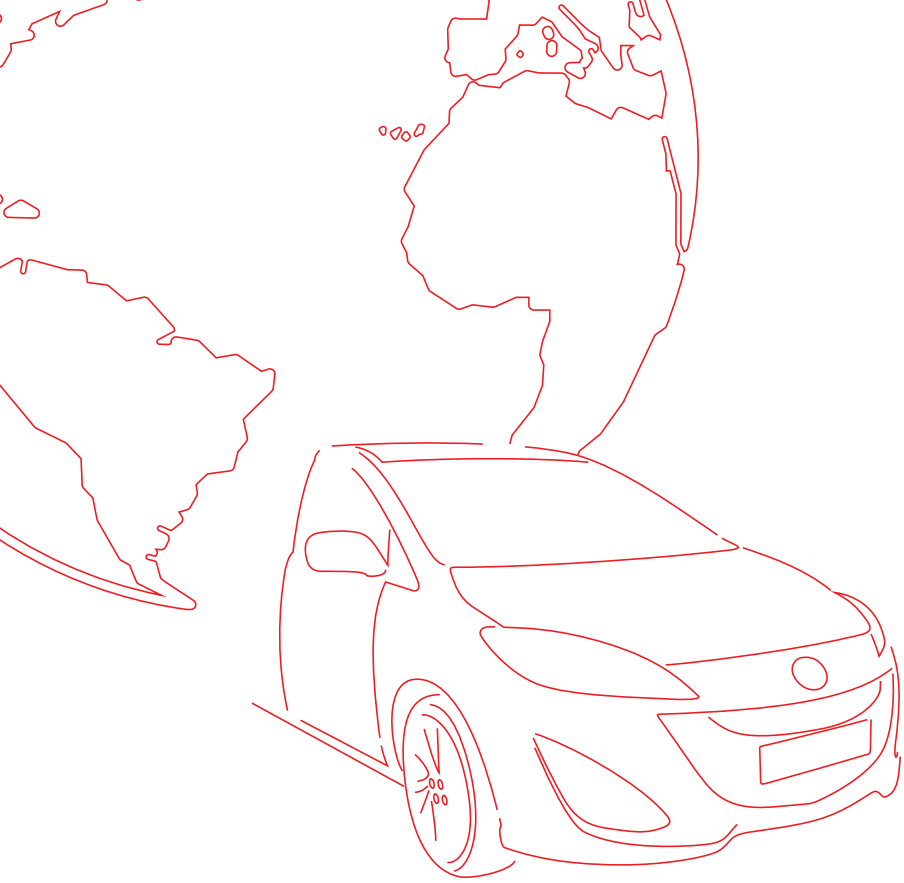
Finally, the following have ceased as board members of the regional areas: Mr. Carlos Bravo Bay (Balearics), Mr. Gerardo Hernández de Lugo (Canary Islands), Mr. Manuel López Pecero (Extremadura), Mr. Andrés Montiel Manjón (Andalucía), Mr. Juan Polanco Periñan (Andalucía) and Mr. Félix Rivas Anoro (Centre).

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, twelve employees have passed away, three in Spain (Ms. Amparo Usano Crespo, Mr. Alberto Castejón Grau and Mr. Jose María Pérez Macías) and 9 in other countries (Mr. León Romero Héctor Gerardo in Mexico; Ms. Luza Palomino José Waldemar in Peru; Ms. Dory Elisabeth Rodríguez, Ms. Yadibert Marioty Gualdron, Mr. Anselmo José Fonseca, Mr. Manuel José Sultán and Mr. Robinson José Rangel Sánchez in Venezuela; Mr. Marc Bussiere in the USA and Ms. María Marcela Meiriño in Argentina).

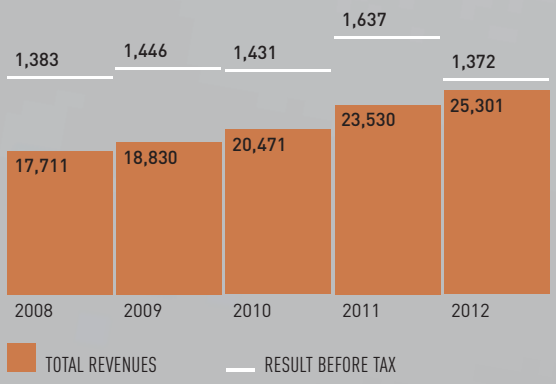
MAPFRE would like to take this opportunity to express its sincerest condolences to the relatives of the deceased.



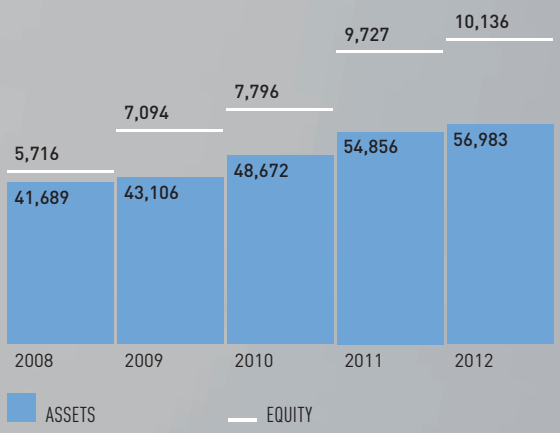
MAPFRE Group: key data

MAPFRE Group: key data

REVENUES AND RESULTS *million euros*



ASSETS AND EQUITY *million euros*



INCOME STATEMENT	2008	2009	2010	2011	2012
Total revenues	**17,711**	**18,830**	**20,471**	**23,530**	**25,301**
Written and accepted premiums	**14,305**	**15,607**	**16,973**	**19,600**	**21,580**
Non-life	10,891	11,900	12,768	14,473	15,479
Life	3,414	3,707	4,205	5,128	6,101
Result of the Non-life business	1,199	1,149	1,223	1,164	1,237
Result of the Life business	265	324	368	541	415
Result of Other business activities	(80)	(27)	(160)	(68)	(280)
Result before tax	**1,383**	**1,446**	**1,431**	**1,637**	**1,372**
Net result	**901**	**927**	**934**	**963**	**666**
Third party funds managed in Life assurance	23,293	24,131	28,119	29,312	31,035

FIGURES IN MILLION EUROS

MANAGEMENT RATIOS	2008	2009	2010	2011	2012
Non-life					
Loss ratio, net of reinsurance	68.8%	70.8%	70.6%	69.2%	67.4%
Expense ratio, net of reinsurance	25.1%	24.9%	25.2%	27.7%	28.0%
Combined ratio, net of reinsurance	93.9%	95.7%	95.8%	96.9%	95.4%
Life					
Net operating expenses / Reserves (MAPFRE VIDA)	0.92%	1.16%	1.07%	1.03%	1.09%
Return on equity	**19.5%**	**16.7%**	**14.7%**	**14.2%**	**9.0%**

BALANCE SHEET	2008	2009	2010	2011	2012
REAL ESTATE, INVESTMENTES AND CASH	**31,148**	**31,705**	**35,205**	**37,951**	**39,764**
Real estate (including property for own use)	1,849	1,914	2,469	2,503	2,414
Equities and mutual funds	1,468	1,083	1,528	2,085	1,874
Fixed income	24,206	25,772	26,696	29,264	31,239
Other investmentes (including unit linked)	2,210	2,075	3,015	2,845	3,219
Cash	1,415	861	1,497	1,254	1,018
TECHNICAL RESERVES	**28,857**	**29,767**	**33,462**	**36,451**	**37,976**
Unearned premium reserve	4,882	5,626	5,886	7,065	7,265
Life assurance reserves	16,195	16,455	17,933	18,623	19,906
Claims reserves	6,409	6,383	7,348	8,286	8,119
Other reserves (including unit linked)	1,371	1,303	2,295	2,477	2,686
TECHNICAL RESERVES	**5,716**	**7,094**	**7,796**	**9,727**	**10,136**
Unearned premium reserve	4,902	6,166	6,542	7,043	7,810
Life assurance reserves	814	928	1,254	2,684	2,326
CLAIMS RESERVES	**41,689**	**43,106**	**48,672**	**54,856**	**56,983**

FIGURES IN MILLION EUROS

MAPFRE Group: key data

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	2011	2012
BALANCE AS AT 1 JANUARY	**7,796**	**9,727**
Results and expenses recognised directly in equity		
From investments available for sale	(315)	984
From translation differences	(79)	(389)
From application of shadow accounting to Life reserves	168	(472)
Other revenus and expenses recognised in equity	0	(4)
TOTAL	(226)	119
Distribution of result for the year	1,220	963
Distribution of result of previous year	(295)	(411)
Interim dividend for current year	(216)	(187)
Other changes in equity	1,447	(74)
BALANCE AS AT 31 DECEMBER	**9,727**	**10,136**

FIGURES IN MILLION EUROS

BALANCE AS AT 31 DECEMBER	2008	2009	2010	2011	2012
Number of countries in which the Group is present	45	43	43	46	46
Total number of employees	34,603	35,225	36,744	34,390	35,586
Spain	16,838	17,153	16,680	11,046	10,773
Other countries	17,765	18,072	20,064	23,344	24,813
Number of branches	5,789	5,806	5,351	5,317	5,390
Spain	3,243	3,278	3,226	3,155	3,069
Americas - direct insurance	2,002	1,980	1,972	2,006	2,122
Other countries	544	548	153	156	199
Geographical breakdown of premiums					
Spain	55%	49%	41%	38%	33%
Americas - direct insurance	24%	26%	28%	33%	37%
Other countries	21%	25%	31%	29%	30%

MARKET SHARES	2008	2009	2010	2011	2012
Share of total premiums in Spain					
Motor	20.6%	20.1%	20.5%	21.0%	21.0%
Health	7.9%	8.1%	6.3%	6.1%	5.9%
Other Non-life	18.2%	17.2%	17.4%	17.1%	17.1%
Life	9.7%	9.0%	12.8%	11.0%	11.4%
Total	13.9%	13.0%	14.7%	13.7%	13.9%
Share of total Life assurance technical reserves in Spain	11.4%	10.7%	12.3%	11.8%	11.6%
Share of total Non-life premiums in Latin America	6.9%	7.9%	10.5%	10.1%	n.a.

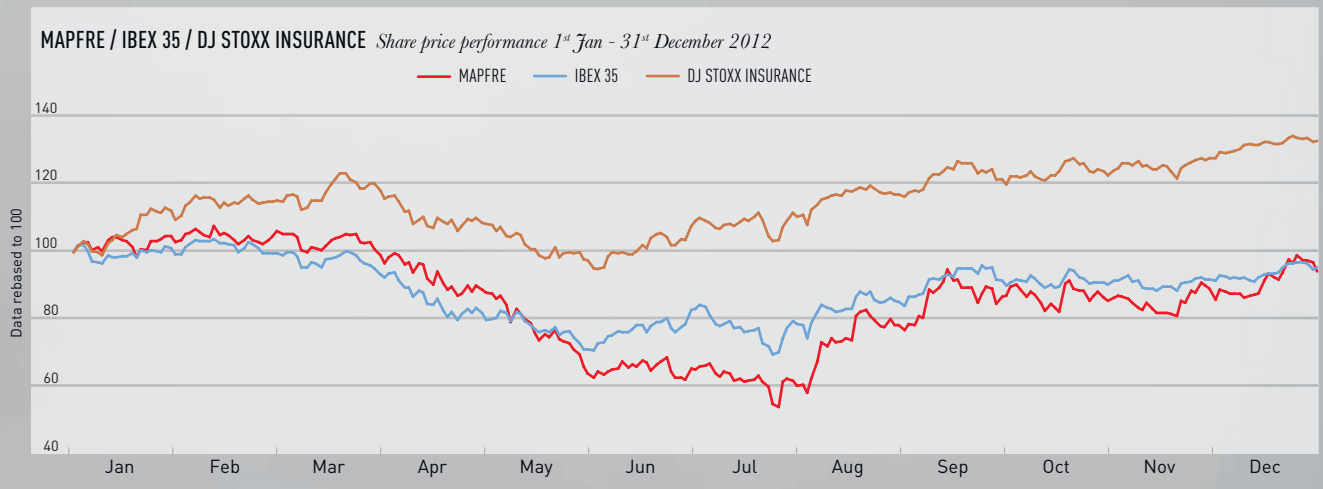
RATINGS	AGENCY	2011	2012
MAPFRE S.A. - Debt issuer rating	STANDARD & POOR´S	A	BBB-
Financial strength rating			
MAPFRE RE	STANDARD & POOR´S	AA-	BBB+
MAPFRE RE	AM BEST	A	A
MAPFRE GLOBAL RISKS	STANDARD & POOR´S	AA-	BBB+
MAPFRE GLOBAL RISKS	AM BEST	--	A
MAPFRE GLOBAL RISKS	MOODY´S	Aa3	Baa2
MAPFRE ASISTENCIA	MOODY´S	A 1	Baa2

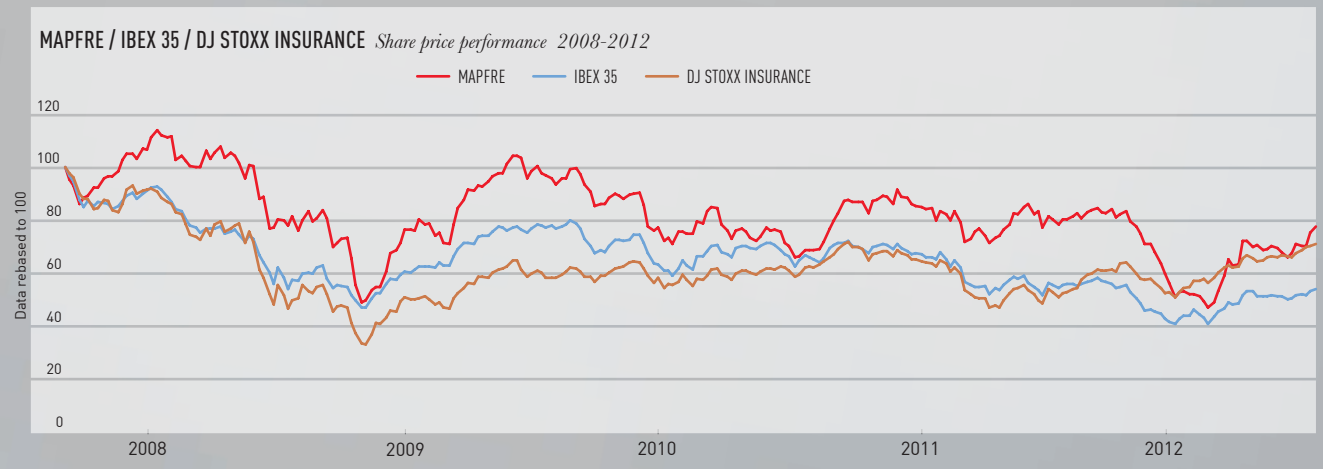
Share information

SHAREHOLDER STRUCTURE	2010		2011		2012	
	%	Number	%	Number	%	Number
CARTERA MAPFRE	64.4	1	64.6	1	64.7	1
Other MAPFRE entities	0.04	3	0.04	2	0.04	2
Investors holding 0.1% or more						
Spanish	15.9	6	15.1	2	15.4	3
Foreign	9.0	21	11.5	20	11.0	20
Investors holding less than 0.1%						
Spanish	8.4	380,259	7.2	336,165	7.8	300,508
Foreign	2.3	5,116	1.5	4,472	1.1	3,945
TOTAL	**100**	**385,406**	**100**	**340,662**	**100**	**304,479**

STOCK MARKET INFORMATION	2008	2009	2010	2011	2012
Market Capitalisation as at 31 December (million Euros)	6,587.6	8,554.8	6,259.3	7,560.3	7,129.2
Number of shares in issue*	2,744,832,287	2,922,709,779	3,012,154,351	3,079,553,273	3,079,553,273
PE Ratio	7.3	9.2	6.7	7.9	10.7
Adjusted earnings per share (Euros)*	0.33	0.33	0.31	0.32	0.22
Price / Book value	1.34	1.39	0.96	1.07	0.91
Dividend per share (Euros)*	0.14	0.15	0.15	0.15	0.12
Dividend yield (%)	4.7	6.3	6.3	5.9	6.1
Average daily number of traded shares*	9,234,024	6,933,551	7,796,816	9,581,223	9,459,267
Average traded daily value (million Euros)	27.48	16.66	18.67	24.48	18.51

(*) The increase in the number of shares is due to the capital increases carried out in 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	
	2010	2011	2012	11/10	12/11
SPAIN INSURANCE					
MAPFRE FAMILIAR	4,005	3,994	3,715	(0.3%)	(7.0%)
MAPFRE VIDA	2,717	3,198	3,078	17.7%	(3.8%)
MAPFRE EMPRESAS	683	667	715	(2.3%)	7.2%
TOTAL BUSINESS SPAIN	**7,405**	**7,859**	**7,508**	**6.1%**	**(4.5%)**
INTERNATIONAL DIRECT INSURANCE	**7,039**	**8,788**	**10,834**	**24.8%**	**23.3%**
MAPFRE AMÉRICA	5,156	6,874	8,649	33.3%	25.8%
MAPFRE INTERNACIONAL	1,884	1,914	2,185	1.6%	14.2%
GLOBAL BUSINESSES	**3,693**	**4,201**	**4,723**	**13.8%**	**12.4%**
MAPFRE RE	2,372	2,631	2,845	10.9%	8.1%
MAPFRE ASISTENCIA	411	563	764	37.0%	35.7%
MAPFRE GLOBAL RISKS	910	1,007	1,115	10.7%	10.7%
TOTAL ABROAD	**10,732**	**12,989**	**15,557**	**21.0%**	**19.8%**
TOTAL GROUP	**16,973**	**19,600**	**21,580**	**15.5%**	**10.1%**

TOTAL REVENUES	MILLION EUROS			% VARIATION	
	2010	2011	2012	11/10	12/11
DOMESTIC DIRECT INSURANCE	**9,483**	**10,020**	**9,591**	**5.7%**	**(4.3%)**
MAPFRE FAMILIAR	4,669	4,589	4,304	(1.7%)	(6.2%)
MAPFRE VIDA	4,021	4,664	4,480	16.0%	(4.0%)
MAPFRE EMPRESAS	794	767	808	(3.3%)	5.3%
OTHER ENTITIES	68	44	24	(35.6%)	(45.6%)
TOTAL BUSINESS SPAIN	**9,552**	**10,064**	**9,615**	**5.4%**	**(4.5%)**
INTERNATIONAL DIRECT INSURANCE	**7,834**	**10,026**	**12,018**	**28.0%**	**19.9%**
MAPFRE AMÉRICA	5,696	7,841	9,510	37.7%	21.3%
MAPFRE INTERNACIONAL	2,138	2,184	2,508	2.2%	14.8%
GLOBAL BUSINESSES	**4,414**	**4,859**	**5,374**	**10.1%**	**10.6%**
MAPFRE RE	2,825	3,046	3,248	7.8%	6.6%
MAPFRE ASISTENCIA	570	730	938	28.0%	28.5%
MAPFRE GLOBAL RISKS	1,019	1,083	1,188	6.3%	9.7%
TOTAL ABROAD	**12,248**	**14,884**	**17,392**	**21.5%**	**16.8%**
TOTAL GROUP	**20,471**	**23,530**	**25,301**	**14.9%**	**7.5%**

RESULT AFTER TAXES AND MINORITIES	MILLION EUROS			% VARIATION	
	2010	2011	2012	11/10	12/11
DOMESTIC DIRECT INSURANCE	**642.4**	**594.6**	**275.9**	**(7.4%)**	**(53.6%)**
MAPFRE FAMILIAR	412.8	371.3	144.2	(10.1%)	(61.2%)
MAPFRE VIDA	135.1	133.1	81.6	(1.5%)	(38.7%)
MAPFRE EMPRESAS	94.5	90.2	50.1	(4.6%)	(44.5%)
OTHER ENTITIES	**(79.3)**	**0.5**	**0.2**	--	**(53.8%)**
TOTAL BUSINESS SPAIN	**563.1**	**595.1**	**276.1**	**5.7%**	**(53.6%)**
INTERNATIONAL DIRECT INSURANCE	**317.6**	**390.7**	**319.6**	**23.0%**	**(18.2%)**
MAPFRE AMÉRICA	214.6	304.5	225.9	41.9%	(25.8%)
MAPFRE INTERNACIONAL	103.0	86.2	93.7	(16.3%)	8.7%
GLOBAL BUSINESSES	**166.3**	**131.4**	**133.8**	**(21.0%)**	**1.8%**
MAPFRE RE	124.2	78.6	87.1	(36.7%)	10.8%
MAPFRE ASISTENCIA	20.6	25.8	31.0	25.2%	20.2%
MAPFRE GLOBAL RISKS	21.5	27.0	15.7	25.6%	(41.9%)
TOTAL ABROAD	**483.9**	**522.1**	**453.4**	**7.9%**	**(13.2%)**
MAPFRE, SA	**933.5**	**963.0**	**665.7**	**3.2%**	**(30.9%)**

Operating units & businesses: other information

EQUITY	MILLION EUROS 2010	2011	2012	% VARIATION 11/10	12/11
SPAIN INSURANCE					
MAPFRE FAMILIAR	1,407.9	1,405.5	1,502.6	(0.2%)	6.9%
MAPFRE VIDA	1,228.6	1,612.0	1,670.9	31.2%	3.6%
MAPFRE EMPRESAS	249.2	259.8	306.2	4.3%	17.8%
INTERNATIONAL INSURANCE					
MAPFRE AMÉRICA	1,740.9	3,945.8	3,874.0	126.7%	(1.8%)
MAPFRE INTERNACIONAL	2,306.3	2,439.4	2,473.4	5.8%	1.4%
GLOBAL BUSINESSES					
MAPFRE RE	848.4	847.7	968.6	(0.1%)	14.3%
MAPFRE ASISTENCIA	159.7	179.9	215.7	12.7%	19.9%
MAPFRE GLOBAL RISKS	422.6	223.0	258.1	(47.2%)	15.7%
TOTAL GROUP	**7,795.8**	**9,726.6**	**10,136.3**	**24.8%**	**4.2%**

MANAGEMENT RATIOS	COMBINED RATIO NET OF REINSURANCE 2010	2011	2012
Non-life			
SPAIN INSURANCE			
MAPFRE FAMILIAR	91.4%	90.7%	92.4%
MAPFRE EMPRESAS	86.8%	83.7%	82.6%
INTERNATIONAL INSURANCE			
MAPFRE AMÉRICA	101.3%	100.8%	97.7%
MAPFRE INTERNACIONAL	100.5%	106.2%	101.5%
GLOBAL BUSINESSES			
MAPFRE RE	95.7%	100.6%	97.0%
MAPFRE ASISTENCIA	91.6%	91.6%	93.1%
MAPFRE GLOBAL RISKS	106.1%	96.2%	93.0%
MAPFRE	**95.8%**	**96.9%**	**95.4%**
Life			
LIFE ASSURANCE OP. UNIT [1]	**1.07%**	**1.03%**	**1.09%**

(1) Ratio of expenses to funds under management

ROE	2010	2011	2012
SPAIN INSURANCE			
MAPFRE FAMILIAR	30.7%	27.4%	10.5%
MAPFRE VIDA	16.2%	14.1%	7.1%
MAPFRE EMPRESAS	32.9%	35.4%	17.7%
INTERNATIONAL INSURANCE			
MAPFRE AMÉRICA	14.4%	16.8%	10.4%
MAPFRE INTERNACIONAL	4.8%	3.7%	4.0%
GLOBAL BUSINESSES			
MAPFRE RE	14.7%	9.3%	9.6%
MAPFRE ASISTENCIA	14.2%	15.5%	16.0%
MAPFRE GLOBAL RISKS	5.3%	12.8%	6.5%
MAPFRE	**14.7%**	**14.2%**	**9.0%**

AVERAGE NUMBER OF EMPLOYEES	2010	2011	2012	% VARIATION 11/10	12/11
SPAIN INSURANCE					
MAPFRE FAMILIAR	8,149	8,096	9,245	(0.7%)	14.2%
MAPFRE VIDA	851	872	878	2.5%	0.7%
MAPFRE EMPRESAS	855	568	576	(33.6%)	1.4%
INTERNATIONAL INSURANCE					
MAPFRE AMÉRICA	11,705	13,310	15,302	13.7%	15.0%
MAPFRE INTERNACIONAL	3,398	3,757	3,798	10.6%	1.1%
GLOBAL BUSINESSES					
MAPFRE RE	283	290	307	2.5%	5.9%
MAPFRE ASISTENCIA	4,361	4,835	5,145	10.9%	6.4%
MAPFRE GLOBAL RISKS[1]	610	576	550	(5.6%)	(4.5%)
TOTAL GROUP	**35,704**	**32,798**	**34,942**	**(8.1%)**	**6.5%**

(1) In 2009 MAPFRE EMPRESAS includes MAPFRE GLOBAL RISKS

MAPFRE Group key data. Historical evolution

YEAR	Revenues	Managed assets	Result before tax	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
2012	25,301	64,632	1,372	35,586

FIGURES IN MILLION EUROS, EXCEPT EMPLOYEES

Evolution of direct insurance in Spain[1]

	GROSS WRITTEN PREMIUMS		CLAIMS[2]			
YEAR	Amount	Variation (%)	Number	Value	Market Share (%)	Employees
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	13.71	9,844
2012	7,956,307	(4)	19,354,073	7,542,592	13.87	9,721

THOUSANDS EUROS

[1] Figures for gross written premiums and claims inluclude 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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